CB Richard Ellis RealtyTrust

PROSPECTUS

$3,000,000,000

CB RICHARD ELLIS REALTY TRUST

Common Shares of Beneficial Interest

CB Richard Ellis Realty Trust is a Maryland real estate investment trust that invests in real estate, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties. We have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes.

We are offering up to $3,000,000,000 in common shares of beneficial interest, 90% of which is offered at a price of $10.00 per share, and 10% of which is offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by CBRE Advisors LLC, the Investment Advisor, or another firm we choose for that purpose. We reserve the right to reallocate the shares between the primary offering and our dividend reinvestment plan. As of March 31, 2011, we had 173,811,832 common shares issued and outstanding held by a total of 42,404 shareholders.

This is a best efforts offering, which means CNL Securities Corp., the Dealer Manager, will use its best efforts but is not required to sell any specific amount of shares. This is a continuous offering that will end no later than January 30, 2012, unless extended. You must initially purchase at least $5,000 of common shares. Following an initial subscription for at least the required minimum investment, any investor may make additional purchases of one share. We have not made any arrangements to place funds raised in this offering in escrow.

To assist us in maintaining our qualification as a REIT, our declaration of trust prohibits, with certain exceptions, direct or constructive ownership by any person of more than 3.0% by number or value, whichever is more restrictive, of our outstanding common shares or more than 3.0% by number or value, whichever is more restrictive, of our outstanding shares. Our board of trustees, in its sole discretion, may exempt a person from the share ownership limit.

This investment involves a high degree of risk. You should purchase these securities only if you can afford a complete loss of your investment. You should read the complete discussion of the risk factors beginning on page 15 of this prospectus.

- You must rely entirely upon the ability of the Investment Advisor with respect to the selection and timing of investments in and the management of unspecified assets, and you will not have an opportunity to evaluate for yourself the relevant economic, financial and other information regarding the assets in which the proceeds of our public offerings will be invested.
- We are conducting a "best efforts" offering and if we are unable to raise substantial funds, we may have substantial limitations on our ability to maintain a diversified portfolio of assets.
- Although we have adopted a policy to limit our aggregate borrowing to no more than 65% of the cost of our assets, our organizational documents limit our aggregate borrowing to no more than 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report. If we become more highly leveraged, then the resulting increase in debt service could adversely affect our ability to make payments on outstanding indebtedness and to pay our anticipated distributions and/or the distributions required to qualify as a REIT, and could harm our financial condition.
- There are potential conflicts of interest in our relationship with the Investment Advisor and its affiliates, including CB Richard Ellis Investors, L.L.C., or CBRE Investors, our sponsor, including that our advisory agreement was negotiated between related parties and we did not have the benefit of arm's length negotiations of the type normally conducted with an unaffiliated third party; the Investment Advisor and its affiliates may engage in investment activities that may compete with ours; and certain advisory fees paid to the Investment Advisor and its affiliates are not tied to the performance of our portfolio. One of our trustees also serves as the Global Chief Operating Officer of CBRE Investors. Our Chief Financial Officer serves as a Managing Director of the Investment Advisor, as the Executive Managing Director and Global Head of Investment Reporting of CBRE Investors and as a member of the investment committee of a strategic partnership in which we are a limited partner. Our Chairman, President and Chief Executive Officer serves as the President and Chief Executive Officer of the Investment Advisor and also serves as an Executive Managing Director of CBRE Investors. Our Chief Operating Officer and Executive Vice President serves as the Director of Operations of the Investment Advisor and as a Managing Director of CBRE Investors. Our Chairman, President and Chief Executive Officer and our Chief Financial Officer directly hold an aggregate of approximately a 12.9% economic interest in the Investment Advisor. The Investment Advisor is a party to a sub-advisory agreement with an affiliate of the Dealer Manager.
- We pay substantial fees and expenses to the Investment Advisor, its affiliates and the Dealer Manager and its affiliates, which payments increase the risk that you will not earn a profit on your investment.
- No public market currently exists for our common shares. If you are able to sell your shares, you would likely have to sell them at a substantial discount. In addition, eligible shareholders may request that we redeem all or a portion of their shares pursuant to our share redemption program as outlined in this prospectus. However, in the event that an eligible shareholder presents fewer than all of his or her shares to us for redemption, such shareholder must present at least 25% of his or her shares to us for redemption and must retain at least $5,000 of common shares if any shares are held after such redemption.
- Investors who purchase common shares in this offering will incur, if calculated as of December 31, 2010, an immediate dilution of up to approximately $(1.89), or (18.86)%, in the net tangible book value per share of our common shares from the price paid in this offering. Investors purchasing common shares in this offering may experience further dilution if we issue additional equity.
- If we fail to qualify as a REIT in any taxable year, our operations and ability to make distributions will be adversely affected because we will be subject to U.S. federal income tax on our net taxable income at regular corporate rates with no ability to deduct distributions made to our shareholders.

	Price to Public(1)	Commissions(1)(2)	Proceeds to us, before expenses(1)
Primary Offering Per Share	$ 10.00	$ 1.00	$ 9.00
Total Primary Offering Amount	$2,700,000,000	$270,000,000	$2,430,000,000
Dividend Reinvestment Plan Offering Per Share	$ 9.50	$ —	$ 9.50
Total Dividend Reinvestment Plan Offering Amount	$ 300,000,000	$ —	$ 300,000,000
Total Offering Amount	$3,000,000,000	$270,000,000	$2,730,000,000

(1) Assumes we sell $2,700,000,000 in the primary offering and $300,000,000 pursuant to our dividend reinvestment plan.

(2) Includes up to a 7.0% selling commission, a 2.0% dealer manager fee and a 1.0% marketing support fee, none of which will be paid for shares issued pursuant to our dividend reinvestment plan.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common shares, determined if this prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense.

The use of forecasts in this offering is prohibited. Any representations to the contrary and any predictions, written or oral, as to the amount or certainty of any present or future cash benefit or tax consequence which may flow from an investment in this program is not permitted.

The date of this prospectus is May 2, 2011.

SUITABILITY STANDARDS

An investment in our company involves significant risk and is only suitable for persons who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity from their investment. In consideration of these factors, we have established suitability standards for investors in this offering and subsequent purchasers of our shares. These suitability standards require that a purchaser of shares have, excluding the value of a purchaser's home, furnishings and automobiles, either:

- a net worth of at least $250,000; or
- a gross annual income of at least $70,000 and a net worth of at least $70,000.

In addition, we will not sell shares to investors in the states named below unless they meet special suitability standards:

Alabama, Iowa, Kentucky, Michigan, Missouri, Ohio, Oregon and Pennsylvania—In addition to our suitability requirements, you may invest no more than 10% of your net worth (not including home, furnishings and personal automobiles) in our shares.

Kansas and Massachusetts—In addition to our suitability requirements, it is recommended that you limit your aggregate investment in our shares and other non-exchange-traded REITs to not more than 10% of your liquid net worth. For this purpose, "liquid net worth" is that portion of net worth (total assets minus total liabilities) that is comprised of cash, cash equivalents and readily marketable securities.

For purposes of determining suitability of an investor, net worth in all cases should be calculated excluding the value of an investor's home, furnishings and automobiles. In the case of sales to fiduciary accounts, these suitability standards must be met by the fiduciary account, by the person who directly or indirectly supplied the funds for the purchase of the shares if such person is the fiduciary or by the beneficiary of the account.

Those selling shares on our behalf must make every reasonable effort to determine that the purchase of shares in this offering is a suitable and appropriate investment for each shareholder based on information provided by the shareholder regarding the shareholder's financial situation and investment objectives.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a continuous offering process. Periodically, as we make material investments or have other material developments, we will provide a prospectus supplement that may add, update or change information contained in this prospectus. Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a subsequent prospectus supplement. The registration statement we filed with the Securities and Exchange Commission includes exhibits that provide more detailed descriptions of the matters discussed in this prospectus. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any agreement or other document are not necessarily complete. If the Securities and Exchange Commission's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters. You should read this prospectus, including the information incorporated by reference, and the related exhibits filed with the Securities and Exchange Commission and any prospectus supplement, together with additional information described below under "Where You Can Find More Information."

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SUMMARY

The following summary highlights the key aspects of this offering. Because this is a summary, it may not contain all of the information that you should consider. You should read carefully the more detailed information appearing elsewhere in this prospectus, including the information in "Risk Factors." Unless the context otherwise requires or indicates, references in this prospectus to "CBRE REIT," "we," "our" and "us" refer to the activities of and the assets and liabilities of the business and operations of CB Richard Ellis Realty Trust and its subsidiaries.

Q: What is a Real Estate Investment Trust?

A: In general, a real estate investment trust, or REIT, is an entity that:

- combines the capital of many investors to acquire or provide financing for real properties;
- enables individual investors to invest in a professionally managed portfolio of real estate assets; and
- provided certain U.S. federal income tax requirements are satisfied, avoids the "double taxation" (at the corporate and shareholder level) of income that generally results from investments in a corporation because a REIT is generally not subject to U.S. federal corporate income taxes on that portion of its net income distributed to shareholders.

Q: Who is CB Richard Ellis Realty Trust?

A: CB Richard Ellis Realty Trust is a Maryland real estate investment trust that invests in real estate, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties. We are an externally managed REIT, and have retained CBRE Advisors LLC as our investment advisor. We have elected to be taxed as a REIT for U.S. federal income tax purposes.

We commenced operations in July 2004, following an initial private placement of our common shares of beneficial interest. We raised aggregate net proceeds (after commissions and expenses) of approximately $55,500,000 from July 2004 to October 2004 in private placements of our common shares. On October 24, 2006, we commenced an initial public offering of up to $2,000,000,000 in our common shares. Our initial public offering was terminated effective as of the close of business on January 29, 2009. As of the close of business on January 29, 2009, we had sold a total of 60,808,967 common shares in the initial public offering, including 1,487,943 common shares which were issued pursuant to our dividend reinvestment plan, and received $607,345,702 in gross proceeds. Our registration statement on Form S-11 relating to this public offering was declared effective by the Securities and Exchange Commission, or the SEC, on January 30, 2009. From January 30, 2009 through March 31, 2011, we had accepted subscriptions from 28,913 investors and we had received gross offering proceeds of approximately $1,108,455,774 from the sale of 111,137,409 shares including 5,836,636 common shares issued pursuant to our dividend reinvestment plan. As of March 31, 2011, approximately $1,891,544,226 in common shares were available to be offered and sold in this offering. As of March 31, 2011, 173,811,832 common shares were issued and outstanding.

As of December 31, 2010, we owned, on a consolidated basis, 73 office, industrial (primarily warehouse/distribution) and retail properties located in 15 states (Arizona, California, Florida, Georgia, Illinois, Kentucky, Massachusetts, Minnesota, New Jersey, North Carolina, Ohio, South Carolina, Texas, Utah and Virginia) and in the United Kingdom. In addition, we have ownership interests in five unconsolidated entities that, as of December 31, 2010, owned interests in 38 properties. Excluding those properties owned through our investment in CB Richard Ellis Strategic Partners Asia II, L.P., or CBRE Strategic Partners Asia, we owned, on an unconsolidated basis, 30 industrial, office and retail properties located in eight states (Arizona, Florida, Indiana, Missouri, North Carolina, Ohio, Tennessee and Texas) and in the United Kingdom and Europe.

Our principal offices are located at 47 Hulfish Street, Suite 210, Princeton, New Jersey 08542. We also have offices located at 515 South Flower Street, Suite 3100, Los Angeles, California 90071. Our internet address is *www.cbrerealtytrust.com*. The information found on, or otherwise accessible through, our website is not incorporated information and does not form a part of this prospectus or any other report or document we file with or furnish to the SEC.

Q: Who is CB Richard Ellis Investors, L.L.C.?

A: CB Richard Ellis Investors, L.L.C., or CBRE Investors, is our sponsor and who we consider to be our promoter. Jack A. Cuneo, Executive Managing Director of CBRE Investors, is our President and Chief Executive Officer and the Chairman of our board of trustees, Laurie E. Romanak, Head of Investor Reporting of CBRE Investors, is our Senior Vice President, Chief Financial Officer and Secretary and Philip L. Kianka, Managing Director of CBRE Investors, is our Executive Vice President and Chief Operating Officer. CBRE Investors and its investment management affiliates provide investment management services to clients/partners that include pension plans, investment funds and other organizations seeking to generate returns and diversification through investment in real estate. It sponsors funds and investment programs that span the risk/return spectrum across three continents: North America, Europe and Asia. CBRE Investors' employees now total approximately 406 in 20 offices, including 14 overseas offices in Amsterdam, Beijing, Brussels, Dubai, Frankfurt, Hong Kong, London, Luxembourg, Milan, Paris, Shanghai, Singapore, Sydney and Tokyo. CBRE Investors was founded in 1972, is an indirect wholly-owned subsidiary of CB Richard Ellis Group, Inc. and is a registered investment advisor with the Securities and Exchange Commission.

Q: Who is CB Richard Ellis Group, Inc.?

A: CB Richard Ellis Group, Inc. (NYSE: CBG), or CB Richard Ellis, is the largest global commercial real estate services firm, based on 2010 revenue, offering a full range of services to owners, lenders, tenants and investors in office, industrial, retail, multi-family and other commercial real estate. As of December 31, 2010, excluding affiliate offices, CB Richard Ellis operated in over 300 offices worldwide with approximately 31,000 employees. CB Richard Ellis' business is focused on several service competencies, including tenant representation, property/agency leasing, property sales, commercial property and corporate facilities management, valuation, real estate investment management, development services, commercial mortgage origination and servicing, capital markets (equity and debt) solutions and proprietary research.

Q: What is the experience of our trustees and management team?

A: Our trustees and senior management team have extensive expertise in commercial real estate investment, operation, and finance. Our trustees and members of our senior management team have on average in excess of 25 years of commercial real estate experience drawn from a wide range of disciplines. We believe that the broad experience of our executive officers and trustees enables us to generate investment opportunities consistent with our investment objectives. See "Management of the Company—Our Executive Officers and Trustees" and "The Investment Advisor."

Q: Who is CBRE Advisors LLC?

A: CBRE Advisors LLC is our investment advisor. CBRE Advisors LLC, which we refer to as the Investment Advisor in this prospectus, was organized as a Delaware limited liability company in June 2004 and commenced operations in July 2004. The Investment Advisor is responsible for managing our affairs on a day-to-day basis and for identifying and making acquisitions on our behalf. We benefit from the investment expertise and experience of the Investment Advisor, which is an affiliate of CBRE Investors. We are affiliated with the Investment Advisor as, Jack A. Cuneo, our Chairman, President and Chief Executive Officer, Laurie E. Romanak, our Senior Vice President, Chief Financial Officer and Secretary, and Philip L. Kianka, our Chief Operating Officer and Executive Vice President, serve as officers of the Investment Advisor. The Investment Advisor receives advisory services relating to real estate acquisitions, property management and communications with existing investors and, in addition, receives marketing and other operational services from CNL Fund Management Company, which we refer to as the Sub-Advisor in this prospectus, pursuant to a sub-advisory agreement. The Sub-Advisor is a wholly-owned subsidiary of CNL Financial Group, Inc. The Dealer Manager is a wholly-owned subsidiary of CNL Capital Markets Corp. For advisory services relating to real estate acquisitions, property management and communications with existing investors, the Investment Advisor compensates the Sub-Advisor through certain investment management and acquisition fees, which are in an amount equal to approximately 14% to 19%, respectively, of such fees the Investment Advisor receives from us. The Sub-Advisor may also provide certain marketing and operational services to the Investment Advisor, for which it is entitled to receive fees, and the Sub-Advisor is also entitled to reimbursement by the Investment Advisor for certain expenses it incurs. The Investment Advisor retains ultimate responsibility for the performance of all of the matters entrusted to it under the advisory agreement.

Q: Who is CBRE Operating Partnership, L.P.?

A: CBRE Operating Partnership, L.P., or CBRE OP, was formed in March 2004 to acquire, own and operate properties on our behalf. We are considered to be an umbrella partnership real estate investment trust, or an "UPREIT," as all of our assets are owned in a partnership, CBRE OP, of which we are the sole general partner. This structure allows us to acquire real property through the issuance of CBRE OP interests to sellers who desire to defer taxable gain otherwise required to be recognized by them upon a disposition of their properties. We have made, and intend to make in the future, all acquisitions of real properties through CBRE OP.

Q: What are our investment objectives?

A: Our investment objectives are:

- to maximize cash dividends paid to you;
- to preserve and protect your capital contribution;

- to realize growth in the value of our assets upon the sale of such assets; and
- to provide you with the potential for future liquidity by (i) listing our shares on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market or (ii) if a listing has not occurred on or before December 31, 2011 our board of trustees must consider (but is not required to commence) an orderly liquidation of our assets.

We may only change these investment objectives with the approval of our shareholders holding a majority of our outstanding shares.

Q: Are there any risks involved in an investment in our shares?

A: Yes, an investment in our shares involves material risks. Each prospective purchaser of our shares should consider carefully the matters discussed below and under "Risk Factors" beginning on page 15 before investing in our shares.

- You must rely entirely upon the ability of the Investment Advisor with respect to the selection and timing of investments in and the management of unspecified assets, and you will not have an opportunity to evaluate for yourself the relevant economic, financial and other information regarding the assets in which the proceeds of our public offerings will be invested.
- We are dependent on the Investment Advisor and may not find a suitable replacement if the advisory agreement is terminated, in which case we may not be able to operate our business.
- We are conducting a "best efforts" offering and if we are unable to raise substantial funds, we may have substantial limitations on our ability to maintain a diverse portfolio of assets.
- Although we have adopted a policy to limit our aggregate borrowing to no more than 65% of the cost of our assets, our organizational documents limit our aggregate borrowing to no more than 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report. If we become more highly leveraged, then the resulting increase in debt service could adversely affect our ability to make payments on outstanding indebtedness and to pay our anticipated distributions and/or the distributions required to qualify as a REIT, and could harm our financial condition.
- There are potential conflicts of interest in our relationship with the Investment Advisor and its affiliates, including CBRE Investors, including that our advisory agreement was negotiated between related parties and we did not have the benefit of arm's length negotiations of the type normally conducted with an unaffiliated third party; the Investment Advisor and its affiliates may engage in investment activities that may compete with ours; and certain advisory fees paid to the Investment Advisor and its affiliates are not tied to the performance of our portfolio. One of our trustees also serves as the Global Chief Operating Officer of CBRE Investors. Our Chief Financial Officer serves as a Managing Director of the Investment Advisor, as the Executive Managing Director and Global Head of Investment Reporting of CBRE Investors and as a member of the investment committee of a strategic partnership in which we are a limited partner. Our Chairman, President and Chief Executive Officer serves as the President and Chief Executive Officer of the Investment Advisor and also serves as an Executive Managing Director of CBRE Investors. Our Chief Operating Officer and Executive Vice President serves as the Director of Operations of the Investment Advisor and as a Managing Director of CBRE Investors. Our Chairman, President and Chief Executive Officer and our Chief Financial Officer directly hold an aggregate of approximately a 12.9% economic interest in the Investment Advisor. The Investment Advisor is a party to a sub-advisory agreement with the Sub-Advisor, which is an affiliate of the Dealer Manager.
- We pay substantial fees and expenses to the Investment Advisor, its affiliates and the Dealer Manager and its affiliates, which payments increase the risk that you will not earn a profit on your investment.
- No public market currently exists for our common shares. If you are able to sell your shares, you would likely have to sell them at a substantial discount. In addition, eligible shareholders may request that we redeem all or a portion of their shares pursuant to our share redemption program as outlined in this prospectus. However, in the event that an eligible shareholder presents fewer than all of his or her shares to us for redemption, such shareholder must present at least 25% of his or her shares to us for redemption and must retain at least $5,000 of common shares if any shares are held after such redemption.
- This investment involves a high degree of risk. You should purchase these securities only if you can afford a complete loss of your investment.
- Investors who purchase common shares in this offering will incur, if calculated as of December 31, 2010, an immediate dilution of up to approximately $(1.89), or (18.86)%, in the net tangible book value per share of our common shares from the price paid in this offering. Investors purchasing common shares in this offering may experience further dilution if we issue additional equity.

- We may be unable to pay or maintain cash distributions or increase distributions over time.
- Our board of trustees may change our investment policies without shareholder approval, which could alter the nature of investors' investments.
- If we fail to qualify as a REIT in any taxable year, our operations and ability to make distributions will be adversely affected because we will be subject to U.S. federal income tax on our taxable income at regular corporate rates with no deductions for distributions made to our shareholders.
- If the Investment Advisor loses or is unable to obtain key personnel, our ability to implement our investment strategies could be delayed or hindered.
- Real estate investments are long-term illiquid investments and may be difficult to sell in response to changing economic conditions.
- REIT distribution requirements could adversely affect our liquidity.
- Dislocations or volatility in the capital and credit markets could adversely affect us.
- Ownership limitations and transfer restrictions on our common shares may restrict liquidity of the common shares.
- Dividends payable by REITs generally do not qualify for reduced U.S. federal individual income tax rates.

Q: What are our business strengths?

A: We believe that our relationship with the Investment Advisor and its affiliates provides us with several key business strengths:

- ***CB Richard Ellis Global Platform***. Our relationship with the CB Richard Ellis organization harnesses its global resources in research, market intelligence, investment sourcing, financing, leasing and property management services for our benefit. Strong local market intelligence sourced from the network allows us to make more informed investment decisions, and provides access to a greater variety of investment opportunities.
- ***CBRE Investors Global Investment Management Network***. The Investment Advisor benefits from its access to our sponsor's extensive global investment management network. CBRE Investors and its global affiliates provide global investment management services to an array of national and international clients/partners that include pension plans, investment funds and other organizations. CBRE Investors sponsors a variety of investment programs that span the risk-return spectrum across three continents: North America, Europe and Asia.
- ***Proven Investment Team.*** The Investment Advisor benefits from a team of experienced real estate professionals. The senior officers of the Investment Advisor have significant experience in the real estate industry, including extensive acquisition, disposition and financing experience. Before its experience in managing us, the Investment Advisor had not managed a REIT.
- ***Disciplined Research-Based Investment Process***. The Investment Advisor uses a disciplined process in making investment decisions, based primarily on the extensive resources of CBRE Investors' dedicated research department of several professionals led by Douglas J. Herzbrun. Other key resources include local market intelligence from the CB Richard Ellis network and analysis from its real estate market research affiliate, CBRE Econometric Advisors, formerly Torto Wheaton Research, as well as the Investment Advisor's network of industry contacts.
- ***Investment Sourcing***. The scope of the CB Richard Ellis network includes established relationships with sellers, developers and real estate brokers across all major markets in the United States, providing a broad pipeline of investment opportunities. In particular, we believe that we can access "off-market" opportunities identified by the network which are not being generally marketed for sale. In addition, the Investment Advisor and our management team have extensive resources and contacts outside of the CB Richard Ellis network which we expect to provide additional investment opportunities.
- ***Proven Acquisitions Experience and Transaction Underwriting Experience***. CBRE Investors personnel are constantly sourcing, evaluating, underwriting and closing real estate investments, primarily on behalf of third party investors.
- ***Proactive Asset Management***. The Investment Advisor uses CBRE Investors' proactive asset management approach to operate our assets, manage continuing capital investments, evaluate whether to hold or sell assets and coordinate the resources of the CB Richard Ellis platform and other service providers to improve asset performance.

Q: Why should you invest in real estate?

A: Allocating some portion of your investment portfolio may provide you with a hedge against unanticipated inflation, portfolio diversification, lower volatility and attractive risk-adjusted returns. As a result, real estate has become a major asset class for asset allocations in investment portfolios.

Q: In what types of real property will we invest the proceeds of this offering?

A: We generally will seek to use the offering proceeds available for investment after the payment of fees and expenses to acquire real estate properties, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties. The number and aggregate purchase price of properties we acquire in each asset class will depend upon real estate and market conditions and other circumstances existing at the time we acquire assets. Our investment policies provide that we may not invest more than 20% of our total assets in any single investment. We intend to invest primarily in properties located in geographically-diverse major metropolitan areas in the United States. In addition, we currently intend to invest up to 30% of our total assets in properties outside of the United States. Our international investments may be in markets in which CBRE Investors has existing operations or previous investment experience, or may be in partnership with other entities that have significant local-market expertise. We expect that our international investments will focus on properties typically located in significant business districts and suburban markets. We are not limited in the amount that we may invest in any type of real estate investment consistent with our investment objectives.

Q: Why do we invest in global real estate assets?

A: We believe that the global real estate market has grown substantially over the years. We also believe that international real estate markets provide investors with an opportunity to diversify their portfolio and reduce portfolio risk with an investment that may provide returns that are less correlated to the returns of the equity, bond and real estate markets of the United States.

Q: May we invest in anything other than real property?

A: Yes. We anticipate there will be opportunities to acquire some or all of the ownership interests of unaffiliated enterprises having real property investments consistent with those we intend to acquire directly. In addition, we may invest in or make mortgage or other real estate-related loans, subject to the investment limitations contained in our declaration of trust. Because there are significant limitations on the amount of non-real estate related assets that a REIT may own without losing its qualification as a REIT, our ability to own non-real estate investments will be limited. These limitations may limit our ability to maximize profits.

Q: Who chooses the investments we make?

A: The Investment Advisor finds, presents and recommends to us real estate investment opportunities consistent with our investment objectives. The Investment Advisor has contractual responsibilities to us and is a fiduciary of ours and our shareholders pursuant to the advisory agreement. Certain officers of the Investment Advisor, including Jack A. Cuneo, Philip L. Kianka, Charles W. Hessel and Christopher B. Allen, assist in making property acquisition recommendations on behalf of the Investment Advisor to our board of trustees. The Investment Advisor may not complete an acquisition or disposition of property or financing of such acquisition on our behalf without the prior approval of a majority of our board of trustees. The actual terms and conditions of transactions involving investments in properties are determined in the sole discretion of the Investment Advisor, subject at all times to such board approval.

Q: How does the Investment Advisor select potential properties for acquisition?

A: In making investment decisions for us, the Investment Advisor considers relevant risks and financial factors, including the creditworthiness of major tenants, the expected levels of rental and occupancy rates, current and projected cash flow of the property, the location, condition and use of the property, its suitability for any development contemplated or in progress, its income-producing capacity, the prospects for long-range appreciation, its liquidity and tax considerations. In addition to these factors, the Investment Advisor, when evaluating prospective mortgage loan investments, will consider the ratio of the amount of the investment to the value of the property by which it is selected and the quality, experience and creditworthiness of the borrower. The Investment Advisor also utilizes the resources and professionals of CBRE Investors and consults with its investment committee when evaluating potential investments. Our primary focus is on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties.

Q: Do we use leverage?

A: We have in the past borrowed, and may in the future borrow, money to purchase assets. We have adopted a policy to limit our aggregate borrowing to no more than 65% of the cost of our assets before non-cash reserves and depreciation. Subject to the 300% of net assets borrowing restriction described below, this policy may be altered at any time or suspended by our board of trustees if necessary to pursue attractive investment opportunities. Our organizational documents contain a limitation on the amount of indebtedness that we may incur, so that until our shares are listed on a national securities exchange, our aggregate borrowing may not exceed 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report.

Q: Do we intend to acquire some of our properties in joint ventures?

A: We have in the past entered, and may in the future enter, into joint ventures, partnerships, co-tenancies and other co-ownership arrangements or participations with real estate developers, owners and other affiliated third-parties, including other programs sponsored by CBRE Investors, for the purpose of developing, owning and/or operating real properties. In determining whether to invest in a particular joint venture, the Investment Advisor will evaluate the real property that such joint venture owns or is being formed to own under the same criteria employed for the selection of our real estate investments. For a description of our joint venture investments, see the "Real Estate Investments" section of this prospectus.

Q: What steps do we take to make sure we invest in environmentally compliant property?

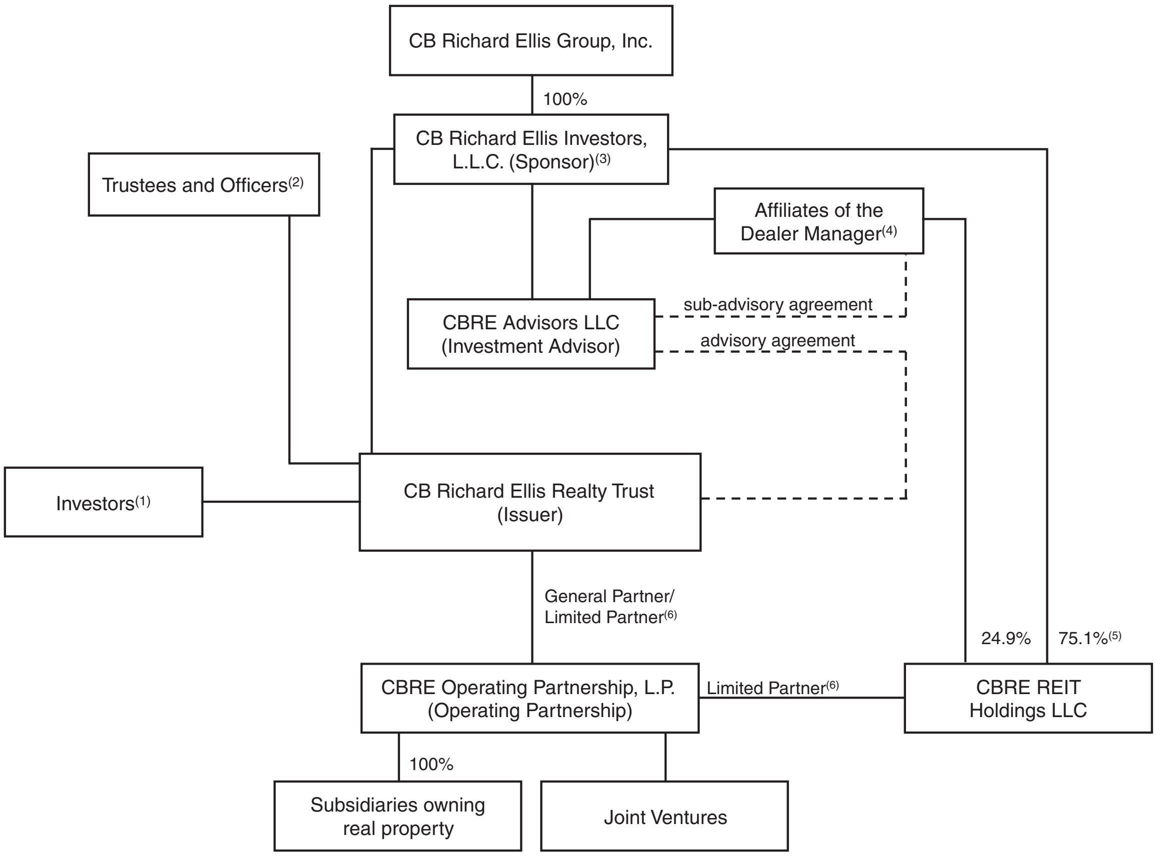
A: We will not close the purchase of any property unless and until we obtain a Phase I environmental assessment for each property purchased and are generally satisfied with the environmental status of the property. A Phase I environmental site assessment generally consists of a visual survey of the building and the property in an attempt to identify areas of potential environmental concern, visually observing neighboring properties to assess surface conditions or activities that may have an adverse environmental impact on the property, and contacting local governmental agency personnel and performing a regulatory agency file search in an attempt to determine any known environmental concerns in the immediate vicinity of the property. A Phase I environmental site assessment does not generally include any sampling or testing of soil, groundwater or building materials from the property. We may pursue additional assessments or reviews if the Phase I site assessment indicates that further environmental investigation is warranted.

Q: What environmental sustainability practices do we consider with regard to the acquisition and operation of properties?

A: In connection with our assessment and selection of investment partners, property managers, development managers and other service providers, we will consider their experience and reputation in the areas of environmental sustainability, including experience in the development and operation of buildings certified under the LEED (Leadership in Energy and Environmental Design) Green Building Rating System promulgated by the US Green Building Counsel. The Investment Advisor will evaluate the sustainability of a prospective investment property by assessing its Energy Star score, its preliminary LEED score, and sustainability measures that have been or can be implemented, such as recycling, water conservation and green cleaning methods. We will consider operational, maintenance and capital improvement practices for existing properties designed to increase energy efficiency, reduce waste and otherwise lessen environmental impacts while remaining conscious of economic performance. We will engage in dialog with our property managers and tenants to determine and implement sustainability initiatives appropriate for particular properties. We will also consider utilizing and recommending to our tenants the environmental sustainability consulting services of CB Richard Ellis or unaffiliated parties.

Q: What is the current ownership structure of CBRE REIT?

A: The following chart illustrates the general structure and ownership of our company and the management relationship between the Investment Advisor and us.



(1) Includes investors in this offering, our initial public offering and our private offerings, excluding shares held by CBRE Investors, our trustees and officers. As of March 31, 2011, 173,811,832 common shares were issued and outstanding.

(2) Our trustees and officers own an aggregate 105,642 of our common shares.

(3) CBRE Investors owns 243,229 of our common shares. CBRE Investors also owns all of the cash distribution interest and CBRE Investors (including certain of its current and former executive officers and our executive officers) own an aggregate 77% distribution interest in the net proceeds upon a sale of the Investment Advisor.

(4) Fund Investors, LLC and CNL Fund Management Company, affiliates of the Dealer Manager, own (i) an aggregate 23% distribution interest in the net proceeds upon a sale of the Investment Advisor and (ii) an aggregate 24.9% voting and distribution interest (excluding distributions that CBRE Investors is entitled to with respect to 29,937 class A units) in CBRE REIT Holdings LLC. CNL Fund Management Company serves as the Sub-Advisor to the Investment Advisor.

(5) CBRE Investors owns a 75.1% voting interest and CBRE Investors (including certain of its current and former executive officers) and our executive officers own an aggregate 75.1% distribution interest (excluding distributions that CBRE Investors is entitled to with respect to 29,937 class A units) in CBRE REIT Holdings LLC.

(6) As of March 31, 2011, we owned a 99.86% general/limited partnership interest in CBRE OP and CBRE REIT Holdings LLC owned a 0.14% (or 246,361 class A units) limited partnership interest in CBRE OP. CBRE REIT Holdings LLC also owns one class B limited partnership interest in CBRE OP (representing 100% of the class B interest outstanding). CBRE REIT Holdings LLC is controlled by CBRE Investors.

Q: What conflicts of interest exist between us, the Investment Advisor and its affiliates?

A: Our Investment Advisor will experience conflicts of interest in connection with the management of our business affairs, including the following:

- The Investment Advisor may in the future become a sponsor of or affiliated with other real estate accounts or programs having investment objectives and legal and financial obligations similar to ours, and, in such an event, the Investment Advisor must determine which investment opportunities to recommend to us or another program or joint venture;
- If the Investment Advisor acquires interests in other real estate programs or accounts in the future, the Investment Advisor and its affiliates will have conflicts of interest in allocating their time between us and such other programs and activities in which they are involved;
- Our executive officers and certain of our trustees are also executive officers of the Investment Advisor and its affiliates, including CBRE Investors, and, as such, our advisory agreement with the Investment Advisor was negotiated between related parties and we did not have the benefit of arm's length negotiations of the type normally conducted with an unaffiliated third party;
- To the extent that we own properties in the same geographic areas where other affiliates of the Investment Advisor own properties, a conflict could arise in the leasing of properties if we and one of such affiliates were to compete for the same tenants in negotiating leases, or in connection with the resale of properties if we and one of such affiliates were to attempt to sell similar properties at the same time;
- If we enter into a joint venture or similar arrangement with an affiliate of the Investment Advisor, the Investment Advisor may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co-venturer and in managing the joint venture; and
- Although we do not rely exclusively on, nor have a written agreement to exclusively receive services from, CB Richard Ellis as a service provider, the Investment Advisor may seek certain services, such as leasing, property management and brokerage, from it or an affiliated entity. The Investment Advisor must review any proposal for services from an affiliate and determine, based on research conducted by the Investment Advisor's investment team, that it is the best combination of service, staffing and cost available in the market. Although such arrangements will be approved by a majority of our independent trustees, they will be negotiated among related parties.

Q: What are the fees that we pay to the Investment Advisor, its affiliates and the Dealer Manager in connection with this offering?

A: The Investment Advisor and its affiliates perform services relating to this offering and the investment and management of our assets. In addition, the Dealer Manager performs services in connection with the offer and sale of shares. Although we do not rely exclusively on, nor have a written agreement to exclusively receive services from, CB Richard Ellis as a service provider, the Investment Advisor may seek certain services, such as leasing, property management and brokerage, from it or an affiliated entity. The Investment Advisor must review any proposal for services from an affiliate and determine, based on research conducted by the Investment Advisor's investment team, that it is the best combination of service, staffing and cost available in the market. The following table describes the compensation and equity participation that we contemplate paying to the Investment Advisor, its affiliates and the Dealer Manager. The estimated maximum amount of fees to be paid is based on the sale of $2,700,000,000 in common shares pursuant to the primary offering and $300,000,000 in common shares pursuant to our dividend reinvestment plan.

Type	Description and Method of Computation	Estimated Maximum
	Organizational and Offering Stage	
Selling Commissions—the Dealer Manager[1]	Up to 7.0% of gross proceeds from the sale of shares in the primary offering (all or a portion may be reallowed to participating broker-dealers).	$189,000,000
Dealer Manager Fee—the Dealer Manager[1]	Up to 2.0% of the gross proceeds from the sale of shares in the primary offering (all or a portion may be reallowed to participating broker-dealers).	$ 54,000,000

Type	Description and Method of Computation	Estimated Maximum
Marketing Support Fee—the Dealer Manager[1]	Up to 1.0% of the gross proceeds from the sale of shares in the primary offering (all or a portion may be reallowed to participating broker-dealers).	$27,000,000
Organizational and Offering Expense Reimbursement—the Investment Advisor[2]	All cumulative offering and organizational expenses (excluding selling commissions, the dealer manager fee and the marketing support fee) incurred by the Investment Advisor on our behalf, estimated to be 0.8% of aggregate gross proceeds, but in no event shall our total organizational and offering expenses (including selling commissions, the dealer manager fee and the marketing support fee) exceed 15.0% of the aggregate gross proceeds from the sale of shares in the primary offering.	$20,750,000
	Acquisition Stage	
Acquisition Fee—the Investment Advisor and its Affiliates and affiliates of the Dealer Manager[3]	Up to 1.5% of (i) the purchase price of real estate investments acquired by us, or (ii) when we make an investment indirectly through another entity, such investment's pro rata share of the gross asset value of real estate investments held by that entity. We estimate that our acquisition expenses will average 0.5% of the contract purchase price of a property acquisition. In no event will total acquisition fees and acquisition expenses exceed 6% of the purchase price of our real estate investments as required by the NASAA Guidelines. In connection with the services provided to the Investment Advisor by the Sub-Advisor, which is an affiliate of the Dealer Manager, pursuant to a sub-advisory agreement, the Investment Advisor will pay the Sub-Advisor an amount equal to approximately 19% of the acquisition fees it receives from us.	$39,842,000
	Operational Stage	
Investment Management Fee—the Investment Advisor and affiliates of the Dealer Manager	The investment management fee consists of (i) a monthly fee equal to one twelfth of 0.5% of the aggregate cost (before non-cash reserves and depreciation) of all real estate investments in our portfolio and (ii) a monthly fee equal to 5.0% of the aggregate monthly net operating income derived from all real estate investments in our portfolio. All or any portion of the investment management fee not taken as to any fiscal year may be deferred or waived without interest at the option of the Investment Advisor. In connection with the services provided to the Investment Advisor by the Sub-Advisor pursuant to a sub-advisory agreement, the Investment Advisor pays the Sub-Advisor an amount equal to approximately 14% of the investment management fee it receives from us.	Not determinable at this time.

Type	Description and Method of Computation	Estimated Maximum
Property Management, Leasing and Construction Supervision Fees—the Investment Advisor or its affiliates, including CB Richard Ellis Inc.	Based upon the customary property management, leasing and construction supervision fees applicable to the geographic location and type of property. Such fees for each service provided are expected to range from 2.0% to 5.0% of gross revenues received from a property we own.	Not determinable at this time.
Expense Reimbursement—the Investment Advisor . . .	Reimbursement of actual expenses incurred in connection with our administration on an ongoing basis. Our annual operating expenses will not exceed the greater of (i) 2% of our average invested assets or (ii) 25% of our net income in any year.	Not determinable at this time.
	Liquidity Stage	
Real Estate Commissions—the Investment Advisor or its affiliates[4]	In connection with the sale of properties (which shall include the sale of a specific property or the sale of a portfolio of properties through a sale of assets, merger or similar transaction), an amount not to exceed 50% of the brokerage commission paid; provided that 50% of such commission may not exceed 3% of the contract price of each property sold and the total brokerage commission may not exceed the lesser of the competitive total real estate commission or 6% of the contract price of the property sold.	Not determinable at this time.
Class B Profits Interest in the Operating Partnership—CBRE REIT Holdings LLC[5]	The holder will be entitled to receive 15% of the net sales proceeds received by CBRE OP on dispositions of properties or other assets (including by liquidation, merger or otherwise) after the other partners, including us, have received, in the aggregate, cumulative distributions from operating income, sales proceeds or other sources equal to (i) the total capital contributions made to CBRE OP and (ii) a 7% annual, uncompounded return on such capital contributions. In the event we elect to list our common shares on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, the holder will be entitled to receive the amount that would have been distributed to such holder as described above if CBRE OP had distributed to the partners upon liquidation an amount equal to the market value of our listed common shares based upon the average closing price or, if the average closing price is not available, the average bid and asked prices, for the 30-day period beginning 150 days after such listing.	Not determinable at this time.

(1) The selling commissions and marketing support fee may be reduced or waived in connection with certain categories of sales, such as sales for which a volume discount applies. The selling commissions, dealer manager fee and marketing support fee are

not paid for shares issued pursuant to our dividend reinvestment plan. The compensation we pay to the Dealer Manager may be reduced by up to $850,000 in connection with certain fees and expenses payable by the Investment Advisor to the Sub-Advisor pursuant to the sub-advisory agreement.

(2) We reimburse the Investment Advisor for cumulative organizational and offering expenses incurred by the Investment Advisor on our behalf, which may include up to approximately $3,000,000 of organizational and offering expenses incurred by our Investment Advisor on our behalf in connection with our initial public offering which commenced on October 24, 2006 and was terminated on January 29, 2009. Organizational and offering expenses consist of, among other things, actual legal, accounting, printing and other expenses attributable to conducting this offering, any organizational documents, qualification of the shares for sale in the states and filing fees incurred by the Investment Advisor, reimbursements for marketing, direct expenses of its employees while engaged in registering and marketing the shares and other marketing and organization costs, including costs associated with meetings and training seminars and reimbursement of bona fide due diligence expenses in an amount not to exceed $1,350,000.

(3) For purposes of the "estimated maximum" of acquisition fees to be paid to the Investment Advisor, we have assumed that there is zero leverage in the portfolio and the net proceeds from this offering are fully invested. In the event we incur debt in order to acquire real properties, the acquisition fees could exceed the amount stated above. See "Estimated Use of Proceeds." The payment of acquisition fees is deferred, if necessary, so that the total of all acquisition fees and acquisition expenses paid by us (including acquisition expenses paid on properties that are not acquired) do not exceed 6% of the aggregate contract price of all properties acquired by us. We may pay acquisition fees to affiliates of the Investment Advisor for a particular property acquisition in the form of brokerage fees and mortgage loan origination fees (in the event debt is placed or refinanced on a property). In the event that we pay these types of acquisition fees to affiliates of the Investment Advisor, such fees will be in addition to the 1.5% paid to the Investment Advisor and the Investment Advisor will not receive any portion of such fees.

(4) Although we are most likely to pay real estate commissions to the Investment Advisor or one of its affiliates in our Liquidity Stage, these fees may also be earned during our Operational Stage.

(5) The class B interest is subject to redemption by CBRE OP in the event of termination of the advisory agreement. For a discussion of the redemption feature of the class B interest, see "The Operating Partnership Agreement" section of this prospectus. The 7% annual, uncompounded return on capital contributions described above is calculated on an aggregate basis with respect to all investors. As a result, it is possible that certain of our shareholders would receive more or less than the 7% annual, uncompounded return on capital contributions prior to the commencement of distributions to the holder of the class B interest or the redemption of such interest. Any distributions that are not made by CBRE OP to the holder of the class B interest because the other partners have not yet received their required minimum distributions will be deferred and paid at such time as these conditions have been satisfied. Distributions payable to the holder of the class B interest upon the listing of our common shares will be reduced by any previous distributions made to such holder by CBRE OP from net sale proceeds as described above. Distributions payable upon the listing of our common shares may be paid in cash, through a promissory note or common shares, as determined by our board of trustees, including a majority of the independent trustees. In the event that we elect to satisfy the distributions through a promissory note, the terms and conditions of any such promissory note will be determined by our board of trustees, including a majority of our independent trustees. In the event that we elect to satisfy this distribution in the form of common shares, the number of common shares will be determined based on the listed market price described above.

Q: If you buy shares, will you receive dividends and how often?

A: Provided we have sufficient cash flow to pay dividends, we intend to pay dividends on a quarterly basis. In order to maintain our qualification as a REIT, we must make aggregate annual distributions equal to at least 90% of our net taxable income (which may not equate to net income as calculated in accordance with accounting principles generally accepted in the United States of America, or GAAP), excluding net capital gains. However, if our cash available for distribution to our common shareholders is less than the annual distribution requirements applicable to REITs, then we may need to sell properties or borrow funds to make some distributions. It is anticipated that distributions generally will be taxable as ordinary income to our shareholders, although a portion of such distributions may be designated by us as a return of capital or as capital gain.

Q: How do we calculate the payment of dividends to shareholders?

A: We intend to declare dividends to our shareholders on a daily basis so that any dividend benefits will begin to accrue to our shareholders immediately upon admission. As a result, new shareholders will not participate in earnings that accrued prior to their admission. Provided we have sufficient cash flow to pay dividends, we intend to pay dividends on a quarterly basis.

Q: May you reinvest your dividends in shares of CB Richard Ellis Realty Trust?

A: Yes. You may participate in our dividend reinvestment plan by checking the appropriate box on the subscription agreement, a sample of which is attached as Appendix A, or by filling out an enrollment form we will provide to you at your request. The purchase price for shares purchased under the dividend reinvestment plan will be the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose.

Q: Will the dividends you receive be taxable as ordinary income?

A: Generally, dividends that you receive, including dividends that are reinvested pursuant to our dividend reinvestment plan, will be taxed as ordinary income to the extent they are from current or accumulated earnings and profits. Dividends paid by REITs, such as us, are generally not eligible for reduced rates of U.S. federal income tax for individual investors. We expect that some portion of your dividends may not be subject to tax in the year in which they are received because depreciation expense reduces the amount of our taxable income but does not reduce cash available for distribution to our shareholders. The portion of your dividend that is not subject to current tax is considered a return of capital for tax purposes and will reduce the tax basis of your investment. This, in effect, can defer a portion of your tax until your investment is sold or we are liquidated, at which time any gain should generally be taxed at capital gains rates. Any dividend that is attributable to a gain recognized by us from the sale of our real estate assets and that we properly designate as a capital gains dividend generally will be treated as long-term capital gain without regard to the period for which you have held your shares. Individual investors are subject to a maximum U.S. federal income tax rate of 25% to the extent our capital gain dividends are attributable to the recapture of depreciation expense deductions. Because each investor's tax considerations are different, we urge you to consult your tax advisor as to the tax consequences to you of an investment in our shares.

Q: What will we do with the money raised in this offering?

A: We expect that approximately 88.5% of the gross proceeds raised in this offering will be used to invest in real estate assets, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties, and for working capital purposes, assuming that we sell 2,700,000,000 in common shares pursuant to the primary offering and 300,000,000 in common shares pursuant to our dividend reinvestment plan. The remaining portion of the proceeds will be used to pay offering fees and expenses, including selling commissions, the dealer manager fee, the marketing support fee and other organization and offering expenses and the acquisition fee.

Pending investment, we intend to invest the funds in interest-bearing short-term investment grade securities, money market accounts and similar investments which may be owned by REITs. These investments are expected to provide a lower net return than we seek to achieve from our intended investments.

Q: What kind of offering is this?

A: We are offering up to $2,700,000,000 in common shares of beneficial interest to the public on a best efforts basis at a price of $10.00 per share. We are also offering up to $300,000,000 in common shares to be issued pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose.

Q: How does a "best efforts" offering work?

A: When shares are offered on a "best efforts" basis, the broker-dealers participating in the offering are only required to use their best efforts to sell the shares and have no firm commitment or obligation to purchase any of the shares. Therefore, we may not sell all or any of the shares that we are offering. If we only sell a small number of shares offered hereby, we may purchase fewer properties resulting in less diversification of the number of assets we own, the types of assets in which we invest, the geographic regions of our properties and the industry types of our tenants.

Q: How long will this offering last?

A: Unless extended, the offering will not last beyond January 30, 2012. In certain states, we will be required to renew this registration statement or file a new registration statement to extend the offering beyond this date. If we continue our offering beyond January 30, 2012, we will provide that information in a prospectus supplement. We reserve the right to terminate this offering at any time.

Q: Who can buy shares?

A: An investment in our company is only suitable for persons who have adequate financial means and who will not need immediate liquidity from their investment. Residents of most states can buy shares in this offering *provided* that they have either (1) a net worth of at least $70,000 and an annual gross income of at least $70,000, or (2) a net worth of at least $250,000. For this purpose, net worth does not include your home, home furnishings and automobiles. Additional requirements may apply in certain states.

Q: May you make an investment through your IRA, SEP or other tax-deferred account?

A: Yes. You may make an investment through your individual retirement account, or IRA, a simplified employee pension, or SEP, plan or other tax-deferred account. In making these investment decisions, you should, at a minimum, consider (1) whether the investment is in accordance with the documents and instruments governing such IRA, plan or other account, (2) whether the investment satisfies the fiduciary requirements associated with such IRA, plan or other account, (3) whether there is sufficient liquidity for such investment under such IRA, plan or other account, (4) the need to value the assets of such IRA, plan or other account annually or more frequently, and (5) whether such investment would constitute a prohibited transaction under applicable law.

Q: Is there any minimum investment required?

A: Yes. You must initially purchase at least $5,000 of common shares. This minimum investment level may be higher in certain states.

Q: How do you subscribe for shares?

A: If you choose to purchase shares in this offering, you will need to complete and sign a subscription agreement, a sample of which is contained in this prospectus as Appendix A, for a specific number of shares and pay for the shares at the time you subscribe.

Q: If you buy shares in this offering, how may you later sell them?

A: At the time you purchase the shares, they will not be listed for trading on any securities exchange or over-the-counter market. In fact, no public market may ever develop for the shares. As a result, you may find it difficult to find a buyer for your shares. If you are able to find a buyer for your shares, you may sell your shares to that buyer only if the buyer satisfies the suitability standards applicable to him or her, including any suitability standards imposed by such potential buyer's state of residence. Any sale that would cause the buyer to own more than 3.0% by number or value, whichever is more restrictive, of our outstanding common shares or more than 3.0% by number or value, whichever is more restrictive, of our outstanding shares is prohibited.

Shareholders who have held their shares for at least one year may, on a quarterly basis, present to us for redemption all or any portion of their shares pursuant to our share redemption program as outlined in this prospectus. However, in the event that an eligible shareholder presents fewer than all of his or her shares to us for redemption, such shareholder must present at least 25% of his or her shares to us for redemption and must retain at least $5,000 of common shares if any shares are held after such redemption. At that time, we may, subject to certain conditions and limitations, choose to redeem shares for cash to the extent that we have sufficient funds available to fund such redemption after the payment of dividends necessary to maintain our qualification as a REIT and to avoid payment of any U.S. federal income tax or excise tax on our undistributed net taxable income. We cannot guarantee that any funds set aside for our share redemption program will be sufficient to accommodate any or all requests made in any year.

Q: What are our exit strategies?

A: If our shares are not listed for trading on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market on or prior to December 31, 2011, our declaration of trust requires our board of trustees to consider (but is not required to commence) an orderly liquidation of our assets, which liquidation would require the approval of our shareholders.

In 2010, our board of trustees established a Special Committee of the board, or the Special Committee, consisting of all of the board's independent trustees, Messrs. Black (Chairman), Reid and Orphanides, to explore and review our strategic alternatives and liquidity events in accordance with our investment objectives. There can be no assurance that the exploration of strategic alternatives will result in any particular outcome. We do not anticipate any further public comment on this matter unless and until the Special Committee deems it necessary.

Market conditions and other factors could cause us to delay the commencement of our liquidation or to delay the listing of our shares. Even if our board of trustees decides to liquidate, we are under no obligation to conclude our liquidation within a set time because the precise timing of the sale of our assets will depend on the prevailing real estate and financial markets, the economic conditions of the areas in which our properties are located and the U.S. federal income tax consequences to our shareholders. As a result, we cannot provide assurances that we will be able to liquidate our assets. After commencing a liquidation, we would continue in existence until all of our assets are sold.

Q: Who should you contact to update your information?

A: To ensure that any changes are made promptly and accurately, all changes to registration and contact information, including your address, ownership type and distribution mailing address, should be directed to CB Richard Ellis Realty Trust, c/o Boston Financial Data Services, Inc., 30 Dan Road, Suite 8562, Canton, Massachusetts 02021.

Q: Will you be notified of how your investment is doing?

A: Yes. We will provide you with periodic updates on the performance of your investment with us, including:

- an annual report;
- an annual IRS Form 1099-DIV, if required; and
- supplements to this prospectus, provided quarterly.

We will provide this information to you via one or more of the following methods:

- United States mail or other courier;
- facsimile; or
- electronic delivery.

Q: When will you receive your tax information?

A: Your Form 1099 tax information will be placed in the mail by January 31 of each year following the end of the previous December 31 tax year end.

Q: Who can help answer your questions?

A: If you have more questions about the offering or if you would like additional copies of this prospectus, you should contact your registered representative or CNL Client Services at (866) 650-0650.

RISK FACTORS

An investment in our common shares of beneficial interest involves a high degree of risk. You should carefully consider the following information, together with the other information contained in this prospectus, before buying our shares. If any of the risks discussed in this prospectus actually occur, our business, financial condition and results of operations could be materially adversely affected. If this were to occur, the value of our shares could decline and you may lose all or part of your investment. In connection with the forward-looking statements that appear in this prospectus, you should also carefully review the cautionary statement referred to under "Forward-Looking Statements."

Risks Related to Our Business

The Investment Advisor has limited experience operating a REIT and we cannot assure you that the past experience of its management will be sufficient to successfully manage our business as a REIT.

The Investment Advisor has limited experience operating a REIT, and the Investment Advisor has limited direct experience in complying with the income, asset and other limitations imposed by the REIT provisions of the Internal Revenue Code. Those provisions are complex and the failure to comply with those provisions in a timely manner could cause us to fail to qualify as a REIT or could force us to pay unexpected taxes and penalties. The Investment Advisor's limited experience in managing a portfolio of assets under such constraints may hinder its ability to achieve our investment objectives. We can offer no assurance that the Investment Advisor will replicate CBRE Investors' historical success or our management team's success in its previous endeavors.

You must rely entirely upon the ability of the Investment Advisor with respect to the selection and timing of investments in and the management of unspecified assets, and you will not have an opportunity to evaluate for yourself the relevant economic, financial and other information regarding the assets in which the proceeds of our public offerings will be invested.

Our ability to achieve our investment objectives and to pay dividends is dependent upon the performance of the Investment Advisor, the real estate market and general economic conditions in the geographic regions where we invest. You must rely totally on the Investment Advisor in the selection of assets. We cannot be sure that the Investment Advisor will be successful in obtaining suitable investments on financially attractive terms or that, if investments are made, our objectives will be achieved. Furthermore, you should be aware that any appraisals we obtain are merely estimates of value and should not be relied upon as accurate measures of true worth or realizable value. Moreover, delays in investing the net proceeds of our public offerings may reduce our income. Our shareholders will not have the opportunity to evaluate the manner in which the net proceeds received by us from our public offerings are to be invested or the economic merits of particular assets to be acquired.

We are dependent on the Investment Advisor and may not find a suitable replacement if the advisory agreement is terminated, in which case we may not be able to operate our business.

We have no employees and are completely reliant on the Investment Advisor, which has significant discretion as to the implementation and execution of our operating policies and strategies. We depend on the diligence, skill and network of business contacts of the management of our Investment Advisor, and, through our sponsor, CBRE Investors. We can offer no assurance that the Investment Advisor will remain our investment advisor or that we will continue to have access to the Investment Advisor's professionals, and, through the Investment Advisor, the resources and experience of CBRE Investors. We are subject to the risk that the advisory agreement may be terminated by either party. If the advisory agreement is terminated and no suitable replacement is found to manage us or key personnel leave our Investment Advisor, we may not be able to execute our business plan.

If the Investment Advisor loses or is unable to obtain key personnel, our ability to implement our investment strategies could be delayed or hindered.

Our success depends to a significant degree upon the continued contributions of certain key personnel of the Investment Advisor who would be difficult to replace. None of our key personnel are currently subject to employment agreements with us, nor do we maintain any key person life insurance on these key personnel. If the Investment Advisor were to lose the benefit of the experience, efforts and abilities of one or more of these individuals, our operating results could suffer. We also believe that our future success depends, in large part, upon the Investment Advisor's ability to obtain and retain highly skilled managerial, operational and marketing personnel. Competition for such personnel is intense, and we cannot assure you the Investment Advisor will be successful in attracting and retaining such skilled personnel.

Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act of 1940, as amended.

We do not intend to invest in marketable securities and we do not intend to register as an investment company under the Investment Company Act of 1940, as amended, or the Investment Company Act. If we were obligated to register as an investment company, we would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly increase our operating expenses.

In general, we expect to be able to rely on the exemption from registration provided by Section 3(c)(5)(C) of the Investment Company Act. In order to qualify for this exemption, at least 55% of our portfolio must be comprised of real property and mortgages and other liens on an interest in real estate (collectively, "qualifying assets") and at least 80% of our portfolio must be comprised of real estate-related assets. Qualifying assets include mortgage loans, mortgage-backed securities that represent the entire ownership in a pool of mortgage loans and other interests in real estate. In order to maintain our exemption from regulation under the Investment Company Act, we must continue to engage primarily in the business of buying real estate, and these investments must be made within a year after this offering ends. If we are unable to invest a significant portion of the proceeds of this offering in properties within one year of the termination of this offering, we may be able to avoid being required to register as an investment company by temporarily investing any unused proceeds in government securities with low returns. This would reduce the cash available for distribution to shareholders and possibly lower your returns.

To maintain compliance with the Investment Company Act exemption, we may be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. In addition, we may have to acquire additional income or loss generating assets that we might not otherwise have acquired or may have to forego opportunities to acquire interests in companies that we would otherwise want to acquire and would be important to our investment strategy. If we were required to register as an investment company we would be prohibited from engaging in our business as currently contemplated because the Investment Company Act imposes significant limitations on leverage. In addition, we would have to seek to restructure the advisory agreement because the compensation that it contemplates would not comply with the Investment Company Act. Criminal and civil actions could also be brought against us if we failed to comply with the Investment Company Act. In addition, our contracts would be unenforceable unless a court was to require enforcement, and a court could appoint a receiver to take control of us and liquidate our business.

Conflicts of Interest Risks

The Investment Advisor faces conflicts of interest relating to time management.

Although the Investment Advisor does not currently advise any other real estate investment programs, the Investment Advisor's affiliates, including CBRE Investors, are sponsors of other real estate programs having investment objectives and legal and financial obligations similar to ours. In addition, certain members of the management team of the Investment Advisor may also work with or for other affiliates. As a result, they may have interests in other real estate programs and also engage in other business activities, and may have conflicts of interest in allocating their time between our business and these other activities. During times of intense activity in other programs and ventures, they may devote less time and resources to our business than is necessary or appropriate. If the Investment Advisor, for any reason, is not able to provide investment opportunities to us, consistent with our investment objectives in a timely manner, we may have lower returns on our investments.

Other real estate investment programs sponsored by the Dealer Manager or its affiliates use investment strategies that are similar to ours.

One or more real estate investment programs sponsored by the Dealer Manager or its affiliates may be seeking to invest in properties and other real estate-related investments similar to the assets we are seeking to acquire. As a result, we may be buying properties and other real estate-related investments at the same time as other programs sponsored by the Dealer Manager or its affiliates. In addition, we may acquire properties in geographic areas where other programs sponsored by the Dealer Manager or its affiliates own properties. If one of such other programs sponsored by the Dealer Manager or its affiliates attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant. You will not have the opportunity to evaluate the manner in which these conflicts of interest are resolved before or after making your investment.

The Investment Advisor faces conflicts of interest relating to the purchase and leasing of assets.

We may be buying assets at the same time as other existing or future affiliates of the Investment Advisor are buying assets. There is a risk that the Investment Advisor will choose an asset that provides lower returns to us than an asset purchased by an affiliate of the Investment Advisor. We may acquire assets in geographic areas where other affiliates own assets. If another affiliate attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant.

The Investment Advisor may have conflicting fiduciary obligations if we acquire properties with its affiliates or other related entities; as a result, in any such transaction we may not have the benefit of arm's length negotiations of the type normally conducted between unrelated parties.

The Investment Advisor may cause us to acquire an interest in a property from its affiliates or through a joint venture with its affiliates or to dispose of an interest in a property to its affiliates. In these circumstances, the Investment Advisor will have a conflict of interest when fulfilling its fiduciary obligation to us. In any such transaction we may not have the benefit of arm's length negotiations of the type normally conducted between unrelated parties.

We pay substantial fees and expenses to the Investment Advisor, its affiliates and the Dealer Manager, which payments increase the risk that you will not earn a profit on your investment.

The Investment Advisor and its affiliates perform services for us in connection with the selection and acquisition of our investments, the management and leasing of our properties and the administration of our other investments. We pay the Investment Advisor an acquisition fee that is not tied to the performance of our portfolio. The Investment Advisor is a party to a sub-advisory agreement with the CNL Fund Management Company, which is an affiliate of the Dealer Manager, and the Investment Advisor will compensate the Sub-Advisor through certain fees and reimbursable expenses the Investment Advisor receives from us. We pay fees and commissions to the Dealer Manager in connection with the offer and sale of the shares. We also have issued to CBRE REIT Holdings LLC, an affiliate of the Investment Advisor, one class B limited partnership interest (representing 100% of the class B interest outstanding) in CBRE OP in exchange for the services provided to us relating to our formation and future services. Our sponsor (including certain of its executive officers) and our executive officers own an aggregate 75.1% distribution interest and affiliates of the Dealer Manager own an aggregate 24.9% distribution interest (excluding distributions that CBRE Investors is entitled to with respect to 29,937 class A units) in CBRE REIT Holdings LLC. These fees and partnership interest distributions reduce the amount of cash available for investment in properties or distribution to shareholders. These fees also increase the risk that the amount available for distribution to common shareholders upon a liquidation of our portfolio would be less than the purchase price of the shares in our current public offering and that you may not earn a profit on your investment.

Termination of the Advisory Agreement could be costly.

If the advisory agreement is terminated without cause, CBRE OP will redeem the class B limited partnership interest for a newly created class of partnership interest, which we refer to as the advisor redemption interest, which shall initially have a capital account equal to the fair value of the class B limited partnership interest as of such date, and if the advisory agreement is terminated for cause, CBRE OP will redeem the class B limited partnership interest for $100. These provisions may increase the effective cost to us of terminating the advisory agreement, thereby discouraging us from terminating the Investment Advisor without cause.

Certain of our officers and trustees face conflicts of interest.

One of our trustees serves as the Global Chief Operating Officer of CBRE Investors. Our Chief Financial Officer serves as a Managing Director of the Investment Advisor, as the Executive Managing Director and Global Head of Investment Reporting of CBRE Investors and as a member of the investment committee of CBRE Strategic Partners Asia, an entity in which we are a limited partner. Our Chairman, President and Chief Executive Officer serves as the President and Chief Executive Officer of the Investment Advisor and also serves as a Executive Managing Director of CBRE Investors. Our Chief Operating Officer and Executive Vice President serves as the Director of Operations of the Investment Advisor and as a Managing Director of CBRE Investors. Our Chairman, President and Chief Executive Officer and our Chief Financial Officer directly hold an aggregate of approximately a 12.9% economic interest in the Investment Advisor. These individuals owe fiduciary duties to these entities and their shareholders. Such fiduciary duties may from time to time conflict with the fiduciary duties owed to our shareholders and us. An affiliate of the Investment Advisor owns one class B limited partnership interest (representing 100% of the class B interest outstanding) in CBRE OP. This interest entitles such affiliate to receive distributions in an amount equal to a percentage of the net proceeds we receive from a sale of a property after certain amounts are paid or provided for. This interest may incentivize the Investment Advisor to recommend the sale of a property or properties that may not be in our best interest at the time. In addition, the premature sale of a property may add concentration risk to the portfolio or may be at a price lower than if we held on to the property and sold it at a later date.

We will be subject to additional risks as a result of any joint ventures.

We have entered, and may in the future enter, into joint ventures for the acquisition, development or improvement of properties. We have purchased and developed, and may in the future purchase and develop, properties in joint ventures or in partnerships, co-tenancies or other co-ownership arrangements with sellers of properties, affiliates of sellers, developers or other persons. Such investments may involve risks not otherwise present with an investment in real estate, including, for example:

- the possibility that our co-venturer, co-tenant or partner in an investment might become bankrupt;
- that maturities of debt encumbering our jointly owned investments may not be able to be refinanced at all or on terms that are as favorable as the current terms;
- that such co-venturer, co-tenant or partner may at any time have economic or business interests or goals which are or become inconsistent with our business interests or goals;
- that such co-venturer, co-tenant or partner may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives; or
- that we will not manage the properties, or be able to select the management for the property, that a joint venture owns.

Actions by such a co-venturer, co-tenant or partner might have the result of subjecting the property to liabilities in excess of those contemplated and may have the effect of reducing your returns. We have ownership interests in five unconsolidated entities that, as of December 31, 2010, owned interests in 38 properties.

It may be difficult for us to exit a joint venture after an impasse.

In our joint ventures, there will be a potential risk of impasse in some business decisions because our approval and the approval of each co-venturer may be required for some significant operating decisions. In any joint venture, we may have the right to buy the other co-venturer’s interest or to sell our own interest on specified terms and conditions in the event of an impasse. In the event of an impasse, it is possible that neither party will have the funds necessary to complete a buy-out. In addition, we may experience difficulty in locating a third-party purchaser for our joint venture interest and in obtaining a favorable sale price for the interest. As a result, it is possible that we may not be able to exit the relationship if an impasse develops.

Our ability to redeem all or a portion of our investment in CBRE Strategic Partners Asia is subject to significant restrictions.

CBRE Strategic Partners Asia is not obligated to redeem the interests of any of its investors, including us, prior to 2017. Except in certain limited circumstances such as transfers to affiliates or successor trustees or state agencies, we will not be permitted to sell our interest in CBRE Strategic Partners Asia without the prior written consent of the general partner, which the general partner may withhold in its sole discretion.

General Investment Risks

No market currently exists for our common shares. If you are able to sell your shares, you would likely have to sell them at a substantial discount.

There is no current market for our shares and, therefore, it will be difficult for you to sell your shares promptly. We can not assure you that any trading market will develop or, if developed, that any such market will be sustained. Additionally, our declaration of trust contains restrictions on the ownership and transfer of our shares, and these restrictions may inhibit your ability to sell your shares. You may not sell your shares unless the buyer meets applicable suitability and minimum purchase standards. Therefore, it will be difficult for you to sell your shares promptly or at all. In addition, the price received for any shares sold is likely to be less than the proportionate value of the real estate we own. Therefore, you should purchase our shares only as a long-term investment.

We are conducting a “best efforts” offering and if we are unable to raise substantial funds, we may have substantial limitations on our ability to maintain a diversified portfolio of assets.

The Dealer Manager is selling our shares on a “best efforts” basis, whereby it and the other broker-dealers participating in our current public offering are only required to use their best efforts to sell our common shares and have no firm commitment or obligation to purchase any of our common shares. As a result, we cannot assure you as to the amount of proceeds that will be raised in our current offering. If we are unable to raise substantial funds in our current offering, we will make fewer additional investments resulting in less diversification in terms of the number of assets owned, the geographic regions in which our properties and real estate-related assets are located and the types of assets that we acquire. In such event, the likelihood of our profitability being affected by the performance of any one of our assets will increase.

Restrictions on ownership of a controlling percentage of our shares may limit your opportunity to receive a premium on your shares.

To assist us in complying with the share ownership requirements necessary for us to qualify as a REIT, our declaration of trust prohibits, with certain exceptions, direct or constructive ownership by any person of more than 3.0% by number or value, whichever is more restrictive, of our outstanding common shares or more than 3.0% by number or value, whichever is more restrictive, of our outstanding shares. Our board of trustees, in its sole discretion, may exempt a person from the share ownership limit. Additionally, our declaration of trust prohibits direct or constructive ownership of our shares that would otherwise result in our failure to qualify as a REIT. The constructive ownership rules in our declaration of trust are complex and may cause the outstanding shares owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than any ownership limit by an individual or entity could cause that individual or entity to own constructively in excess of any ownership limit of our outstanding shares. Any attempt to own or transfer our shares in excess of the ownership limit without the consent of our board of trustees shall be void, and will result in the shares being transferred to a charitable trust. These provisions may inhibit market activity and the resulting opportunity for our shareholders to receive a premium for their shares that might otherwise exist if any person were to attempt to assemble a block of our shares in excess of the number of shares permitted under our declaration of trust and which may be in the best interests of our shareholders.

Maryland takeover statutes could restrict a change of control, which could have the affect of inhibiting a change in control even if a change in control were in our shareholder's interests.

Under Maryland law, certain "business combinations" between a Maryland real estate investment trust and an interested shareholder or an affiliate of an interested shareholder are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. These business combinations include a merger, consolidation, share exchange, or asset transfers or issuance or reclassification of equity securities. An interested shareholder is defined as:

- any person who beneficially owns 10% or more of the voting power of our company's shares; or
- an affiliate or associate of our company who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting shares of our company.

A person is not an interested shareholder under the statute if our board of trustees approves in advance the transaction by which he otherwise would have become an interested shareholder.

After the five-year prohibition, any business combination between the Maryland real estate investment trust and an interested shareholder generally must be recommended by our board of trustees and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting shares of our company; and
- 66% of the votes entitled to be cast by holders of voting shares of our company other than shares held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or by the interested shareholder's affiliates or associates, voting together as a single group.

The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer, including potential acquisitions that might involve a premium price for our common shares or otherwise be in the best interest of our shareholders.

Our board of trustees has adopted a resolution exempting our company from the provisions of the Maryland General Corporate Law, or the MGCL, relating to business combinations with interested shareholders or affiliates of interested shareholders. However, such resolution can be altered or repealed, in whole or in part, at any time by our board of trustees. If such resolution is repealed, the business combination statute could have the effect of discouraging offers to acquire us and of increasing the difficulty of consummating these offers, even if our acquisition would be in our shareholders' best interests.

Maryland law also limits the ability of a third-party to buy a large stake in us and exercise voting power in electing trustees.

The MGCL, as applicable to real estate investment trusts, provides that "control shares" of a Maryland real estate investment trust acquired in a "control share acquisition" have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquiror, by officers or by directors who are employees of the corporation. "Control shares" are voting shares that would entitle the acquirer to exercise voting power in electing trustees within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A "control share acquisition" means the acquisition of control shares. The control share acquisition statute does not apply (i) to shares acquired in a merger, consolidation or share exchange if we are a party to the transaction, or (ii) to acquisitions approved or exempted by our declaration of trust or bylaws. Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares. We cannot assure you that such provision will not be amended or eliminated at any time in the future. If such provision is eliminated, the control share acquisition statute could have the effect of discouraging offers to acquire us and increasing the difficulty of consummating any such offers, even if our acquisition would be in our shareholders' best interests.

You are limited in your ability to sell your shares pursuant to our share redemption program.

Our share redemption program provides you with the opportunity, on a quarterly basis, to request that we redeem all or a portion of your shares after you have held them for one year, subject to certain restrictions and limitations. In the event that an eligible shareholder presents fewer than all of his or her shares to us for redemption, such shareholder must present at least 25% of his or her shares to us for redemption and must retain at least $5,000 of common shares if any shares are held after such redemption. Shares will be redeemed only to the extent of cash available after the payment of dividends necessary to maintain our qualification as a REIT and to avoid the payment of any U.S. federal income tax or excise tax on our net taxable income. This will significantly limit our ability to redeem your shares. To the extent our available cash flow is insufficient to fund all redemption requests, each shareholder's request will be reduced on a pro rata basis, unless you withdraw your request for redemption or ask that we carry over your request to the next quarterly period, if any, when sufficient funds become available. Our board of trustees reserves the right to amend or terminate the share redemption program at any time. Our board of trustees has delegated to our officers the right to waive the one-year holding period and pro rata redemption requirements in the event of the death, disability (as such term is defined in the Internal Revenue Code) or bankruptcy of a shareholder. You will have no right to request redemption of your shares should our shares become listed on a national exchange, the NASDAQ Global Select Market or the NASDAQ Global Market. Therefore, in making a decision to purchase shares, you should not assume that you will be able to sell any of your shares back to us pursuant to our share redemption program.

We established the offering price on an arbitrary basis.

Our board of trustees has arbitrarily determined the selling price of the shares being offered in our current public offering. The offering price of our common shares is fixed and will not vary based on the underlying value of our assets at any time. The offering price of our common shares has not been based on appraisals for any assets we currently own or may own nor do we currently intend to obtain such appraisals. Therefore, the fixed offering price established for our common shares may not accurately represent the current value of our assets per common share at any particular time and may be higher or lower than the actual value of our assets per common share at such time. In addition, our offering price may not be indicative of the price at which our shares would trade if they were listed on an exchange or actively traded by brokers nor of the proceeds that a shareholder would receive if we were liquidated or dissolved.

Investors who purchased common shares in this offering incurred, as of December 31, 2010, an immediate dilution of up to approximately $(1.89), or (18.86)%, in the net tangible book value per share of our common shares from the price paid in this offering. Investors purchasing common shares in this offering may experience further dilution if we issue additional equity.

The initial offering price of our common shares is substantially higher than the book value per share of our outstanding common shares will be after this offering. Therefore, investors who purchase our common shares will incur, if calculated as of December 31, 2010, an immediate dilution of up to approximately $(1.89), or (18.86)%, in the book value per share of our common shares from the price paid in this offering. Existing shareholders and potential investors in this offering do not have preemptive rights to any common shares issued by us in the future. Therefore, investors purchasing shares in this offering may experience further dilution of their equity investment in the event that we sell additional common shares in the future, if we sell securities that are convertible into common shares or if we issue shares upon the exercise of options.

We may be unable to pay or maintain cash distributions or increase distributions over time.

There are many factors that can affect the availability and timing of cash distributions to shareholders. Cash distributions will be based principally on cash available from our operations. The amount of cash available for distributions is affected by many factors, such as our ability to buy properties as offering proceeds become available, rental income from such properties, and our operating expense levels, as well as many other variables. Actual cash available for distributions may vary substantially from estimates. We cannot assure investors that we will be able to pay or maintain our current anticipated level of distributions or that distributions will increase over time. We cannot give any assurance that rents from the properties will increase, or that future acquisitions of real properties or other real estate assets will increase our cash available for distributions to shareholders. Our actual results may differ significantly from the assumptions used by our board of trustees in establishing the distribution rate to shareholders. We may not have sufficient legally available cash from operations to make a distribution required to maintain our qualification as a REIT. We may increase borrowings or use proceeds from our current public offering to make distributions, each of which could be deemed to be a return of investors' capital. We may make distributions from the proceeds of our current public offering or from borrowings in anticipation of future cash flow. Any such distributions will constitute a return of capital and may reduce the amount of capital we ultimately invest in properties and negatively impact the value of investors' investment.

The amount and timing of cash dividends is uncertain.

Subject to certain limitations, we bear all expenses incurred in our operations, which reduces cash generated by operations and amounts available for distribution to our shareholders. In addition, our board of trustees, in its discretion, may retain any portion of such funds for working capital, subject to the REIT distribution requirements. We have not set any future dividend payment amount and cannot assure you that sufficient cash will be available to pay dividends to you.

We are uncertain of our sources for funding of future capital needs.

Substantially all of the net proceeds of the offering will be used for investment in assets and for payment of various fees and expenses. Accordingly, in the event that we develop a need for additional capital in the future for the improvement of our assets or for any other reason, we will need to identify sources for such funding, other than reserves we may establish, and we cannot assure you that such sources of funding will be available to us for capital needs in the future.

We are authorized to issue preferred shares. The issuance of preferred shares could adversely affect the holders of our common shares issued pursuant to our public offerings.

Our declaration of trust authorizes us to issue 1,000,000,000 shares, of which 10,000,000 shares are designated as preferred shares. Subject to approval by our board of trustees, we may issue preferred shares with rights, preferences, and privileges that are more beneficial than the rights, preferences, and privileges of our common shares. Holders of our common shares do not have preemptive rights to acquire any shares issued by us in the future. If we ever create and issue preferred shares with a distribution preference over common shares, payment of any distribution preferences on outstanding preferred shares would reduce the amount of funds available for the payment of distributions on our common shares. In addition, holders of preferred shares are normally entitled to receive a preference payment in the event we liquidate, dissolve or wind up before any payment is made to our common shareholders, thereby reducing the amount a common shareholder might otherwise receive upon such an occurrence. In addition, under certain circumstances, the issuance of preferred shares may have the effect of delaying or preventing a change in control of our company.

Our board of trustees may change our investment policies without shareholder approval, which could alter the nature of investors' investments.

Our declaration of trust requires that our independent trustees review our investment policies at least annually to determine that the policies we are following are in the best interest of the shareholders. These policies may change over time. The methods of implementing our investment policies may also vary, as new real estate development trends emerge and new investment techniques are developed. Our investment policies, the methods for their implementation, and our other objectives, policies and procedures may be altered by our board of trustees without the approval of our shareholders. As a result, the nature of investors' investments could change without investors' consent.

General Real Estate Risks

Real estate investments are long-term illiquid investments and may be difficult to sell in response to changing economic conditions.

Real estate investments are subject to certain inherent risks. Real estate investments are generally long-term investments that cannot be quickly converted to cash. Real estate investments are also subject to adverse changes in general economic conditions or local conditions that may reduce the demand for office, industrial, retail, multi-family residential or other types of properties. Other factors can also affect real estate values, including:

- possible international and U.S. federal, state or local regulations and controls affecting rents, prices of goods, fuel and energy consumption and prices, water and environmental restrictions;
- increasing labor and material costs;
- the perceptions of tenants and prospective tenants of the convenience, attractiveness and safety of our properties;
- competition from comparable properties;
- the occupancy rate of our properties;

- the ability to collect on a timely basis all rents from tenants;
- the effects of any bankruptcies or insolvencies of major tenants;
- civil unrest;
- acts of nature, including earthquakes, hurricanes and other natural disasters (which may result in uninsured losses);
- acts of terrorism or war;
- rises in operating costs, taxes and insurance costs;
- changes in interest rates and in the availability, cost and terms of mortgage funding; and
- other factors which are beyond our control.

Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to pay dividends to our shareholders.

We expect that we will incur additional indebtedness in the future. Interest we pay could reduce cash available for distributions. Additionally, if we incur variable rate debt, increases in interest rates would increase our interest costs, which would reduce our cash flows and our ability to pay dividends to you. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments.

Adverse economic conditions in the geographic regions in which we purchase properties may negatively impact your overall returns.

Adverse economic conditions in the geographic regions in which we buy our properties could affect real estate values in these regions and, to the extent that any of our tenants in these regions rely upon the local economy for their revenues, our tenants' businesses could also be affected by such conditions. Therefore, changes in local economic conditions could reduce our ability to pay dividends and the amounts we could otherwise receive upon a sale of a property in a negatively affected region.

Adverse economic conditions affecting the particular industries of our tenants may negatively impact your overall returns.

Adverse economic conditions affecting a particular industry of one or more of our tenants could affect the financial ability of one or more of our tenants to make payments under their leases, which could cause delays in our receipt of rental revenues or a vacancy in one or more of our properties for a period of time. Therefore, changes in economic conditions of the particular industry of one or more of our tenants could reduce our ability to pay dividends and the value of one or more of our properties at the time of sale of such properties.

Because we are dependent on our tenants for substantially all of our revenue, our success is materially dependent on the financial stability of our tenants.

Lease payment defaults by tenants could cause us to reduce the amount of distributions to shareholders. A default of a tenant on its lease payments would cause us to lose the revenue from the property. In the event of such a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and leasing our property. If a lease is terminated, we cannot assure you that we will be able to lease the property for the rent previously received or sell the property without incurring a loss. Further, we may be required to make rent or other concessions to tenants, accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our tenants. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. A default by a tenant, the failure of a guarantor to fulfill its obligations or other premature termination of a lease, or a tenant's election not to extend a lease upon its expiration, could have an adverse effect on our financial condition and our ability to pay distributions. Certain of our properties are occupied by only a single tenant and, therefore, the success of those properties will be materially dependent on the financial stability of such tenants.

If one or more of our tenants file for bankruptcy protection, we may be precluded from collecting all sums due.

If one or more of our tenants, or the guarantor of a tenant's lease, commences, or has commenced against it, any proceeding under any provision of the U.S. federal bankruptcy code, as amended, or any other legal or equitable proceeding under any bankruptcy, insolvency, rehabilitation, receivership or debtor's relief statute or law (bankruptcy proceeding), we may be unable to collect sums due under relevant leases. Any or all of the tenants, or a guarantor of a tenant's lease obligations, could be subject to a bankruptcy proceeding.

Such a bankruptcy proceeding may bar our efforts to collect pre-bankruptcy debts from these entities or their properties, unless we are able to obtain an enabling order from the bankruptcy court. If a lease is rejected by a tenant in bankruptcy, we would only have a general unsecured claim against the tenant, and may not be entitled to any further payments under the lease. A tenant's or lease guarantor's bankruptcy proceeding could hinder or delay efforts to collect past due balances under relevant leases, and could ultimately preclude collection of these sums. Such an event could cause a decrease or cessation of rental payments which would mean a reduction in our cash flow and the amount available for distribution to our shareholders. In the event of a bankruptcy proceeding, we cannot assure you that the tenant or its trustee will assume our lease. If a given lease, or guaranty of a lease, is not assumed, our cash flow and the amounts available for distribution to our shareholders may be adversely affected.

If third party managers providing property management services for certain of our properties or their personnel are negligent in their performance of, or default on, their management obligations, our tenants may not renew their leases or we may become subject to unforeseen liabilities. If this occurs, our financial condition and operating results, as well as our ability to pay dividends to shareholders at historical levels or at all, could be substantially harmed.

We have entered into agreements with third party management companies and certain affiliates of CBRE Investors to provide property management services for certain of our properties, and we expect to enter into similar agreements with respect to properties we acquire in the future. We cannot supervise these third party managers and their personnel on a day-to-day basis and we cannot assure you that they will manage our properties in a manner that is consistent with their obligations under our agreements, that they will not be negligent in their performance or engage in other criminal or fraudulent activity, or that these managers will not otherwise default on their management obligations to us. If any of the foregoing occurs, our relationships with our tenants could be damaged, which may prevent the tenants from renewing their leases, and we could incur liabilities resulting from loss or injury to our properties or to persons at our properties. If we are unable to lease our properties or we become subject to significant liabilities as a result of third party management performance issues, our operating results and financial condition, as well as our ability to pay distributions to our shareholders, could be adversely affected.

We may obtain only limited warranties when we purchase a property and would have only limited recourse in the event our due diligence did not identify any issues that lower the value of our property.

The seller of a property often sells such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all of our invested capital in the property as well as the loss of rental income from that property.

We may not have funding for future tenant improvements, which may reduce your returns and make it difficult to attract one or more new tenants.

When a tenant at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract one or more new tenants, we will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space and other lease-up costs. Substantially all of our net offering proceeds available for investment may be used for investment in real estate properties. We may maintain working capital reserves but cannot guarantee they will be adequate. We also have no identified funding source to provide funds that may be required in the future for tenant improvements, tenant refurbishments and other lease-up costs in order to attract new tenants. We cannot assure you that any such source of funding will be available to us for such purposes in the future and, to the extent we are required to use net cash from operations to fund such tenant improvements, tenant refurbishments and other lease-up costs, cash distributions to our shareholders will be reduced.

The actual rents we receive for the properties in our portfolio may be less than our asking rents, and we may experience lease roll down from time to time, which could negatively impact our ability to generate cash flow growth.

As a result of various factors, including potential competitive pricing pressure specific to certain submarkets, a general economic weakness and the desirability of our properties compared to other properties in our submarkets, we may be unable to realize the asking rents across the properties in our portfolio. In addition, the degree of discrepancy between our asking rents and the actual rents we are able to obtain may vary both from property to property and among different leased spaces within a single property. If we are unable to obtain rental rates that are on average comparable to our asking rents across our portfolio, then our ability to generate cash flow growth will be negatively impacted. In addition, depending on asking rental rates at any given time as compared to expiring leases in our portfolio, from time to time rental rates for expiring leases may be higher than starting rental rates for new leases.

A property that incurs a significant vacancy could be difficult to sell or lease.

A property may incur a vacancy either by the continued default of a tenant under its lease or the expiration of one of our leases. Some of our properties may be specifically suited to the particular needs of the tenant based on the type of business the tenant operates. As of December 31, 2010, leases representing 1.61% of our annualized base rent are scheduled to expire during 2011. We cannot assure you that leases will be renewed or that our properties will be re-let at rental rates equal to or above our current average rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. We may have difficulty obtaining a new tenant for any vacant space in our properties, particularly if the space limits the types of businesses that can use the space without major renovation. If a vacancy on any of our properties continues for a long period of time, we may suffer reduced revenues resulting in less cash to be distributed to shareholders. In addition, the resale value of the property could be diminished because the market value of a particular property may depend principally upon the value of the leases of such property.

Uninsured losses relating to real property may adversely affect your returns.

In the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by any such uninsured loss. In addition, we may have limited funding to repair or reconstruct the damaged property, and we cannot assure you that any such source of funding will be available to us for such purposes in the future. Furthermore, insurance may be unavailable or uneconomical. In particular, insurance coverage relating to flood or earthquake damage or terrorist acts may not be available or affordable.

Development and construction of our properties may result in delays and increased costs and risks.

We have invested, and may in the future invest, some or all of the net proceeds available for investment in the acquisition and development of properties upon which we (or a joint venture partner) will develop and construct improvements. We will be subject to the following risks associated with such development and redevelopment activities:

- unsuccessful development or redevelopment opportunities could result in direct expenses to us;
- construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable;
- time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;
- contractor and subcontractor disputes, strikes, labor disputes or supply disruptions;
- the builder's failure to perform may necessitate legal action by us to rescind the purchase or the construction contract or to compel performance;
- we may incur additional risks when we make periodic progress payments or other advances to such builders prior to completion of construction;
- failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all (delays in the completion of construction could also give tenants the right to terminate pre-construction leases for space at a newly developed project);
- delays with respect to obtaining or the inability to obtain necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;
- occupancy rates and rents of a completed project may not be sufficient to make the project profitable;
- if our projections of rental income and expenses and estimates of the fair market value of a property upon completion of construction are inaccurate, we may pay too much for a property;
- our ability to dispose of properties developed or redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and
- the availability and pricing of financing to fund our development activities on favorable terms or at all.

Factors such as those discussed above can result in increased costs of a project or loss of our investment, which could adversely impact our ability to make distributions to our shareholders. In addition, we may not be able to find suitable tenants to lease our newly constructed projects. Furthermore, we must rely upon projections of rental income and expenses and estimates of the fair market value of a property upon completion of construction when agreeing upon a price to be paid for the property at the time of acquisition of the property. If our projections are inaccurate, we may pay too much for a property.

Competition for investments may increase costs and reduce returns.

The current market for acquisitions is extremely competitive. We experience competition for real property investments from corporations, other real estate investment trusts, pension plans and other entities engaged in real estate investment activities. This competition may increase the demand for the types of properties in which we typically invest and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such acquisition properties. In addition, the number of entities and the amount of funds competing for suitable investments may increase. This competition will increase if investments in real estate become more attractive relative to other forms of investment. Any such increase would result in increased demand for these assets and therefore increased prices paid for them. If we pay higher prices for properties and other investments, our profitability will be reduced and investors may experience a lower return on their investments.

Delays in acquisitions of properties may adversely affect your investment and reduce returns.

Delays we encounter in the selection, acquisition and development of properties could adversely affect your returns. When we acquire properties prior to the start of construction or during the early stages of construction, it typically takes several months to complete construction and rent available space. Therefore, you could suffer delays in the distribution of cash dividends attributable to any such properties.

Uncertain market conditions and the broad discretion of the Investment Advisor relating to the future disposition of properties could adversely affect the return on your investment.

We intend to hold the various real properties in which we invest until such time as the Investment Advisor determines that the sale or other disposition thereof appears to be advantageous to achieve our investment objectives or until it appears that such objectives will not be met. The Investment Advisor, subject to the approval in certain cases of our board of trustees, may exercise its discretion as to whether and when to sell a property. We have no obligation to sell properties at any particular time, except that if our shares are not listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market on or before December 31, 2011, our declaration of trust requires our board of trustees to consider (but is not required to commence) an orderly liquidation of our assets, which liquidation would require the approval of our shareholders and could last several years. We cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our properties, we cannot assure you that we will be able to sell our properties at a profit in the future. Accordingly, the extent to which you will receive cash distributions and realize potential appreciation on our real estate investments will be dependent upon fluctuating market conditions.

General economic conditions may affect the timing of the sale of our properties and the purchase price we receive.

We may be unable to sell a property if or when we decide to do so. The real estate market is affected by many factors, such as general economic conditions, the availability of financing, interest rates and other factors, including supply and demand for real estate investments, all of which are beyond our control. We cannot predict whether we will be able to sell any property for the price or on terms that are acceptable to us. Further, we cannot predict the length of time that will be needed to find a willing purchaser and to close the sale of a property.

We may acquire or finance properties with lock-out provisions, which may prohibit us from selling a property, or may require us to maintain specified debt levels for a period of years on some properties.

Lock-out provisions, which preclude pre-payments of a loan, could materially restrict us from selling or otherwise disposing of or refinancing properties. These provisions would affect our ability to turn our investments into cash and thus affect cash available for distributions to investors. Lock-out provisions may prohibit us from reducing the outstanding indebtedness with respect to any properties, refinancing such indebtedness on a non-recourse basis at maturity, or increasing the amount of indebtedness with respect to such properties. Lock-out provisions could impair our ability to take other actions during the lock-out period that could be in the best interests of our shareholders and, therefore, may have an adverse impact on the value of the shares, relative to the value that would result if the lock-out provisions did not exist. In particular, lock-out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change in control even though that disposition or change in control might be in the best interests of our shareholders.

A concentration of our investments in a limited number of property classes may leave our profitability vulnerable to a downturn in such sectors.

At any one time, a significant portion of our property investments may be in a limited number of property classes. As of December 31, 2010, a majority of our investments were in two property classes, office and industrial (primarily warehouse/distribution). As a result, we are subject to risks inherent in investments in these classes. The potential effects on our revenues, and as a result on cash available for distribution to our shareholders, resulting from a downturn in the business conducted on those properties could be more pronounced than if we had a more diversified portfolio.

Geographic concentration of our portfolio may make us particularly susceptible to adverse economic developments in those geographic areas.

A concentration of our properties in a particular geographic area may impact our operating results and abilities to make distributions if that area is impacted by negative economic developments. Your investment will be subject to greater risk to the extent that we lack a geographically diversified portfolio. As of December 31, 2010, approximately 18% of our portfolio (based on approximate total acquisition costs, with our unconsolidated properties included at our pro rata share of effective ownership, however, excluding our investments in CBRE Strategic Partners Asia) consisted of properties located in the northern New Jersey and metropolitan New York markets. We are particularly susceptible to adverse economic or other conditions in these markets (such as periods of economic slowdown or recession, business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes and the cost of complying with governmental regulations or increased regulation), as well as to natural disasters that occur in these markets. Our financial condition and our ability to make distributions to our shareholders would be adversely affected by any significant adverse developments in those markets. We cannot assure you that these markets will grow or that underlying real estate fundamentals will be favorable to owners and operators of properties similar to ours. Our operations may also be affected if competing properties are built in either of these markets. Moreover, submarkets within any of our core markets may be dependent upon a limited number of industries.

Economic conditions may adversely affect our income.

Our business may be affected by potential adverse market and economic conditions experienced by the economy or real estate industry as a whole or by local economic conditions in the markets in which our properties are located, including potential dislocations in the credit markets and an elevated rate of unemployment. Such economic weakness may reduce demand for space and remove support for rents and property values.

A commercial property's income and value may be adversely affected by national and regional economic conditions, local real estate conditions such as an oversupply of properties or a reduction in demand for properties, availability of "for sale" properties, competition from other similar properties, our ability to provide adequate maintenance, insurance and management services, increased operating costs (including real estate taxes), the attractiveness and location of the property and changes in market rental rates. Changes or fluctuations in energy costs could result in higher operating costs, which may affect our results from operations. Our income will be adversely affected if a significant number of tenants are unable to pay rent or if our properties cannot be rented on favorable terms. Additionally, if tenants of properties that we lease on a triple-net basis fail to pay required tax, utility and other impositions, we could be required to pay those costs, which would adversely affect funds available for future acquisitions or cash available for distributions. Our performance is linked to economic conditions in the regions where our properties are located and in the market for office, industrial (primarily warehouse/distribution), retail and multi-family residential properties generally. Therefore, to the extent that there are adverse economic conditions in those regions, and in these markets generally, that impact the applicable market rents, such conditions could result in a reduction of our income and cash available for distributions and thus affect the amount of distributions we can make to investors.

Real estate related taxes may increase and if these increases are not passed on to tenants, our income will be reduced.

Some local real property tax assessors may seek to reassess some of our properties as a result of our acquisition of the property. Generally, from time to time our property taxes increase as property values or assessment rates change or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. In some areas where we have properties, declines in other tax revenues for the states are resulting in the states considering increases to future property and other business related tax rates. Although some tenant leases may permit us to pass through such tax increases to the tenants for payment, there is no assurance that renewal leases or future leases will be negotiated on the same basis. Increases not passed through to tenants will adversely affect our income, cash available for distributions, and the amount of distributions to investors.

If we purchase environmentally hazardous property, our operating results could be adversely affected.

Under various U.S. federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. In connection with the acquisition and ownership of our properties, we may be potentially liable for such costs. The cost of defending against claims of liability, complying with environmental regulatory requirements or remediating any contaminated property could have a material adverse effect on our business, assets or results of operations and, consequently, amounts available for distribution to you. Any costs or expenses relating to environmental matters may not be covered by insurance.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties and, in particular, costs associated with complying with regulations such as the Americans with Disabilities Act of 1990 may result in unanticipated expenses.

The properties in our portfolio are subject to various covenants and U.S. federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations and cash flow.

In addition, under the Americans with Disabilities Act of 1990, or ADA, all places of public accommodation are required to meet certain U.S. federal requirements related to access and use by disabled persons. These requirements became effective in 1992. A number of additional U.S. federal, state and local laws may also require modifications to our properties, or restrict further renovations of the properties, with respect to access thereto by disabled persons. For example, the Fair Housing Amendments Act of 1988, or FHAA, requires apartment properties first occupied after March 13, 1991 to be accessible to the handicapped. On September 25, 2010, the Department of Justice published revised final regulations implementing a substantial number of changes to the Accessibility Guidelines under the ADA. These new guidelines could cause some of our properties to incur costly measures to become fully compliant. Noncompliance with the ADA or the FHAA could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. We do not conduct audits or investigations of all of these properties to determine their compliance and we cannot predict the ultimate cost of compliance with the ADA, the FHAA or other legislation. If one or more of our properties in which we invest is not in compliance with the ADA, the FHAA or other legislation, then we would be required to incur additional costs to bring the property into compliance. If we incur substantial costs to comply with the ADA and the FHAA or other legislation, our financial condition, results of operations, cash flow, price per share of our common shares and our ability to satisfy debt service obligations and to pay distributions could be adversely affected.

If we make or invest in mortgage loans, our mortgage loans may be impacted by unfavorable real estate market conditions, which could decrease the value of our mortgage investments.

If we make or invest in mortgage loans, we will be at risk of defaults by the borrowers on those mortgage loans. These defaults may be caused by many conditions beyond our control, including interest rate levels and local and other economic conditions affecting real estate values. We will not know whether the values of the properties securing the mortgage loans will remain at the levels existing on the dates of origination of the mortgage loans. If the values of the underlying properties drop, our risk will increase because of the lower value of the security associated with such loans.

High mortgage rates and/or unavailability of mortgage debt may make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our net income and the amount of cash distributions we can make.

If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we may be unable to refinance the properties when the loans become due, or to refinance on favorable terms. If interest rates are higher when we refinance our properties, our income could be reduced. If any of these events occur, our cash flow could be reduced. This, in turn, could reduce cash available for distribution to our shareholders and may hinder our ability to raise more capital by issuing more shares or by borrowing more money.

If we make or invest in mortgage loans, our mortgage loans will be subject to interest rate fluctuations which could reduce our returns as compared to market interest rates as well as the value of the mortgage loans in the event we sell the mortgage loans.

If we invest in fixed-rate, long-term mortgage loans and interest rates rise, the mortgage loans could yield a return that is lower than then-current market rates. If interest rates decrease, we will be adversely affected to the extent that mortgage loans are prepaid, because we may not be able to make new loans at the previously higher interest rate. If we invest in variable interest rate loans, if interest rates decrease, our revenues will likewise decrease. Finally, if interest rates increase, the value of loans we own at such time would decrease which would lower the proceeds we would receive in the event we sell such loans.

Your investment may be subject to additional risks when we make international investments.

We purchase properties located outside the United States. These investments may be affected by factors peculiar to the laws and business practices of the jurisdictions in which the properties are located. These laws may expose us to risks that are different from and in addition to those commonly found in the United States. Foreign investments could be subject to the following risks:

- changing governmental rules and policies, including changes in land use and zoning laws;
- enactment of laws relating to the foreign ownership of real property and laws restricting the ability of foreign persons or companies to remove profits earned from activities within the country to the person's or company's country of origin;
- fluctuations in foreign currency exchange rates, which may adversely impact the fair values and earnings streams of our international holdings and, therefore, the returns on our non-dollar denominated investments. Although we may hedge our foreign currency risk subject to the REIT income qualification tests, it is possible that we may not be able to do so successfully and may incur losses on these investments as a result of exchange rate fluctuations;
- adverse market conditions caused by terrorism, civil unrest, natural disasters and changes in national or local governmental or economic conditions;
- the willingness of domestic or foreign lenders to make mortgage loans in certain countries and changes in the availability, cost and terms of mortgage funds resulting from varying national economic policies;
- the imposition of unique tax structures and changes in real estate and other tax rates and other operating expenses in particular countries;
- our ability to qualify as a REIT may be affected; and
- general political and economic instability.

Retail properties depend on anchor tenants to attract shoppers and could be adversely affected by the loss of a key anchor tenant.

We have acquired, and may in the future acquire properties with retail components. As with all rental properties, we are subject to the risk that tenants may be unable to make their lease payments or may decline to extend a lease upon its expiration. A lease termination by a tenant that occupies a large area of a retail center (commonly referred to as an anchor tenant) could impact leases of other tenants. Other tenants may be entitled to modify the terms of their existing leases in the event of a lease termination by an anchor tenant, or the closure of the business of an anchor tenant that leaves its space vacant even if the anchor tenant continues to pay rent. Any such modifications or conditions could be unfavorable to us as the property owner and could decrease rents, expense recoveries or the market value of the property. Additionally, major tenant closures may result in decreased customer traffic, which could lead to decreased sales at other stores. In the event of a default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

We are subject to risks that affect the general retail environment, such as weakness in the economy, the level of consumer spending, the adverse financial condition of large retailing companies and competition from discount and internet retailers, any of which could adversely affect market rents for retail space and the willingness or ability of retailers to lease space in our properties.

A portion of our properties are in the retail real estate market. This means that we are subject to factors that affect the retail sector generally, as well as the market for retail space. The retail environment and the market for retail space have been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the level of consumer spending and consumer confidence, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets and increasing competition from discount retailers, outlet malls, internet retailers and other online businesses. Increases in consumer spending via the internet may significantly affect our retail tenants' ability to generate sales in their stores. New and enhanced technologies, including new digital technologies and new web services technologies, may increase competition for certain of our retail tenants.

Any of the foregoing factors could adversely affect the financial condition of our retail tenants and the willingness of retailers to lease space. In turn, these conditions could negatively affect market rents for retail space and could materially and adversely affect our distributions to our shareholders.

Delays in liquidating defaulted mortgage loans could reduce our investment returns.

If there are defaults under mortgage loans that we may make or invest in, we may not be able to repossess and sell the underlying properties quickly. The resulting time delay could reduce the value of our investment in the defaulted mortgage loans. An action to foreclose on a property securing a mortgage loan is regulated by state statutes and rules and is subject to many of the delays and expenses of other lawsuits if the defendant raises defenses or counterclaims. In the event of default by a mortgagor, these restrictions, among other things, may impede our ability to foreclose on or sell the mortgaged property or to obtain proceeds sufficient to repay all amounts due to us on the mortgage loan.

We may make or invest in mezzanine loans, which involve greater risks of loss than senior loans secured by real properties.

We may make or invest in mezzanine loans that generally take the form of subordinated loans secured by second mortgages on the underlying real property or loans secured by a pledge of the ownership interests of an entity that directly or indirectly owns real property. These types of investments involve a higher degree of risk than long-term senior mortgage loans secured by real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our mezzanine loan or debt senior to our mezzanine loan, or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the senior debt. As a result, we may not recover some or all of our investment. In addition, mezzanine loans may have higher loan-to-value ratios than traditional mortgage loans, resulting in less equity in the real property and increasing our risk of loss of principal. We will make mortgage loans only in accordance with the investment restrictions we have adopted.

We will be subject to risks that result from our passive ownership of real estate, including our investment in CBRE Strategic Partners Asia.

We have invested and may make future investments in which we passively own real estate. A passive investment in real estate, such as our investment in CBRE Strategic Partners Asia, involves risks not otherwise present with other methods of owning real estate. Examples of these risks include:

- we cannot take part in the operation, management, direction or control of the real estate;
- the party controlling the real estate may have economic or other business interests or goals that are inconsistent with our business interests or goals, including inconsistent goals relating to the sale of properties owned by such controlling party or the timing of the termination and liquidation of the controlling party; or
- the possibility that we may incur impairments and liabilities as the result of actions taken by the controlling party.

Terrorist attacks and other acts of violence or war may affect the market for our common shares, the industry in which we conduct our operations and our profitability.

Terrorist attacks may harm our results of operations and your investment. We cannot assure you that there will not be terrorist attacks in the localities in which we conduct business. These attacks or armed conflicts may directly impact the property underlying our asset-based securities or the securities markets in general. Losses resulting from these types of events are uninsurable.

More generally, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the worldwide financial markets and economy. Adverse economic conditions could harm the value of the property underlying our asset-backed securities or the securities markets in general which could harm our operating results and revenues.

Financing Risks

Dislocations or volatility in the capital and credit markets could adversely affect us.

Dislocations or volatility in the financial markets have the potential to affect, particularly in the near term, the value of our properties and our investments in unconsolidated joint ventures, the availability or the terms of financing that we and our unconsolidated joint ventures have or may anticipate utilizing, the ability of us and our unconsolidated joint ventures to make principal and interest payments on or refinance any outstanding debt when due. It may also impact the ability of our tenants and potential tenants to enter into new leases or satisfy rental payments under existing leases.

Capital market dislocations or volatility may potentially cause certain financial institutions to fail or to seek federal assistance. In the event of a failure of a lender or counterparty to a financial contract, obligations under the financial contract might not be honored and many forms of assets may be at risk and may not be fully returned to us. Should a financial institution fail to fund its committed amounts when contractually obligated to do so, our ability to meet our obligations could be materially and adversely impacted.

We could become more highly leveraged and an increase in debt service could adversely affect our cash flow and ability to make distributions.

We had approximately $425,353,000 of consolidated outstanding indebtedness, excluding discount and fair value adjustment, representing approximately 35% of our net assets (or approximately 33% of the approximate total acquisition cost of our consolidated properties, including intangibles) as of December 31, 2010. Although we have adopted a policy to limit our aggregate borrowing to no more than 65% of the cost of our assets before non-cash reserves and depreciation, subject to the 300% of net assets borrowing restriction described below, this policy may be altered at any time or suspended by our board of trustees if necessary to pursue attractive investment opportunities. Our organizational documents contain a limitation on the amount of indebtedness that we may incur, so that until our shares are listed on a national securities exchange, our aggregate borrowing may not exceed 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report.

Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any loan with cross default provisions could result in a default on other indebtedness.

If we become more highly leveraged, then the resulting increase in debt service could adversely affect our ability to make payments on outstanding indebtedness and to pay our anticipated distributions and/or the distributions required to qualify as a REIT, and could harm our financial condition.

If we fail to make our debt payments, we could lose our investment in a property.

We intend to secure the loans we obtain to fund future property acquisitions with mortgages on some of our properties. If we are unable to make our debt payments as required, a lender could foreclose on the property or properties securing its debt. This could cause us to lose part or all of our investment which in turn could cause a reduction in the value of the shares and the dividends payable to our shareholders.

Lenders may require us to enter into restrictive covenants relating to our operations.

In connection with obtaining certain financing, a lender could impose restrictions on us that would affect our ability to incur additional debt and our distribution and operating policies. Loan documents we enter into may contain customary negative covenants that may limit our ability to further mortgage the property, to discontinue insurance coverage, replace the Investment Advisor as our investment advisor or impose other limitations.

Rising interest rates could increase our borrowing costs and reduce cash available for distributions and could also adversely affect the values of the properties we own.

We have borrowed and in the future may borrow money to purchase assets. An increase in interest rates could increase our interest expense and adversely affect our cash flow and our ability to service indebtedness and to make distributions to our shareholders.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to pay dividends.

Our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. A refinancing or sale under these circumstances could affect the rate of return to shareholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to qualify as a REIT. In such case, we may be forced to borrow funds to make the distributions required to qualify as a REIT.

Failure to hedge effectively against interest rate changes may adversely affect results of operations.

Subject to maintaining our qualification as a REIT, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest cap agreements and interest rate swap agreements. These agreements may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the amount of income that a REIT may earn from hedging transactions (other than through taxable REIT subsidiaries) is limited by U.S. federal tax provisions governing REITs;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay;
- we could incur significant costs associated with the settlement of the agreements;
- the underlying transactions could fail to qualify as highly-effective cash flow hedges under FASB ASC "Derivative and Hedging"; and
- a court could rule that such an agreement is not legally enforceable.

We have adopted a policy relating to the use of derivative financial instruments to hedge interest rate risks related to our borrowings. This policy governs our use of derivative financial instruments to manage the interest rates on our variable rate borrowings. Our policy states that we will not use derivatives for speculative or trading purposes and intend only to enter into contracts with major financial institutions based on their credit rating and other factors, but our board of trustees may choose to change these policies in the future. Hedging may reduce the overall returns on our investments, which could reduce our cash available for distribution to our shareholders. Failure to hedge effectively against interest rate changes may materially adversely affect our financial condition, results of operations and cash flow.

If we sell properties by providing financing to purchasers, defaults by the purchasers would adversely affect our cash flows.

If we decide to sell any of our properties, we intend to use our best efforts to sell them for cash. However, in some instances we may sell our properties by providing financing to purchasers. When we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our cash distributions to shareholders. Even in the absence of a purchaser default, the distribution of the proceeds of sales to our shareholders, or their reinvestment in other assets, will be delayed until the promissory notes or other property we may accept upon the sale are actually paid, sold, refinanced or otherwise disposed of. In some cases, we may receive initial down payments in cash and other property in the year of sale in an amount less than the selling price and subsequent payments will be spread over a number of years. If any purchaser defaults under a financing arrangement with us, it could negatively impact our ability to pay cash distributions to our shareholders.

U.S. Federal Income Tax Risks

If we fail to qualify as a REIT in any taxable year, our operations and ability to make distributions will be adversely affected because we will be subject to U.S. federal income tax on our taxable income at regular corporate rates with no deductions for distributions made to shareholders.

We believe that we are organized and operate in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code, and that our method of operation enables us to continue to meet the requirements for qualification and taxation as a REIT. So long as we qualify as a REIT, we generally will not be subject to U.S. federal income tax on our net taxable income we distribute currently to our shareholders. In order for us to qualify as a REIT, we must satisfy certain requirements established under highly technical and complex provisions of the Internal Revenue Code and Treasury Regulations for which there are only limited judicial or administrative interpretations, and which involve the determination of various factual matters and circumstances not entirely within our control.

In March 2005, we mortgaged one of our real estate properties and invested the proceeds in a money market mutual fund until June 2005 when the proceeds were used to purchase another real estate property. During the time the proceeds were invested in the fund, we treated the investment as a "qualified temporary investment" for purposes of the REIT asset test requirements. If our investment in the fund was not eligible for treatment as a qualified temporary investment, we may not have satisfied the REIT 5% gross asset test for the first quarter of 2005. If our investment in the fund resulted in our noncompliance with the REIT 5% gross asset test, however, we would retain our qualification as a REIT pursuant to certain mitigation provisions of the Internal Revenue Code provided our noncompliance was due to reasonable cause and not to willful neglect, and certain other requirements are met including the payment of a $50,000 penalty tax. Any potential noncompliance with the 5% gross asset test would be due to reasonable cause and not willful neglect so long as we are considered to have exercised ordinary business care and prudence in attempting to satisfy such test. We believe that we have exercised ordinary business care and prudence in attempting to satisfy the REIT income and asset tests, including the 5% gross asset test, and, accordingly, we believe that any noncompliance with the REIT 5% gross asset test resulting from our investment in the fund should be due to reasonable cause and not willful neglect. We have complied with the other requirements of the mitigation provisions of the Internal Revenue Code with respect to such potential noncompliance with the 5% gross asset test, including paying the $50,000 penalty tax, and, therefore, our qualification as a REIT should not be affected. The IRS is not bound by our determination, however, and no assurance can be provided that the IRS will not assert that we failed to comply with the REIT 5% gross asset test as a result of our investment in the fund and that such failure was not due to reasonable cause.

In order for distributions to be deductible for U.S. federal income tax purposes and count towards our distribution requirement, they must not be "preferential dividends." A distribution will not be treated as preferential if it is pro rata among all outstanding shares of stock within a particular class. IRS guidance, however, allows a REIT to offer shareholders participating in its dividend reinvestment program ("DRIP") up to a 5% discount on shares purchased through the DRIP without treating such reinvested dividends as preferential. Our DRIP offers a 5% discount. In 2007, 2008 and the first two quarters of 2009, common shares issued pursuant to our DRIP were treated as issued as of the first day following the close of the quarter for which the distributions were declared, and not on the date that the cash distributions were paid to shareholders not participating in our DRIP. Because we declare dividends on a daily basis, including with respect to common shares issued pursuant to our DRIP, the IRS could take the position that distributions paid by us during these periods were preferential on the grounds that the discount provided to DRIP participants effectively exceeded the authorized 5% discount or, alternatively, that the overall distributions were not pro rata among all shareholders. In addition, in the years 2007 through 2009 we paid certain individual retirement account ("IRA") custodial fees in respect of IRA accounts that invested in our common shares. The payment of certain of such amounts could be treated as dividend distributions to the IRAs, and therefore as preferential dividends as such amounts were not paid in respect of our other outstanding common shares. Although we believe that the effect of the operation of our DRIP and the payment of such fees was immaterial, the REIT rules do not provide an exception for de minimis preferential dividends.

Accordingly, we submitted a request to the IRS for a closing agreement under which the IRS would grant us relief for preferential dividends that may have been paid as a result of the manner in which we operated our DRIP and in respect of our payment of certain of such custodial fees. There can be no assurance that the IRS will accept our proposal for a closing agreement. Even if the IRS accepts the proposal, we may be required to pay a fine if the IRS were to view the prior operation of our DRIP or the payment of such fees as preferential dividends. We cannot predict whether such a penalty would be imposed or, if so, the amount of the penalty. If the IRS does not agree to our proposal for a closing agreement and treats the foregoing amounts as preferential dividends, we may be able to rectify our failure to meet the REIT distribution requirements for a year by paying "deficiency dividends," which would be paid in respect of all of our common shares pro rata and which would be included in our deduction for dividends paid in the prior years. If required, such deficiency dividends could be as much as approximately $22 million. In such a case, we would be able to avoid losing our qualification as a REIT or being taxed on amounts distributed as deficiency dividends. However, we would be required to pay an interest-like penalty based on the amount of our deficiency dividends. Amounts paid as deficiency dividends should generally be treated as taxable income for U.S. federal income tax purposes.

If we were to fail to qualify as a REIT for any taxable year, including if we were found to have violated the 5% gross asset test and our failure was not due to reasonable cause, or if we failed to meet our distribution requirements we would be subject to U.S. federal income tax on our taxable income at regular corporate rates with no deductions for distributions made to shareholders. Further, in such event, we would generally be disqualified from treatment as a REIT for the four taxable years following the year in which we lose our REIT qualification. Accordingly, the loss of our REIT qualification would reduce our net earnings available for investment or distribution to shareholders because of the substantial tax liabilities that would be imposed on us. We might also be required to borrow funds or sell investments to pay the applicable tax.

We may be subject to tax on our undistributed net taxable income or be forced to borrow funds to make distributions required to qualify as a REIT.

As a REIT, we generally must distribute at least 90% of our annual net taxable income (excluding net capital gains) to our shareholders and we are subject to regular corporate income tax to the extent that we distribute less than 100% of our annual net taxable income. In addition, we are subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. In order to make distributions necessary to qualify as a REIT and avoid the payment of income and excise taxes, we may need to borrow funds on a short-term, or possibly long-term, basis, use proceeds from our current public offering or future public offerings, or sell properties, even if the then prevailing market conditions are not favorable for borrowings or sales. Our need for cash to make distributions could result from, among other things, a difference in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes, the effect of non-deductible capital expenditures, the creation of reserves and the repayment of indebtedness.

Dividends payable by REITs generally do not qualify for reduced U.S. federal income tax rates.

The maximum U.S. federal income tax rate for dividends payable by domestic corporations to individual U.S. shareholders is 15% (through 2012). Dividends payable by REITs, however, are generally not eligible for the reduced rates. The more favorable rates applicable to regular corporate dividends could cause investors who are individuals to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our shares.

We will pay some taxes.

Even if we qualify as a REIT for U.S. federal income tax purposes, we will be required to pay some U.S. federal, state, local and foreign taxes on our income and property, including a 100% penalty tax on any gain recognized on property held primarily for sale to customers in the ordinary course of a trade or business. To the extent that we are required to pay U.S. federal, state, local or foreign taxes, we will have less cash available for distribution to our shareholders.

The ability of our board of trustees to revoke our REIT election without shareholder approval may cause adverse consequences to our shareholders.

Our charter provides that our board of trustees may revoke or otherwise terminate our REIT election, without the approval of our shareholders, if it determines that it is no longer in our best interests to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our taxable income and we would no longer be required to distribute most of our taxable income to our shareholders, which may have adverse consequences on the total return to our shareholders and the value of our shares.

Legislative or regulatory action could adversely affect investors.

In recent years, numerous legislative, judicial and administrative changes have been made to the U.S. federal income tax laws applicable to investments similar to an investment in our shares. Additional changes to tax laws are likely to continue to occur in the future, and we cannot assure you that any such changes will not adversely affect the taxation of us or our shareholders. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our properties.

If our assets are deemed to be ERISA plan assets, the Investment Advisor and we may be exposed to liabilities under Title I of ERISA and the Internal Revenue Code.

In some circumstances where an ERISA plan holds an interest in an entity, the assets of the entire entity are deemed to be ERISA plan assets unless an exception applies. This is known as the "look-through rule." Under those circumstances, the obligations and other responsibilities of plan sponsors, plan fiduciaries and plan administrators, and of parties in interest and disqualified persons, under Title I of ERISA and Section 4975 of the Internal Revenue Code, may be applicable, and there may be liability under these and other provisions of ERISA and the Internal Revenue Code. If the Investment Advisor or we are exposed to liability under ERISA or the Internal Revenue Code, our performance and results of operations could be adversely affected. Prior to making an investment in us, you should consult with your legal and other advisors concerning the impact of ERISA and the Internal Revenue Code on your investment and our performance.

FORWARD-LOOKING STATEMENTS

This prospectus contains various "forward-looking statements." You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "would," "could," "should," "seeks," "approximately," "intends," "plans," "projects," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Statements regarding the following subjects may be impacted by a number of risks and uncertainties:

- our business strategy;
- our ability to obtain future financing arrangements;
- estimates relating to our future distributions;
- our understanding of our competition;
- market trends;
- projected capital expenditures;
- the impact of technology on our products, operations and business; and
- the use of the proceeds of this offering and subsequent offerings.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to our common shares, along with the following factors that could cause actual results to vary from our forward-looking statements:

- national, regional and local economic climates;
- the continued volatility and disruption of capital and credit markets;
- changes in supply and demand for office, industrial, retail, and multi-family residential properties;
- adverse changes in the real estate markets, including increasing vacancy, decreasing rental revenue and increasing insurance costs;
- availability and credit worthiness of prospective tenants;
- our ability to maintain rental rates and maximize occupancy;
- our ability to identify acquisitions;
- our pace of acquisitions and/or dispositions of properties;
- our corporate debt ratings and changes in the general interest rate environment;
- availability of capital (debt and equity);
- our ability to refinance existing indebtedness or incur additional indebtedness;
- unanticipated increases in financing and other costs, including a rise in interest rates;
- the actual outcome of the resolution of any conflict;
- our ability to successfully operate acquired properties;
- availability of and ability to retain qualified personnel;
- CBRE Advisors LLC remaining as our Investment Advisor;
- future terrorist attacks in the United States or abroad;
- our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes and our operating partnership's ability to satisfy the rules in order for it to qualify as a partnership for U.S. federal income tax purposes;

- foreign currency fluctuations;
- accounting principles and policies and guidelines applicable to REITs;
- legislative or regulatory changes adversely affecting REITs and the real estate business;
- environmental, regulatory and/or safety requirements; and
- other factors discussed under the "Risk Factors" section of this prospectus.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled "Risk Factors."

ESTIMATED USE OF PROCEEDS

The following tables set forth how we intend to use the gross and net proceeds raised in this offering assuming that we sell specified numbers of shares pursuant to the primary offering and our dividend reinvestment plan. However, the number of common shares issued, including the number of common shares to be issued pursuant to our dividend reinvestment plan, may vary from these assumptions. The common shares in the primary offering are offered to the public on a best efforts basis at $10.00 per share and issued pursuant to our dividend reinvestment plan at a price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose. As a result, the allocation of our common shares sold pursuant to the primary offering and dividend reinvestment plan affect the gross proceeds, net proceeds and amount invested.

Many of the figures set forth below represent management's best estimates since they cannot be precisely calculated at this time. As a result, the amounts in the tables below are estimates and may not accurately reflect the actual receipt or use of the offering proceeds. If we are unable to raise substantial funds, we will be limited in the number and type of investments we may make. We expect that approximately 88.5% of the money that shareholders invest will be used to invest in real estate assets, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties, and for working capital purposes, assuming that we sell $2,700,000,000 in common shares pursuant to the primary offering and $300,000,000 in common shares pursuant to our dividend reinvestment plan. The number and aggregate purchase price of properties we acquire in each asset class will depend upon real estate and market conditions and other circumstances existing at the time we acquire assets. The remaining portion of the proceeds will be used to pay offering fees and expenses, including selling commissions, the dealer manager fee, the marketing support fee and other organization and offering expenses and the acquisition fee. Pending investment, we intend to invest the funds in interest-bearing short-term investment grade securities or money market accounts which are consistent with our intention to qualify as a REIT. These investments are expected to provide a lower net return than we hope to achieve from our intended investments.

Calculation of Net Proceeds from the Primary Offering

The following table assumes we sell (i) $675,000,000 in common shares pursuant to the primary offering and no common shares pursuant to our dividend reinvestment plan, and (ii) $2,700,000,000 in common shares pursuant to the primary offering and no common shares pursuant to our dividend reinvestment plan.

	$675,000,000 Primary Shares Sold		$2,700,000,000 Primary Shares Sold	
	Amount	Percent	Amount	Percent
Gross proceeds	$675,000,000	100.0%	$2,700,000,000	100.0%
Less:				
Selling commission(1)	47,250,000	7.0	189,000,000	7.0
Dealer manager fee(1)	13,500,000	2.0	54,000,000	2.0
Marketing support fee(1)	6,750,000	1.0	27,000,000	1.0
Other organization and offering expenses(2)	5,187,500	0.8	20,750,000	0.8
Net proceeds/amount available for investments	$602,312,500	89.2%	$2,409,250,000	89.2%
Less:				
Acquisition fee(3)(5)	8,854,000	1.3	35,418,000	1.3
Acquisition expenses(4)(5)	2,951,000	0.4	11,806,000	0.4
Initial working capital reserve(6)	—	—	—	—
Estimated amount to be invested(7)	$590,507,500	87.5%	$2,362,026,000	87.5%

Calculation of Estimated Net Proceeds from Combinations of the Primary Offering and the Dividend Reinvestment Plan

The table below assumes we sell the maximum of $2,700,000,000 in common shares pursuant to the primary offering and (i) $75,000,000 in common shares pursuant to our dividend reinvestment plan, (ii) $150,000,000 in common shares pursuant to our dividend reinvestment plan, (iii) $225,000,000 in common shares pursuant to our dividend reinvestment plan and (iv) $300,000,000 in common shares pursuant to our dividend reinvestment plan. The estimated net proceeds depend on a number of factors, including, but not limited to, rates of reinvestment pursuant to our dividend reinvestment plan and any potential reallocation of shares between the primary offering and our dividend reinvestment plan. Therefore, we cannot accurately predict the net proceeds we will realize from a combination of the offerings. We may continue to offer our common shares pursuant to our dividend reinvestment plan after the termination of the primary offering.

The following table is presented solely for informational purposes.

	Primary Offering plus $75,000,000 in Shares Sold Pursuant to Dividend Reinvestment Plan		Primary Offering plus $150,000,000 in Shares Sold Pursuant to Dividend Reinvestment Plan		Primary Offering plus $225,000,000 in Shares Sold Pursuant to Dividend Reinvestment Plan		Primary Offering plus $300,000,000 in Shares Sold Pursuant to Dividend Reinvestment Plan	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Gross proceeds	$2,775,000,000	100.0%	$2,850,000,000	100.0%	$2,925,000,000	100.0%	$3,000,000,000	100.0%
Less:								
Commissions, fees and expenses(1)(2)	290,750,000	10.5	290,750,000	10.2	290,750,000	9.9	290,750,000	9.7
Net proceeds/amount available for investments	$2,484,250,000	89.5%	$2,559,250,000	89.8%	$2,634,250,000	90.1%	$2,709,250,000	90.3%
Less:								
Acquisition fee(3)(5)	36,533,000	1.3	37,636,000	1.3	38,739,000	1.3	39,842,000	1.3
Acquisition expenses (4)(5)	12,178,000	0.4	12,545,000	0.4	12,913,000	0.4	13,281,000	0.4
Initial working capital reserve(6)	—	—	—	—	—	—	—	—
Estimated amount to be invested(5)(7)	$2,435,539,000	87.8%	$2,509,069,000	88.0%	$2,582,598,000	88.3%	$2,656,127,000	88.5%

(1) We pay selling commissions of up to 7.0%, a dealer manager fee of up to 2.0% and a marketing support fee of up to 1.0%, each of which is based on the gross proceeds of the primary offering and payable to the Dealer Manager. The Dealer Manager, in its sole discretion, may reallow all or a portion of the selling commissions, the dealer manager fee and the marketing support fee attributable to our common shares sold by other broker-dealers participating in this offering to them. The commissions and fees may be reduced for volume discounts or waived as further described in the "Plan of Distribution" section of this prospectus; however, for purposes of this table we have not assumed any such discounts or waivers. We do not pay selling commissions, the dealer manager fee, or the marketing support fee for shares issued pursuant to our dividend reinvestment plan. The compensation we pay to the Dealer Manager may be reduced by up to $850,000 in connection with certain fees and expenses payable by the Investment Advisor to the Sub-Advisor pursuant to the sub-advisory agreement.

(2) Organizational and offering expenses consist of reimbursement of, among other things, the cumulative cost of actual legal, accounting, printing and other expenses attributable to conducting this offering, any organizational documents, qualification of the shares for sale in the states and filing fees incurred by the Investment Advisor as well as reimbursements for marketing, direct expenses of its employees while engaged in registering and marketing the shares and other marketing and organization costs, including costs associated with meetings and training seminars. Organizational and offering expenses do not include the dealer manager fee, selling commissions or marketing support fee described above. We are responsible for the payment of all cumulative organizational and offering expenses, but our total organizational and offering expenses (including selling commissions, the dealer manager fee and the marketing support fee) will not exceed 15% of the aggregate gross proceeds from the sale of shares in the primary offering. The Investment Advisor and its affiliates will be responsible for the payment of our cumulative organizational and offering expenses (other than sales commissions, dealer manager fees and marketing support fees) to the extent they exceed 15% of aggregate gross proceeds from the sale of shares in the primary offering.

(3) Acquisition fees are defined generally as fees and commissions paid by any party to any person in connection with the purchase, development or construction of real properties. We pay the Investment Advisor an acquisition fee of 1.5% of the purchase price of our real estate assets. Acquisition fees do not include acquisition expenses.

(4) Acquisition expenses include any and all expenses incurred by us, the Investment Advisor, or any affiliate of either of us in connection with the selection or acquisition of any investment, whether or not acquired or made, including, without limitation, legal fees and expenses, travel and communication expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, taxes, and title insurance, but excluding acquisition fees. In no event will total acquisition fees and acquisition expenses on a real property exceed 6.0% of the contract price of the real property as required by the NASAA Guidelines. Furthermore, in no event will the total of all acquisition fees and acquisition expenses paid by us, including acquisition expenses on real properties which are not acquired, exceed 6.0% of the aggregate contract price of all real properties acquired by us.

(5) For purposes of this table we have assumed that (i) there is zero leverage in the portfolio and (ii) the net proceeds from this offering are fully invested. These assumptions may change due to different factors including changes in the allocation of common shares between the primary offering and common shares issued pursuant to our dividend reinvestment plan. In the event we incur debt or issue new common shares outside of this offering in order to acquire real properties, then the acquisition fees and amounts invested in real properties could exceed the amounts stated above. For example, assuming we utilize 50% leverage, the acquisition fee and acquisition expense percentages would be approximately double the corresponding percentages indicated.

(6) Because leases generally will be on triple-net lease basis, we do not anticipate that a permanent reserve for maintenance and repairs will be established. However, to the extent that we have insufficient funds for such purposes, the Investment Advisor may, but is not required to, allocate to us an aggregate amount of up to 1.0% of the net offering proceeds available to us, or the Net Offering Proceeds, for maintenance and repairs. As used herein, Net Offering Proceeds means gross proceeds less (i) selling commissions; (ii) organizational and offering expenses; (iii) the dealer manager fee; and (iv) the marketing support fee. The Investment Advisor also may, but is not required to, establish reserves from offering proceeds, operating funds, and the available proceeds of any sales of our assets.

(7) Offering proceeds designated for investment in properties or for the making or acquisition of loans may also be used to repay debt borrowed in connection with such acquisitions. Offering proceeds designated for investment in properties or for the making or acquisition of loans temporarily may be invested in short-term, highly liquid investments with appropriate safety of principal.

DISTRIBUTION POLICY

We intend to distribute all or substantially all of our net taxable income (which does not ordinarily equate to net income as calculated in accordance with GAAP) to our shareholders in each year. We intend to declare dividends on a daily basis, but aggregate and pay dividends on a quarterly basis. Our dividend policy is subject to revision at the discretion of our board of trustees without notice to you or shareholder approval. All distributions will be made by us at the discretion of our board of trustees and will be based upon our board of trustee's evaluation of our assets, operating results, historical and projected cash flows (and sources thereof), historical and projected equity offering proceeds, historical and projected debt incurred, projected investments and capital requirements, the anticipated timing between receipt of our equity offering proceeds and investment of those proceeds, maintenance of REIT qualification, applicable provisions of Maryland law, general economic, market and industry conditions, and such other factors as our board of trustees deems relevant.

In order to qualify as a REIT under the Internal Revenue Code, we must make distributions to our shareholders each year in an amount at least equal to (i) 90% of our net taxable income, excluding net capital gains, plus (ii) 90% of the excess of our net income from foreclosure property over the tax imposed on such income by the Internal Revenue Code, minus (iii) any excess non-cash income. In general, our dividends will be applied toward these requirements only if paid in the taxable year to which they relate, or in the following taxable year if the dividends are declared before we timely file our tax return for that year, the dividends are paid on or before the first regular dividend payment following the declaration and we elect on our tax return to have a specified dollar amount of such distributions treated as if paid in the prior year. In addition, dividends declared by us in October, November or December of one taxable year and payable to a shareholder of record on a specific date in such a month are treated as both paid by us and received by the shareholder during such taxable year, *provided* that the dividend is actually paid by us by January 31 of the following taxable year.

It is anticipated that distributions generally will be taxable as ordinary income to our shareholders, although a portion of such distributions may be designated by us as a return of capital or as capital gain. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital or capital gains.

Total distributions declared and paid for the period from inception (July 1, 2004) through December 31, 2010 were $175,044,000 and total Funds from Operations for the period from inception (July 1, 2004) through December 31, 2010 were $90,548,000. For a discussion of our supplemental financial measures, see "Summary Selected Financial Information-Non-GAAP Supplemental Financial Measure: Funds from Operations."

The following table sets forth the distributions per common share declared by our board of trustees and dates of such distributions:

Quarter	Declared	Date of Distribution
First Quarter, 2009	$0.15	April 17, 2009
Second Quarter, 2009	$0.15	July 17, 2009
Third Quarter, 2009	$0.15	October 16, 2009
Fourth Quarter, 2009	$0.15	January 15, 2010
First Quarter, 2010	$0.15	April 16, 2010
Second Quarter, 2010	$0.15	July 16, 2010
Third Quarter, 2010	$0.15	October 15, 2010
Fourth Quarter, 2010	$0.15	January 14, 2011
First Quarter, 2011	$0.15	April 15, 2011
Second Quarter, 2011	$0.15	July 15, 2011*

* Anticipated payment date

The following table presents total distributions declared and paid and distributions per share:

2010 Quarters	First	Second	Third	Fourth
Total distributions declared and paid	$16,841,000	$19,266,000	$21,623,000	$24,053,000
Distributions per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Amount of distributions per share funded by cash flows provided by operating activities	$ 0.1212	$ 0.0540	$ 0.0826	$ 0.0444
Amount of distributions per share funded by uninvested proceeds from financings of our properties	$ 0.0288	$ 0.0960	$ 0.0674	$ 0.1056

2009 Quarters	First	Second	Third	Fourth
Total distributions declared and paid	$10,066,000	$11,181,000	$12,767,000	$14,750,000
Distributions per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Amount of distributions per share funded by cash flows provided by operating activities	$ 0.0903	$ 0.0643	$ 0.1309	$ 0.0430
Amount of distributions per share funded by uninvested proceeds from financings of our properties	$ 0.0597	$ 0.0857	$ 0.0191	$ 0.1070

Our Board of Trustees approved a quarterly distribution to shareholders of $0.15 per common share for the second quarter of 2011. The distribution will be calculated on a daily basis and paid on July 15, 2011 to shareholders of record during the period April 1, 2011 through and including June 30, 2011. On an annualized basis, this distribution amount represents a 6.0% yield based on the current $10.00 per share offering price of our common shares. Our board of trustees approved a quarterly distribution to shareholders of $0.15 per common share for the first quarter of 2011. The distribution will be calculated on a daily basis and paid on April 15, 2011 to shareholders of record during the period January 1, 2011 through and including March 31, 2011. On an annualized basis, this distribution amount represents a 6.0% yield based on the current $10.00 per share offering price of our common shares. However, no assurance can be made that distributions will be sustained at current levels.

Our first quarter 2010 distributions, paid on April 16, 2010, were funded 80.79% by cash flows provided by operating activities and 19.21% from uninvested proceeds from financings of our properties. In addition, distributions totaling $7,318,000 were reinvested in our common shares pursuant to our dividend reinvestment plan. Our second quarter 2010 distributions, paid on July 16, 2010, were funded 35.98% by cash flows provided by operating activities and 64.02% from uninvested proceeds from financings of our properties. In addition, distributions totaling $8,390,000 were reinvested in our common shares pursuant to our dividend reinvestment plan. Our third quarter 2010 distributions, paid on October 15, 2010, were funded 55.08% by cash flows provided by operating activities and 44.92% from uninvested proceeds from financings of our properties. In addition, distributions totaling $9,349,000 were reinvested in our common shares pursuant to our dividend reinvestment plan. Our fourth quarter 2010 distributions, paid on January 14, 2011, were funded 29.60% by cash flows provided by operating activities and 71.40% from uninvested proceeds from financings of our properties. In addition, distributions totaling $10,260,000 were reinvested in our common shares pursuant to our dividend reinvestment plan.

Our 2010 distributions were funded 48.38% by cash flows provided by operating activities and 51.62% from uninvested proceeds from financings of our properties. In addition, 2010 distributions totaling $35,317,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during 2010.

Our first quarter 2009 distributions, paid on April 17, 2009, were funded 60.22% by cash flows provided by operating activities and 39.78% from uninvested proceeds from financings of our properties. In addition, first quarter distributions totaling $4,120,000 were reinvested in our common shares pursuant to our dividend reinvestment plan. Our second quarter 2009 distributions, paid on July 17, 2009, were funded 42.90% by cash flows provided by operating activities and 57.10% from uninvested proceeds from financings of our properties. In addition, second quarter distributions totaling $4,563,000 were reinvested in our common shares pursuant to our dividend reinvestment plan. Our third quarter 2009 distributions, paid on October 16, 2009, were funded 87.25% by cash flows provided by operating activities and 12.75% from uninvested proceeds from financings of our properties. In addition, third quarter distributions totaling $5,255,000 were reinvested in our common shares pursuant to our dividend reinvestment plan. Our fourth quarter 2009 distributions, paid on January 15, 2010, were funded 28.67% by cash flows provided by operating activities and 71.33% from uninvested proceeds from financings of our properties. In addition, fourth quarter distributions totaling $6,196,000 were reinvested in our common shares pursuant to our dividend reinvestment plan.

Our 2009 distributions were funded 53.78% by cash flows provided by operating activities and 46.22% from uninvested proceeds from financings of our properties. In addition, distributions totaling $20,135,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during 2009.

We cannot assure you that we have sufficient cash available for future distributions at this level, or at all. See "Risk Factors."

To the extent that our cash available for distribution is less than the amount we are required to distribute to qualify as a REIT, we may consider various funding sources to cover any shortfall, including borrowing funds on a short-term, or possibly long-term, basis, using proceeds from this offering or future offerings, or selling properties. In addition, we may utilize these funding sources to make distributions that exceed the amount we are required to distribute to maintain our qualification as a REIT.

Summary Selected Financial and Operating Data

The following table sets forth summary selected financial and operating data on a consolidated basis for our company. You should read the following summary selected financial data in conjunction with our consolidated historical financial statements and the related notes and with "Management Discussion and Analysis of Financial Conditions and Results of Operations," which are included in our incorporated documents.

The summary historical consolidated balance sheet information as of December 31, 2010, 2009, 2008, 2007 and 2006 as well as the summary historical consolidated statement of operations information for the periods ended December 31, 2010, 2009, 2008, 2007 and 2006 have been derived from our historical consolidated financial statements.

Our unaudited summary selected pro forma consolidated financial data is presented for the year ended December 31, 2010. Our unaudited summary selected pro forma consolidated statements of operations data for the year ended December 31, 2010 is based on our historical consolidated statements of operations and gives effect to the acquisitions of the following properties as if they were acquired on January 1, 2010 for (i) the 3900 North Paramount Parkway, 3900 South Paramount Parkway and 1400 Perimeter Park Drive properties, a Duke joint venture interest which was acquired on March 31, 2010, (ii) the 5160 Hacienda Drive property which was acquired on April 8, 2010, (iii) the 10450 Pacific Court Center property which was acquired on May 7, 2010, (iv) the Amber Park and Brackmills properties, UK JV interests which were acquired on June 10, 2010, (v) the Düren and Schönberg properties, European JV interests which were acquired on June 10, 2010, (vi) the 225 Summit Avenue property which was acquired on June 21, 2010, (vii) the One Wayside Road property which was acquired on June 24, 2010, (viii) the 100 Tice Blvd. property which was acquired on September 28, 2010, (ix) the National Industrial Portfolio which was acquired on October 27, 2010, (x) the Duke joint venture Office Portfolio tranche I which was acquired on December 21, 2010, (xi) the Duke joint venture Office Portfolio tranches II and III which were acquired on March 24, 2011 and the 70 & 90 Hudson properties which were acquired April 11, 2011. Our unaudited pro forma consolidated balance sheet as of December 31, 2010 is presented as if the acquisition of the Duke joint venture Office Portfolio tranches II and III properties and the 70 & 90 Hudson properties had taken place on December 31, 2010. The Duke joint venture Office Portfolio tranches II and III were acquired on March 24, 2011 and the 70 & 90 Hudson properties were acquired on April 11, 2011. The unaudited pro forma consolidated statements of operations do not purport to represent our results of operations that would actually have occurred assuming the acquisitions of 3900 North Paramount Parkway, 3900 South Paramount Parkway, 1400 Perimeter Park Drive, 5160 Hacienda Drive, 10450 Pacific Court Center, Amber Park, Brackmills, Düren, Schönberg, 225 Summit Avenue, One Wayside Road, 100 Tice Blvd., the National Industrial Portfolio, the Duke joint venture Office Portfolio tranches I, II and III and the 70 & 90 Hudson properties had occurred on January 1, 2010, nor do they purport to project our results of operations as of any future date or for any future period. Our unaudited pro-forma financial information is not necessarily indicative of what our results of operations would have been for the period indicated, nor does it purport to represent our future results of operations.

	Pro Forma Consolidated	Historical Consolidated				
	Year Ended December 31,	Year Ended December 31,				
	2010	2010	2009	2008	2007	2006
		(in thousands, except share data)				
Statement of Operations Data:						
Revenues						
Rental	$ 112,441	$ 69,373	$ 47,023	$ 33,396	$ 14,028	$ 6,630
Tenant Reimbursements	20,447	14,166	9,301	6,753	2,633	1,830
Total Revenue	132,888	83,539	56,324	40,149	16,661	8,460
Expenses						
Operating and Maintenance	13,461	8,618	4,974	3,248	1,057	860
Property Taxes	15,537	10,965	7,624	5,479	1,778	1,103
Interest	31,346	14,881	11,378	10,323	5,049	1,784
General and Administrative Expense	5,650	5,526	4,246	3,320	1,853	851
Property Management Fee to Related Party	2,107	948	656	491	160	41
Investment Management Fee to Related Party	16,189	11,595	7,803	3,964	1,547	739
Class C Fee to Related Party	—	—	—	—	—	145
Acquisition Expenses	23,731	17,531	5,832	—	—	—
Depreciation and Amortization	43,128	32,125	25,093	17,171	8,050	4,618
Loss on Impairment	—	—	9,160	—	—	—
Total Expenses	151,149	102,189	76,766	43,996	19,494	10,141
Other Income and Expenses						
Interest and Other Income	1,260	1,260	344	2,039	2,855	255
Net Settlement (Payments) Receipts on Interest Rate Swaps	(1,096)	(1,096)	(660)	65	—	—
Gain (Loss) on Interest Rate Swaps and Cap	23	23	89	(1,496)	—	—
(Loss) Gain on Note Payable at Fair Value	(118)	(118)	(807)	1,168	—	—
Loss on Early Extinguishment of Debt	(72)	(72)	—	—	—	—
Loss on Transfer of Real Estate Held for Sale to Continuing Operations	—	—	—	(3,451)	—	—
Total Other Income and (Expenses)	(3)	(3)	(1,034)	(1,675)	2,855	255
(Loss) Income Before (Provision) Benefit for Income Taxes and Equity in Income (Loss) of Unconsolidated Entities	(18,264)	(18,653)	(21,476)	(5,522)	22	(1,426)
(Provision) Benefit for Income Taxes	(296)	(296)	(169)	82	(279)	—
Equity in Income (Loss) of Unconsolidated Entities	17,438	8,838	2,743	(1,242)	(150)	—
Net Loss From Continuing Operations	(1,122)	(10,111)	(18,902)	(6,682)	(407)	(1,426)
Loss From Discontinued Operations	—	(507)	—	—	—	—
Net Loss	(1,122)	(10,618)	(18,902)	(6,682)	(407)	(1,426)
Net Loss (Income) Attributable to Non-Controlling Operating Partnership Units	3	18	54	26	4	(1,058)
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$ (1,119)	$ (10,600)	$ (18,848)	$ (6,656)	$ (403)	$ (2,484)
Per Share Data:						
Basic and Diluted Net Loss Per Share from Continuing Operations	$ (0.01)	$ (0.08)	$ (0.23)	$ (0.14)	$ (0.02)	$ (0.35)
Basic and Diluted Net Loss Per Share from Discontinued Operations	$ —	$ —	$ —	$ —	$ —	$ —
Weighted Average Common Shares Outstanding—Basic and Diluted	143,681,665	136,456,565	81,367,593	46,089,680	18,545,418	7,010,722
Dividends Declared Per Share	$ 0.60	$ 0.60	$ 0.60	$ 0.59	$ 0.54	$ 0.50

	Pro Forma Consolidated	Historical Consolidated				
	Year Ended December 31,	December 31,				
	2010	2010	2009	2008	2007	2006
		(in thousands)				
Balance Sheet Data:						
Investments in Real Estate, After Accumulated Depreciation and Amortization	$1,365,975	$1,055,975	$ 639,573	$484,827	$309,805	$70,650
Investments in Unconsolidated Entities	464,451	410,062	214,097	131,703	101	—
Real Estate and Other Assets Held for Sale	22,056	22,056	—	—	—	—
Total Assets	2,016,391	1,716,720	1,059,019	709,920	435,751	97,807
Notes Payable	604,011	365,592	212,425	177,161	116,876	34,975
Loan Payable	60,000	60,000	—	—	45,000	—
Liabilities Related to Real estates and other Assets Held for Sale	441	441	—	—	—	—
Total Liabilities	730,373	491,954	256,556	220,249	189,224	44,834
Non-Controlling Interest	2,464	2,464	2,464	2,464	2,464	2,464
Shareholders' Equity	1,283,554	1,222,302	799,999	487,207	244,063	50,509
Total Liabilities and Shareholders' Equity	2,016,391	1,716,720	1,059,019	709,920	435,751	97,807

Non-GAAP Supplemental Financial Measure: Funds from Operations

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors consider presentations of operating results for REITs that use historical cost accounting to be insufficient by themselves. Consequently, the National Association of Real Estate Investment Trusts, or NAREIT, created Funds from Operations, or FFO, as a supplemental measure of REIT operating performance.

FFO is a non-GAAP measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net income. FFO, as we define it, is presented as a supplemental financial measure. Management believes that FFO is a useful supplemental measure of REIT performance. FFO does not present, nor do we intend for it to present, a complete picture of our financial condition and/or operating performance. We believe that net income, as computed under GAAP, appropriately remains the primary measure of our performance and that FFO, when considered in conjunction with net income, improves the investing public's understanding of the operating results of REITs and makes comparisons of REIT operating results more meaningful.

We compute FFO in accordance with standards established by NAREIT. Modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business and provide greater transparency to the investing public as to how our management team considers our results of operations. As a result, our FFO may not be comparable to FFO as reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do. The revised NAREIT White Paper on FFO defines FFO as net income or loss computed in accordance with GAAP, excluding extraordinary items, as defined by GAAP, and gains and losses from sales of depreciable operating property, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), and after adjustment for unconsolidated partnerships and joint ventures.

Management believes that NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time, and that depreciation charges required by GAAP do not always reflect the underlying economic realities. Likewise, the exclusion from NAREIT's definition of FFO of gains and losses from the sales of previously depreciated operating real estate assets, allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. Thus, FFO provides a performance measure that, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates and operating costs. Management also believes that FFO provides useful information to the investment community about our financial performance when compared to other REITs, since FFO is generally recognized as the industry standard for reporting the operations of REITs.

However, changes in the accounting and reporting rules under GAAP (for acquisition fees and expenses from a capitalization/depreciation model to an expensed-as-incurred model) that have been put into effect since the establishment of NAREIT's definition of FFO have prompted an increase in the non-cash and non-operating items included in FFO. In addition, we view impairment charges as an item which is typically adjusted when assessing operating performance. Furthermore, publicly registered, non-traded REITs typically have a significant amount of acquisition activity during their initial years of investment and operation and therefore we believe require additional adjustments to FFO in evaluating performance. As a result, in addition to presenting FFO in accordance with the NAREIT definition, we also disclose FFO, as adjusted, which excludes the effects of acquisition costs and non-cash impairment charges.

FFO, as adjusted, is a useful measure to management's decision-making process. As discussed below, period to period fluctuations in the excluded items can be driven by short-term factors that are not particularly relevant to our long-term investment decisions, long-term capital structures or long-term tax planning and tax structuring decisions. We believe that adjusting FFO to exclude these acquisition costs and impairment charges more appropriately presents our results of operations on a comparative basis. The items that we exclude from net income are subject to significant fluctuations from period to period that cause both positive and negative effects on our results of operations, often in inconsistent and unpredictable directions. For example, our acquisition costs are primarily the result of the volume of our acquisitions completed during each period, and therefore we believe such acquisition costs are not reflective of our operating results during each period. Similarly, unrealized gains or non-cash impairment charges that we have recognized during a given period are based primarily upon changes in the estimated fair market value of certain of our investments due to deterioration in market conditions and do not necessarily reflect the operating performance of these properties during the corresponding period.

We believe that FFO, as adjusted, is useful to investors as a supplemental measure of operating performance. We believe that adjusting FFO to exclude acquisition costs provides investors a view of the performance of our portfolio over time, including after we cease to acquire properties on a frequent and regular basis and allows for a comparison of the performance of our portfolio with other REITs that are not currently engaging in acquisitions. In addition, as many other non-traded REITs adjust FFO to exclude acquisition costs and impairment charges, we believe that our calculation and reporting of FFO, as adjusted, will assist investors and analysts in comparing our performance with that of other non-traded REITs. We also believe that FFO, as adjusted, may provide investors with a useful indication of our future performance, particularly after our acquisition stage, and of the sustainability of our current distribution policy. However, because FFO, as adjusted, excludes acquisition costs, which are an important component in an analysis of our historical performance, such supplemental measure should not be construed as a historical performance measure and may not be as useful a measure for estimating the value of our common shares. In addition, the impairment charges that we exclude from FFO, as adjusted, may be realized as a loss in the future upon the ultimate disposition of the related properties or other assets through the form of lower cash proceeds.

Not all REITs calculate FFO and FFO, as adjusted (or an equivalent measure), in the same manner and therefore comparisons with other REITs may not be meaningful. Neither FFO, nor FFO as adjusted, represents cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to (i) net income (determined in accordance with GAAP), as indications of our financial performance, or (ii) to cash flow from operating activities (determined in accordance with GAAP) as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make cash distributions. We believe that to further understand our performance, each of FFO and FFO, as adjusted, should be compared with our reported net income and considered in addition to cash flows in accordance with GAAP, as presented in our Consolidated Financial Statements.

The following table presents our FFO and FFO, as adjusted for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Reconciliation of net loss to funds from operations			
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$(10,600)	$(18,848)	$ (6,656)
Adjustments:			
Non-controlling interest	(18)	(54)	(26)
Real estate depreciation and amortization	32,125	25,093	17,171
Realized gain from transfer of real estate to unconsolidated entity	(154)	—	—
Net effect of FFO adjustment from unconsolidated entities[1]	17,209	14,355	3,275
Loss from transfer of held for sale real estate to continuing operations	—	—	3,451
FFO	$ 38,562	$ 20,546	$17,215
Other Adjustments:			
Acquisition expenses/Organization expenses[2]	18,806	5,832	—
Real estate impairment loss	—	9,160	—
Unrealized gain/impairment loss in unconsolidated entity	1,043	(1,483)	1,064
FFO, as adjusted	$ 58,411	$ 34,055	$18,279

(1) Represents our share of the FFO adjustments allowable under the NAREIT definition (primarily depreciation) for each of our unconsolidated entities multiplied by the percentage of income or loss recognized by us for each of these unconsolidated entities during each of the quarters within the annual periods presented.

(2) In addition to organization and acquisition costs incurred in our consolidated results, this adjustment also includes our portion of acquisition costs incurred within our unconsolidated entities.

The following table presents our FFO and FFO, as adjusted for the three months ended December 31, 2010, September 30, 2010, June 30, 2010 and March 31, 2010 (in thousands):

	Three Months Ended			
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Reconciliation of net loss to funds from operations:				
Net (Loss) Income Attributable to CB Richard Ellis Realty Trust Shareholders	$ (5,318)	$ (1,206)	$ (4,221)	$ 145
Adjustments:				
Non-controlling interest	(9)	(2)	(8)	1
Real estate depreciation and amortization	10,224	7,941	6,717	7,243
Realized gain from transfer of real estate to unconsolidated entities	—	—	—	(154)
Net effect of FFO adjustment from unconsolidated entities[1]	4,451	4,661	4,382	3,715
FFO	$ 9,348	$11,394	$ 6,870	$10,950
Other Adjustments:				
Acquisition expenses/Organization expenses[2]	10,303	2,592	5,529	$ 382
Unrealized gain/impairment loss in unconsolidated entity	1,277	115	(373)	24
FFO, as adjusted	$20,928	$14,101	$12,026	$11,356
Net (loss) income per share (basic and diluted)	$ (0.03)	$ (0.01)	$ (0.03)	$ 0.00
FFO per share (basic and diluted)	$ 0.06	$ 0.08	$ 0.05	$ 0.10
FFO, as adjusted, per share (basic and diluted)	$ 0.13	$ 0.10	$ 0.09	$ 0.10

(1) Represents our share of the FFO adjustments allowable under the NAREIT definition (primarily depreciation) for each of our unconsolidated entities multiplied by the percentage of income or loss recognized by us for each of these unconsolidated entities during each of the quarters within the annual periods presented.

(2) In addition to organization and acquisition costs incurred in our consolidated results, this adjustment also includes our portion of acquisition costs incurred within our unconsolidated entities.

THE COMPANY

CB Richard Ellis Realty Trust

CB Richard Ellis Realty Trust is a Maryland real estate investment trust that invests in real estate, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties, as well as other real estate-related assets. As of December 31, 2010, we owned, on a consolidated basis, 73 office, industrial (primarily warehouse/distribution) and retail properties located in 15 states (Arizona, California, Florida, Georgia, Illinois, Kentucky, Massachusetts, Minnesota, New Jersey, North Carolina, Ohio, South Carolina, Texas, Utah and Virginia) and in the United Kingdom. In addition, we have ownership interests in five unconsolidated entities that, as of December 31, 2010, owned interests in 38 properties. Excluding those properties owned through our investment in CB Richard Ellis Strategic Partners Asia II, L.P., or CBRE Strategic Partners Asia, we owned, on an unconsolidated basis, 30 industrial, office and retail properties located in eight states (Arizona, Florida, Indiana, Missouri, North Carolina, Ohio, Tennessee and Texas), and in the United Kingdom and Europe. We have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes.

We commenced operations in July 2004, following an initial private placement of our common shares of beneficial interest. We raised aggregate net proceeds (after commissions and expenses) of approximately $55,500,000 from July 2004 to October 2004 in private placements of our common shares. On October 24, 2006, we commenced an initial public offering of up to $2,000,000,000 in our common shares. Our initial public offering was terminated effective as of the close of business on January 29, 2009. As of the close of business on January 29, 2009, we had sold a total of 60,808,967 common shares in the initial public offering, including 1,487,943 common shares which were issued pursuant to our dividend reinvestment plan, and received $607,345,702 in gross proceeds. Our registration statement on Form S-11 relating to this public offering was declared effective by the SEC on January 30, 2009. Unless extended, this offering will not last beyond January 30, 2012. From January 30, 2009 through March 31, 2011, we received gross offering proceeds of approximately $1,108,455,774 from the sale of 111,137,409 shares including 5,836,636 common shares issued pursuant to our dividend reinvestment plan.

We are an externally managed REIT. The Investment Advisor, which is an affiliate of CBRE Investors, is responsible for managing our affairs on a day-to-day basis and for identifying and making acquisitions on our behalf. The Investment Advisor receives advisory services relating to real estate acquisitions, property management and communications with existing investors and, in addition, receives marketing and other operational services from the Sub-Advisor pursuant to a sub-advisory agreement.

CBRE Advisors LLC

Our Investment Advisor is responsible for managing our affairs on a day-to-day basis pursuant to an advisory agreement. We have no employees and therefore depend on our Investment Advisor (whose officers are fully dedicated to the operations of our Investment Advisor) to implement and execute our operating policies and strategies. Through our Investment Advisor, we have access to the resources and experience of CBRE Investors and CB Richard Ellis. We benefit from the investment expertise and experience of our Investment Advisor, whose senior officers have significant experience in the real estate industry, including extensive acquisition, disposition and financing experience. Our Investment Advisor conducts a disciplined, research-based investment process, utilizing market intelligence and research data from CB Richard Ellis and its affiliates. It also seeks to leverage the long-standing relationships that CB Richard Ellis and its affiliates have in many major global markets to source, evaluate, underwrite and close attractive real estate investments on our behalf. We believe that these relationships and the access that they afford place our Investment Advisor in a strong position to execute our business strategy and adapt to changing market conditions.

Our Investment Advisor was organized as a Delaware limited liability company in June 2004 and commenced operations in July 2004. Our Investment Advisor is a majority-owned subsidiary of our sponsor, CBRE Investors, which is an indirect wholly-owned subsidiary of CB Richard Ellis (NYSE: CBG), which is a publicly-traded company and files reports and other information with the SEC. As a real estate operating company, CB Richard Ellis' business and financial condition (and therefore the business and financial condition of our Investment Advisor) can be affected by macro real estate market conditions and other factors affecting commercial real estate, including, without limitation, credit market stability, interest rate levels, global, national, regional and local economic conditions and supply and demand real estate and real estate investments.

CB Richard Ellis Investors, L.L.C.

CB Richard Ellis Investors, L.L.C. or CBRE Investors, our sponsor and indirect wholly-owned subsidiary of CB Richard Ellis Group, Inc., is a real estate investment management company and a registered investment advisor with the SEC. CBRE Investors and its global affiliates provide investment management services to clients/partners that include pension plans, investment funds and other organizations seeking to generate returns and diversification through investment in real estate. It sponsors funds and investment programs that span the risk/return spectrum across three continents: North America, Europe and Asia. CBRE Investors' employees now total approximately 406 in 20 offices, including 14 overseas offices in Amsterdam, Beijing, Brussels, Dubai, Frankfurt, Hong Kong, London, Luxembourg, Milan, Paris, Shanghai, Singapore, Sydney and Tokyo. CBRE Investors had assets under management of $37.6 billion at December 31, 2010.

CBRE Investors formed the Investment Advisor in order to have a dedicated management team to serve our company.

CB Richard Ellis Group, Inc.

History

The history of CB Richard Ellis Group, Inc. (NYSE: CBG), or CB Richard Ellis, dates back to 1906 to a company that was founded in San Francisco, California, and grew to become one of the largest commercial real estate services firms in the western U.S. during the 1940s. In the 1960s and 1970s, the company expanded both its service portfolio and geographic coverage to become a full-service provider with a growing presence throughout the U.S. Since then, as part of its growth strategy, the company has undertaken various strategic acquisitions. In 1995, the company acquired Westmark Realty Advisors, which, along with its existing investment management business, was subsequently renamed CB Richard Ellis Investors, L.L.C. In 1996, the company acquired L.J. Melody & Company (now CBRE Melody), a mortgage banking firm. In 1997, the company acquired Koll Real Estate Services, a company engaged in property and corporate facilities management as well as capital markets and investment management. In 1998, the company acquired the firms REI Limited and Hillier Parker May & Rowden to become a real estate services firm with a platform to deliver integrated real estate services across the world's major business capitals. In 2003, the company acquired Insignia Financial Group, Inc., making it a premier, worldwide, full-service real estate company. In 2004, the company completed the initial public offering of its common stock and, in 2005, was the only commercial real estate services company included on the Fortune 1000 list of the largest publicly-held companies. In 2006, the company was named to the S&P 500 Index and acquired Trammel Crow Corporation. Two years later, the company became the first commercial real estate company in the Fortune 500. In 2011, the company announced that it had entered into definitive agreements to acquire substantially all of the ING Real Estate Investment Management operations in Europe and Asia, as well as Clarion Real Estate Securities, its U.S.-based global real estate listed securities business.

Market Leadership

CB Richard Ellis is the largest global commercial real estate services firm, based on 2010 revenue, offering a full range of services to owners, lenders, tenants and investors in office, industrial, retail, multi-family and other commercial real estate. As of December 31, 2010, excluding affiliate offices, CB Richard Ellis operated in over 300 offices worldwide with approximately 31,000 employees. CB Richard Ellis' business is focused on several competencies, including tenant representation, property/agency leasing, property sales, commercial property and corporate facilities management, valuation, real estate investment management, development services, commercial mortgage origination and servicing, capital markets (equity and debt) solutions and proprietary research. Its largest segment of operations spans throughout the United States and is in the largest metropolitan regions in Canada, Mexico and other selected parts of Latin America. In relation to this segment, in 2010, CB Richard Ellis advised on over 26,825 lease transactions involving aggregate rents of approximately $36.6 billion and over 3,225 real estate sales transactions with an aggregate value of approximately $17.1 billion. In addition, during 2010, CB Richard Ellis concluded more than $38.6 billion of capital markets transactions in the Americas, including $24.1 billion of investment sales transactions and $14.5 billion of mortgage loan originations, and completed approximately 31,000 valuation and advisory assignments.

Business Strengths

We believe that our relationship with the Investment Advisor and its affiliates provides us with the following business strengths:

CB Richard Ellis Global Platform. The Investment Advisor harnesses CB Richard Ellis' global resources for research, market intelligence, investment sourcing, financing, and integrated leasing and property management services for the benefit of its investor clients and partners. The CB Richard Ellis platform provides us with a significant competitive edge. Investor clients and partners of CBRE Investors and the Investment Advisor gain the benefit of this platform's local real estate market intelligence throughout the world. As of December 31, 2010, excluding affiliate offices, CB Richard Ellis operated in over 300 offices worldwide with approximately 31,000 employees. In addition, CBRE Investors' employees now total approximately 406 in 20 offices, including 14 overseas offices in Amsterdam, Beijing, Brussels, Dubai, Frankfurt, Hong Kong, London, Luxembourg, Milan, Paris, Shanghai, Singapore, Sydney and Tokyo. Access to this platform allows the Investment Advisor to make better investment decisions, provide enhanced investment and deal sourcing capabilities and deliver property operational efficiencies.

CBRE Investors Global Investment Management Network. The Investment Advisor benefits from its access to our sponsor's extensive global investment management network. CBRE Investors and its global affiliates provide global investment management services to an array of national and international clients/partners that include pension plans, investment funds and other organizations. CBRE Investors sponsors a variety of investment programs that span the risk-return spectrum across three continents: North America, Europe and Asia.

Proven Investment Team. The Investment Advisor benefits from a team of experienced real estate professionals. The senior officers of the Investment Advisor average in excess of 25 years of experience in the real estate industry, including extensive acquisition, disposition and financing experience. Before its experience in managing us, the Investment Advisor had not managed a REIT. For more information about the Investment Advisor and its management team, please see "The Investment Advisor."

Disciplined Research-Based Investment Process. The Investment Advisor applies a disciplined and structured investment process to all potential real estate investments regardless of strategy. The process dictates the procedures for the selection, research, underwriting, pricing, closing, operation and disposition of all investments. We enjoy a particular advantage in the depth and breadth of research resources available through the CB Richard Ellis platform. In the U.S., these resources include the research available through the CBRE Investors internal research department of several professionals led by Douglas J. Herzbrun, CB Richard Ellis affiliate CBRE Econometric Advisors, formerly Torto Wheaton Research, as well as the local market intelligence gathered through CB Richard Ellis investment sales, property management and leasing professionals. Strategic direction comes from CBRE Investors' in-house research group. This group provides strategic outlooks for each property type and identifies specific investment opportunities by sector and geography. In addition, the econometric forecasting service, Economy.com, and the insights from other recognized industry sources support all analyses. These resources are synthesized by CBRE Investors' internal research group to formulate real estate market outlooks and identify investment opportunities for us based on both quantitative and qualitative factors. The Investment Advisor's management team uses its experience and familiarity with the CB Richard Ellis resources to identify and adjust to changing market conditions, capitalize on this research and direct access to market intelligence through the CB Richard Ellis network of professionals.

Investment Sourcing. The Investment Advisor utilizes its established relationships with sellers, developers and real estate brokers to identify a broad pipeline of investment opportunities. In addition, this unique access to the CB Richard Ellis network of approximately 31,000 employees worldwide significantly enhances our investment sourcing capability. The Investment Advisor believes it will be able to locate a certain amount of investment opportunities that are not being generally marketed for sale, many of which may be identified and accessed through the CB Richard Ellis network of real estate professionals. Additionally, the Investment Advisor has direct access to an extended network of other sellers and developers. These sources, combined with an established network of contacts at major brokerage firms, investment banks, insurance companies, and commercial banks, provide us with extensive transaction sourcing capabilities.

Proven Acquisitions and Transaction Underwriting Experience. The investment professionals of CBRE Investors are constantly sourcing, evaluating, underwriting and closing real estate investment transactions, primarily on behalf of third party investors, closing acquisitions of approximately $4.1 billion in 2010, $1.7 billion in 2009, $5.3 billion in 2008, $11.7 billion in 2007, $8.0 billion in 2006, $5.0 billion in 2005, $3.5 billion in 2004, $2.0 billion in 2003 and $2.0 billion in 2002. Jack A. Cuneo, Philip L. Kianka, Charles W. Hessel and Christopher B. Allen oversee the Investment Advisor's acquisition, underwriting, and due diligence processes for CBRE REIT's transactions and investments. The Investment Advisor led by Mr. Cuneo utilizes a disciplined and detailed due-diligence process that is designed to mitigate physical and financial risk and to uncover opportunities for maintaining and enhancing value. The focus of due diligence is to audit and challenge the information provided by the seller or developer. Third party specialists are retained to inspect the physical and environmental aspects of any potential investment. In addition, a key element of the underwriting and due diligence processes is input from leasing specialists in the local CB Richard Ellis offices. These leasing specialists provide the Investment Advisor with "local market intelligence" including how the property is positioned and perceived in the marketplace, factors impacting tenant demand, and opportunities to add value through repositioning strategies.

Proactive Asset Management. The Investment Advisor prepares investment summaries that are used as the "control document" for each investment. This document includes a statement of the investment and exit strategies, a property-level operating plan, and the results of due diligence. Operation of our assets focuses on the execution of the strategy outlined in the investment summary as the asset is positioned to meet the defined exit strategy. The Investment Advisor oversees the implementation of the property-level operating strategies and direct dedicated asset managers who work directly with the property manager and leasing agent to achieve leasing and operating objectives. A designated principal of the Investment Advisor pursues leasing on our behalf and utilizes local market intelligence in the design and control of all leasing and marketing programs, property budgets and capital improvement programs. Key elements of operations are the annual business plan and hold/sell analysis. Comprehensive business plans are prepared for each investment in the portfolio on an annual basis, while hold/sell analyses are performed on an as-needed basis.

Investment Objectives and Acquisition Policies

When we invest in real estate properties, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties and other investment assets, we compete with a variety of institutional investors, including other REITs, insurance companies, mutual funds, pension funds, investment banking firms, banks and other financial institutions that invest in the same types of assets. Many of these investors have greater financial resources and access to lower costs of capital than we do.

The existence of these competitive entities, as well as the possibility of additional entities forming in the future, may increase the competition for the acquisition of the types of properties we are seeking to acquire, resulting in higher prices and lower yields on assets.

We invest in real estate properties, focusing on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties, as well as certain other real estate-related assets. Our investment objectives are:

- to maximize cash dividends paid to you;
- to preserve and protect your capital contributions;
- to realize growth in the value of our assets upon our ultimate sale of such assets; and
- to provide you with the potential for future liquidity by (i) listing our shares on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market or (ii) if a listing has not occurred on or before December 31, 2011 our board of trustees must consider (but is not required to commence) an orderly liquidation of our assets.

In 2010, our board of trustees established the Special Committee consisting of all of the board's independent trustees, Messrs. Black (Chairman) Reid and Orphanides, to explore and review our strategic alternatives and liquidity events in accordance with our investment objectives. There can be no assurance that the exploration of strategic alternatives will result in any particular outcome. We do not anticipate any further public comment on this matter unless and until the Special Committee deems it necessary.

We cannot assure you that we will attain these objectives or that our capital will not decrease. We may not change our investment objectives, except upon approval of shareholders holding a majority of our outstanding shares. See "Description of Shares." However, our board of trustees may change any of our investment policies without prior notice to you or a vote of our shareholders.

We intend to use the net proceeds of this offering to acquire and operate real estate assets. The consideration we agree to pay for real property shall ordinarily be based on the fair market value of the property as determined by a majority of our trustees.

We employ an enhanced income investment strategy designed to maximize risk-adjusted returns. To do so, we purchase, actively manage and sell properties located in the business districts and suburban markets of major metropolitan areas. Our primary focus is on office, industrial (primarily warehouse/distribution), retail and potentially in multi-family residential properties. The number and aggregate purchase price of properties we acquire in each asset class will depend upon real estate and market conditions and other circumstances existing at the time we acquire assets.

Our office portfolio may include properties such as multi-tenant, single-tenant and sale leasebacks, office parks and portfolios, newly constructed, corporate/user activity, medical office, technology/telecommunication, redevelopments and stabilized operations. Our retail portfolio may encompass regional malls, power centers, community centers, grocery-anchored strips, freestanding stores, urban properties, single assets and multiple property portfolios. Our industrial portfolio will consist primarily of warehouse/distribution properties, but may also include office/showroom, research and development facilities, manufacturing, single-tenant and sale leasebacks and corporate/user activity properties. Our multi-family residential portfolio may include garden complexes, townhouse developments, mid/high-rise towers, newly constructed and redevelopment properties, single assets and multi-property portfolios.

Our investment strategy is centered on CBRE Investors' research-driven approach. We focus on the property types and markets identified as most compelling by CBRE Investors' research. As a result, we believe that our opportunities will evolve over time as market conditions change.

We hold all of our real estate investments directly or indirectly through our operating partnership, CBRE OP. We are the sole general partner of CBRE OP. Our ownership of properties in CBRE OP is referred to as an Umbrella Partnership REIT, or "UPREIT." We believe the UPREIT structure is a competitive advantage for us when seeking to acquire assets, because it allows sellers of properties to defer gain recognition for U.S. federal income tax purposes by contributing properties to CBRE OP in return for an interest therein. See "The Operating Partnership Agreement" for more information. Although we are not limited as to the form our investments may take, our investments in real estate generally take the form of holding fee title or a long-term leasehold estate in the properties we acquire. We acquire such interests either directly in CBRE OP or indirectly by acquiring membership interests in, or acquisitions of property through, limited liability companies or through investments in joint ventures, partnerships, co-tenancies or other co-ownership arrangements with developers of properties, affiliates of the Investment Advisor or other persons. In addition, we may purchase properties and lease them back to the sellers of such properties.

We may, from time to time, invest in or make mortgage or other real estate-related loans, which may include first or second mortgages, mezzanine loans or other real estate-related investments that do not conflict with the maintenance of our REIT qualification. Although we do not have a formal policy, our criteria for investing in mortgage loans will be substantially the same as those involved in our investment in properties and will be subject to the investment limitations contained in our declaration of trust. See "—Investment Limitations."

We are not limited as to the geographic area where we may conduct our operations. We intend to invest primarily in properties located in geographically-diverse major metropolitan areas in the United States. In addition, we currently intend to invest up to 30% of our total assets in properties outside of the United States. Our international investments may be in markets in which CBRE Investors has existing operations or previous investment experience, or may be in partnership with other entities that have significant local-market expertise. We expect that our international investments will focus on properties typically located in significant business districts and suburban markets.

We may purchase existing assets with an operating history, newly constructed properties or assets under construction. We will not invest more than 20% of our total assets in any single investment. Except for this limitation on our ability to invest in excess of 20% of our total assets in any single investment, after the initial startup activities, we are not specifically limited in the number or size of investments we may acquire or on the percentage of net proceeds of this offering that we may invest in a single investment. It is our intent over time to build a diversified portfolio of assets. However, the number and mix of assets we acquire will depend upon real estate and market conditions and other circumstances existing at the time we acquire assets and the amount of proceeds we raise in this offering. In making investment decisions for us, the Investment Advisor considers relevant risks and financial factors, including the creditworthiness of major tenants, the expected levels of rental and occupancy rates, current and projected cash flow of the property, the location, condition and use of the property, suitability for any development contemplated or in progress, income-producing capacity, the prospects for long-range appreciation, liquidity and income tax considerations. In addition to these factors, the Investment Advisor, when evaluating prospective mortgage loan investments, will consider the ratio of the amount of the investment to the value of the property by which it is selected and the quality, experience and creditworthiness of the borrower. The Investment Advisor also utilizes the resources and professionals of CBRE Investors and consults with its investment committee when evaluating potential investments. In this regard, the Investment Advisor has substantial discretion with respect to the selection of specific investments.

Our obligation to close the purchase of any property is generally conditioned upon the delivery and verification of certain documents from the seller or developer, including, where appropriate:

- plans and specifications;
- leases;
- environmental reports;
- surveys;
- evidence of marketable title subject to such liens and encumbrances as are acceptable to the Investment Advisor;
- title and liability insurance policies; and
- audited financial statements covering recent operations of properties having operating histories, unless such statements would not be required to be filed with the SEC, so long as we are a public company.

We will not close the purchase of any property unless and until we obtain an environmental assessment for each property purchased and are generally satisfied with the environmental status of the property. A Phase I environmental site assessment basically consists of a visual survey of the building and the property in an attempt to identify areas of potential environmental concern, visually observing neighboring properties to assess surface conditions or activities that may have an adverse environmental impact on the property, and contacting local governmental agency personnel and performing a regulatory agency file search in an attempt to determine any known environmental concerns in the immediate vicinity of the property. A Phase I environmental site assessment does not generally include any sampling or testing of soil, groundwater or building materials from the property. We may pursue additional assessments or reviews if the Phase I site assessment indicates that further environmental investigation is warranted.

In connection with our assessment and selection of investment partners, property managers, development managers and other service providers, we will consider their experience and reputation in the areas of environmental sustainability, including experience in the development and operation of buildings certified under the LEED (Leadership in Energy and Environmental Design) Green Building Rating System promulgated by the US Green Building Counsel. The Investment Advisor will evaluate the sustainability of a prospective investment property by assessing its Energy Star score, its preliminary LEED score, and sustainability measures that have been or can be implemented, such as recycling, water conservation and green cleaning methods. We will consider operational, maintenance and capital improvement practices for existing properties designed to increase energy efficiency, reduce waste and otherwise lessen environmental impacts while remaining conscious of economic performance. We will engage in dialog with our property managers and tenants to determine and implement sustainability initiatives appropriate for particular properties. We will also consider utilizing and recommending to our tenants the environmental sustainability consulting services of CB Richard Ellis or unaffiliated parties.

We may also enter into arrangements with the seller or developer of a property whereby the seller or developer agrees that if during a stated period the property does not generate a specified cash flow, the seller or developer will pay in cash to us a sum necessary to reach the specified cash flow level, subject in some cases to negotiated dollar limitations.

In determining whether to purchase a particular property, we may, in accordance with customary practices, obtain an option on such property. The amount paid for an option, if any, is normally surrendered if the property is not purchased and is normally credited against the purchase price if the property is purchased.

Development and Construction of Properties

We have invested, and may in the future invest, in properties on which improvements are to be constructed or completed. We are not restricted in our ability to invest in such properties. To help ensure performance by the builders of properties that are under construction, completion of properties under construction may be guaranteed at the price contracted either by an adequate completion bond or performance bond. We may rely, however, upon the substantial net worth of the contractor or developer or a personal guarantee accompanied by financial statements showing a substantial net worth provided by an affiliate of the person entering into the construction or development contract as an alternative to a completion bond or performance bond. Development of real estate properties is subject to risks relating to a builder's ability to control construction costs or to build in conformity with plans, specifications and timetables. See "Risk Factors—General Real Estate Risks."

We may make periodic progress payments or other cash advances to developers and builders of our properties prior to completion of construction only upon receipt of an architect's certification as to the percentage of the project then-completed and as to the dollar amount of the construction then-completed. We intend to use such additional controls on disbursements to builders and developers as we deem necessary or prudent.

We may directly employ one or more project managers to plan, supervise and implement the development of any unimproved properties that we may acquire. In such event, such persons would be compensated directly by us. There currently is no affiliate of the Investment Advisor that performs development activities on our behalf and neither we nor the Investment Advisor currently intend to form an entity for such purpose.

Joint Venture Investments

We may enter into joint ventures, partnerships, co-tenancies and other co-ownership arrangements or participations with real estate developers, owners and other affiliated third-parties, including other programs sponsored by CBRE Investors, for the purpose of developing, owning and operating real properties. In determining whether to invest in a particular joint venture, the Investment Advisor will evaluate the real property that such joint venture owns or is being formed to own under the same criteria employed for the selection of our real estate property investments.

In the event that the co-venturer were to elect to sell property held in any such joint venture, however, we may not have sufficient funds to exercise our right of first refusal to buy the other co-venturer's interest in the property held by the joint venture. In the event that any joint venture with an affiliated entity holds interests in more than one property, the interest in each such property may be specially allocated based upon the respective proportion of funds invested by each co-venturer in each such property. Our entering into joint ventures with other affiliates, including other programs sponsored by CBRE Investors, will result in certain conflicts of interest. See "Certain Relationships and Related Party Transactions—Joint Ventures with Affiliates of the Investment Advisor."

For a description of our joint venture investments, see "Real Estate Investments."

Borrowing Policies

While we strive for diversification, the number of different assets we can acquire will be affected by the amount of funds available to us.

Our ability to increase our diversification through borrowing could be adversely impacted by banks and other lending institutions reducing the amount of funds available for loans secured by real estate. When interest rates on mortgage loans are high or financing is otherwise unavailable on a timely basis, we may purchase certain properties for cash with the intention of obtaining a mortgage loan for a portion of the purchase price at a later time.

Although we have adopted a policy to limit our aggregate borrowing to no more than 65% of the cost of our assets before non-cash reserves and depreciation, subject to the 300% of net assets borrowing restriction described below, this policy may be altered at any time or suspended by our board of trustees if necessary to pursue attractive investment opportunities. Our organizational documents contain a limitation on the amount of indebtedness that we may incur, so that until our shares are listed on a national securities exchange, our aggregate borrowing may not exceed 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report. Our board of trustees must review our aggregate borrowing from time to time, but at least quarterly.

By operating on a leveraged basis, we will have more funds available for investment in assets. This will allow us to make more investments than would otherwise be possible, resulting in a more diversified portfolio. Although our liability for the repayment of indebtedness is expected to be limited to the value of the asset securing the liability and the rents or profits derived therefrom, our use of leveraging may increase the risk of default on the mortgage payments and a resulting foreclosure of a particular property. See "Risk Factors—General Real Estate Risks." To the extent that we do not obtain mortgage loans on our properties, our ability to acquire additional assets will be restricted. The Investment Advisor will use its best efforts to obtain financing on our behalf on the most favorable terms available. Lenders may have recourse to assets not securing the repayment of the indebtedness.

We may refinance properties during the term of a loan only in limited circumstances, such as when a decline in interest rates makes it beneficial to prepay an existing mortgage, when an existing mortgage matures or if an attractive investment becomes available and the proceeds from the refinancing can be used to purchase such investment. The benefits of the refinancing may include an increased cash flow resulting from reduced debt service requirements, an increase in dividend distributions from proceeds of the refinancing, if any, and/or an increase in property ownership if some refinancing proceeds are reinvested in real estate.

We may not borrow money from any of our trustees or from the Investment Advisor and its affiliates unless approved by a majority of our trustees, including a majority of any independent trustees not otherwise interested in the transaction, as fair, competitive and commercially reasonable and no less favorable to us than comparable loans between unaffiliated parties.

Disposition Policies

We intend to hold each asset we acquire for an extended period. However, circumstances might arise which could result in the early sale of some assets. We may sell a property before the end of the expected holding period if, among other reasons:

- in our judgment, the sale of the asset is in the best interests of our shareholders;
- we can reinvest the proceeds in a higher-yielding investment;
- we can increase cash flow through the disposition of the asset; or
- in the judgment of the Investment Advisor, the value of an asset might decline substantially.

The determination of whether a particular asset should be sold or otherwise disposed of will be made after consideration of relevant factors, including prevailing economic conditions, with a view to achieving maximum long-term capital appreciation. We cannot assure you that this objective will be realized.

If our shares are not listed for trading on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market by December 31, 2011, our declaration of trust requires our board of trustees to consider (but is not required to commence) an orderly liquidation of our assets, which liquidation would require the approval of shareholders. In making the decision to apply for listing of our shares, our trustees will try to determine whether listing our shares or liquidating our assets will result in greater long-term value for our shareholders. We cannot determine at this time the circumstances, if any, under which our trustees will determine to list our shares. Even if no shares are listed, we are under no obligation to actually sell our portfolio within this time period since the precise timing will depend on real estate and financial markets, economic conditions of the areas in which the properties are located and U.S. federal income tax effects on shareholders which may be applicable in the future. Furthermore, we cannot assure you that we will be able to liquidate our assets. In addition, we may consider other business strategies such as reorganizations or mergers with other entities if our board of trustees determines such strategies would be in the best interests of our shareholders. Any change in the investment objectives set forth in our declaration of trust would require the vote of shareholders holding a majority of our outstanding shares.

Investment Limitations

Our declaration of trust places numerous limitations on us with respect to the manner in which we may invest our funds, most of which are required by various provisions of the North American Securities Administrators Association Guidelines, or NASAA Guidelines. Our declaration of trust provides that until our shares are listed on a national securities exchange or included on the NASDAQ Global Select Market or the NASDAQ Global Market, we may not:

- invest in equity securities unless a majority of our trustees, including a majority of any independent trustees not otherwise interested in the transaction, approve such investment as being fair, competitive and commercially reasonable;

- make investments in unimproved property or indebtedness secured by a deed of trust or mortgage loans on unimproved property in excess of 10% of our total assets;
- invest in commodities or commodity futures contracts, except for futures contracts when used solely for the purpose of hedging in connection with our ordinary business of investing in real estate assets and mortgages;
- make or invest in mortgage loans unless an appraisal is obtained concerning the underlying property, except for those mortgage loans insured or guaranteed by a government or government agency. In cases where a majority of our independent trustees determine, and in all cases in which the transaction is with any of our trustees or the Investment Advisor or its affiliates, such appraisal shall be obtained from an independent appraiser. We will maintain such appraisal in our records for at least five years and it will be available for your inspection and duplication. We will also obtain a mortgagee's or owner's title insurance policy as to the priority of the mortgage;
- invest in real estate contracts of sale, otherwise known as land sale contracts, unless the contract is in recordable form and is appropriately recorded in the chain of title;
- make or invest in mortgage loans, including construction loans, on any one property if the aggregate amount of all mortgage loans on such property would exceed an amount equal to 85% of the appraised value of such property as determined by appraisal unless substantial justification exists for exceeding such limit because of the presence of other underwriting criteria;
- make or invest in mortgage loans that are subordinate to any mortgage or equity interest of any of our trustees, the Investment Advisor or its affiliates;
- issue "redeemable securities," as defined in Section 2(a)(32) of the Investment Company Act of 1940, as amended, or the Investment Company Act;
- issue debt securities unless the historical debt service coverage (in the most recently completed fiscal year) as adjusted for known changes is sufficient to properly service that higher level of debt;
- grant warrants or options to purchase shares to the Investment Advisor or its affiliates or to officers or trustees affiliated with the Investment Advisor except on the same terms as such warrants or options are sold to the general public and in an amount not to exceed 10% of the outstanding shares on the date of grant of the warrants and options;
- issue equity securities on a deferred payment basis or other similar arrangement; or
- lend money to our trustees or to the Investment Advisor or its affiliates.

The Investment Advisor continuously reviews our investment activity to ensure that we do not come within the application of the Investment Company Act. Among other things, the Investment Advisor monitors the proportion of our portfolio that is placed in various investments so that we do not come within the definition of an "investment company" under the Investment Company Act. If at any time the character of our investments could cause us to be deemed an "investment company" for purposes of the Investment Company Act, we will take the necessary actions to attempt to ensure that we are not deemed to be an "investment company."

Change in Investment Objectives and Limitations

Until our shares are listed on a national securities exchange, our declaration of trust requires that the independent trustees review our investment policies at least annually to determine that the policies we are following are in the best interests of our shareholders. Each determination, and the basis therefore, are required to be set forth in our minutes. The methods of implementing our investment policies also may vary as new investment techniques are developed. The methods of implementing our investment objectives and policies, except as otherwise provided in the organizational documents, may be altered by a majority of our trustees, including a majority of the independent trustees, without the approval of the shareholders. Our investment objectives themselves, however, may only be amended by a vote of the shareholders holding a majority of our outstanding shares.

Restrictions on Roll-up Transactions

Until our shares are listed on a national securities exchange, our declaration of trust requires that we follow the policy set forth below with respect to any "Roll-up Transaction." In connection with any proposed transaction considered a "Roll-up Transaction" involving us and the issuance of securities of an entity, or a Roll-up Entity, that would be created or would survive after the successful completion of the Roll-up Transaction, an appraisal of all properties must be obtained from a competent independent appraiser. The properties must be appraised on a consistent basis, and the appraisal shall be based on the evaluation of all relevant information and shall indicate the value of the properties as of the date immediately prior to the announcement of the proposed Roll-up Transaction. The appraisal shall assume an orderly liquidation of properties over a 12-month period. The terms of the engagement of the independent appraiser must clearly state that the engagement is for our benefit and our shareholders' benefit. A summary of the appraisal, indicating all material assumptions underlying the appraisal, shall be included in a report to our shareholders in connection with any proposed Roll-up Transaction. If the appraisal will be included in a prospectus used to offer the securities of a Roll-up Entity, the appraisal shall be filed with the SEC and the states as an exhibit to the registration statement for the offering.

A "Roll-up Transaction" is a transaction involving the acquisition, merger, conversion or consolidation, directly or indirectly, of us and the issuance of securities of a Roll-up Entity. This term does not include:

- a transaction involving our securities that have been listed on a national securities exchange for at least 12 months; or
- a transaction involving our conversion into corporate or association form if, as a consequence of the transaction, there will be no significant adverse change in any of the following: our shareholder voting rights; the term of our existence; compensation to the Investment Advisor or its affiliates; or our investment objectives.

In connection with a proposed Roll-up Transaction, the person sponsoring the Roll-up Transaction must offer to our shareholders who vote "no" on the proposal a choice of:

- accepting the securities of the Roll-up Entity offered in the proposed Roll-up Transaction; or
- one of the following:
  - remaining as shareholders and preserving their interests on the same terms and conditions as existed previously; or
  - receiving cash in an amount equal to the shareholders' *pro rata* share of the appraised value of our net assets.

We are prohibited from participating in any proposed Roll-up Transaction:

- that would result in our shareholders having voting rights in a Roll-up Entity that are less than those provided in our bylaws and described elsewhere in this prospectus including rights with respect to the election and removal of trustees, annual reports, annual and special meetings, amendment of our declaration of trust and our dissolution;
- that includes provisions that would operate to materially impede or frustrate the accumulation of shares by any purchaser of the securities of the Roll-up Entity, except to the minimum extent necessary to preserve the tax status of the Roll-up Entity, or which would limit the ability of an investor to exercise voting rights of its securities of the Roll-up Entity on the basis of the number of shares held by that investor;
- in which investors' right to access of records of the Roll-up Entity will be less than those provided in the section of this prospectus entitled "Description of Shares;" or
- in which any of the costs of the Roll-up Transaction would be borne by us if the Roll-up Transaction is not approved by our shareholders.

Policies With Respect to Certain Other Activities

If our board of trustees determines that additional funding is required, we may raise such funds through additional equity offerings or the retention of cash flow (subject to the REIT provisions of the Internal Revenue Code concerning distribution requirements and taxability of undistributed net taxable income) or a combination of these methods.

In the event that our board of trustees determines to raise additional equity capital, it has the authority, without shareholder approval, to issue additional common or preferred shares in any manner and on such terms and for such consideration it deems appropriate, at any time.

We have authority to repurchase or otherwise reacquire our shares and may engage in such activities in the future. We may invest in the securities of other issuers for the purpose of exercising control. We currently have no intention to underwrite securities of other issuers.

Our board of trustees may change any of these policies without prior notice to you or a vote of our shareholders.

Employees

As of December 31, 2010, we had no full-time employees and do not anticipate any material changes in the number of our full-time employees. Our executive officers are employees of the Investment Advisor or one or more of its affiliates.

Facilities

Our principal offices are located at 47 Hulfish Street, Suite 210, Princeton, New Jersey 08542. We also have offices located at 515 South Flower Street, Suite 3100, Los Angeles, California 90071. Our telephone number is (609) 683-4900. Our website is *http://www.cbrerealtytrust.com*. The information found on, or otherwise accessible through, our website is not incorporated information and does not form a part of this prospectus or any other report or document we file with or furnish to the SEC.

License Agreement

We have entered into a license agreement with CB Richard Ellis and one of its affiliates pursuant to which they have granted us a non-exclusive, royalty-free license to use the name "CB Richard Ellis." Under this agreement, we have a right to use the "CB Richard Ellis" name, for so long as the Investment Advisor or one of its affiliates remains our advisor and our advisor remains a controlled affiliate of CB Richard Ellis. Other than with respect to this limited license, we have no legal right to the "CB Richard Ellis" name. CB Richard Ellis has the right to terminate the license agreement if its affiliate is no longer acting as our advisor. In the event the advisory agreement is terminated, we would be required to change our name to eliminate the use of the words "CB Richard Ellis."

Legal Proceedings

We are not a party to any material legal proceedings.

REAL ESTATE INVESTMENTS

Properties

As of December 31, 2010, we owned, on a consolidated basis, 73 office, industrial (primarily warehouse/distribution) and retail properties located in 15 states (Arizona, California, Florida, Georgia, Illinois, Kentucky, Massachusetts, Minnesota, New Jersey, North Carolina, Ohio, South Carolina, Texas, Utah and Virginia) and in the United Kingdom, encompassing approximately 12,800,000 rentable square feet. Our consolidated properties were approximately 85.12% leased (based upon square feet) as of December 31, 2010. As of December 31, 2010, certain of our consolidated properties were subject to mortgage debt, a description of which is set forth in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Financing" in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated herein by reference.

In addition, we have ownership interests in five unconsolidated entities that, as of December 31, 2010, owned interests in 38 properties. Excluding those properties owned through our investment in CBRE Strategic Partners Asia, we owned, on an unconsolidated basis, 30 industrial (primarily warehouse/distribution), office and retail properties located in eight states (Arizona, Florida, Indiana, Missouri, North Carolina, Ohio, Tennessee and Texas) and in the United Kingdom and Europe encompassing approximately 9,901,000 rentable square feet. Our unconsolidated properties were approximately 99.40% leased (based upon square feet) as of December 31, 2010. As of December 31, 2010, certain of our unconsolidated properties were subject to mortgage debt, a description of which is set forth in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Financing" in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated herein by reference.

As of December 31, 2010, our portfolio was 91.35% leased. The average effective annual rents for our industrial properties, office properties and retail properties were approximately $55,002,000 $88,144,000, and $8,259,000, as of December 31, 2010, respectively (net of any rent concessions). The average effective annual rent per square foot for our industrial properties, office properties and retail properties was approximately $3.57, $18.74 and $17.33, as of December 31, 2010, respectively (net of any rent concessions).

The following table provides information relating to our properties, excluding those owned through our investment in CBRE Strategic Partners Asia, as of December 31, 2010. These properties consisted of 62 industrial (warehouse/distribution) properties, encompassing 17,118,000 rentable square feet, 38 office properties, encompassing 5,086,000 rentable square feet and three retail properties, encompassing 497,000 rentable square feet. For a description of our transaction activity since December 31, 2010, see "—Recent Developments."

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Domestic Consolidated Properties:							
REMEC Corporate Campus 1 San Diego, CA	9/15/2004	1983	Office	100.00%	34	100.00%	$ 6,833
REMEC Corporate Campus 2 San Diego, CA	9/15/2004	1983	Office	100.00%	30	100.00%	6,125
REMEC Corporate Campus 3 San Diego, CA	9/15/2004	1983	Office	100.00%	37	100.00%	7,523
REMEC Corporate Campus 4 San Diego, CA	9/15/2004	1983	Office	100.00%	31	100.00%	6,186
300 Constitution Drive Boston, MA	11/3/2004	1998	Warehouse/Distribution	100.00%	330	100.00%	19,805
Deerfield Commons[2] Atlanta, GA	6/21/2005	2000	Office	100.00%	122	100.00%	21,834
505 Century[3] Dallas, TX	1/9/2006	1997	Warehouse/Distribution	100.00%	100	100.00%	6,095
631 International[3] Dallas, TX	1/9/2006	1998	Warehouse/Distribution	100.00%	73	100.00%	5,407
660 North Dorothy[3] Dallas, TX	1/9/2006	1997	Warehouse/Distribution	100.00%	120	87.50%	6,836
Bolingbrook Point III Chicago, IL	8/29/2007	2006	Warehouse/Distribution	100.00%	185	53.18%	18,170
Cherokee Corporate Park[3] Spartanburg, SC	8/30/2007	2000	Warehouse/Distribution	100.00%	60	0.00%	3,775
Community Cash Complex 1[3] Spartanburg, SC	8/30/2007	1960	Warehouse/Distribution	100.00%	205	39.64%	2,690
Community Cash Complex 2[3] Spartanburg, SC	8/30/2007	1978	Warehouse/Distribution	100.00%	145	85.50%	2,225
Community Cash Complex 3[3] Spartanburg, SC	8/30/2007	1981	Warehouse/Distribution	100.00%	116	100.00%	1,701
Community Cash Complex 4[3] Spartanburg, SC	8/30/2007	1984	Warehouse/Distribution	100.00%	33	100.00%	547
Community Cash Complex 5[3] Spartanburg, SC	8/30/2007	1984	Warehouse/Distribution	100.00%	53	100.00%	824
Fairforest Building 1[3] Spartanburg, SC	8/30/2007	2000	Warehouse/Distribution	100.00%	51	100.00%	2,974
Fairforest Building 2[3] Spartanburg, SC	8/30/2007	1999	Warehouse/Distribution	100.00%	104	100.00%	5,379
Fairforest Building 3[3] Spartanburg, SC	8/30/2007	2000	Warehouse/Distribution	100.00%	100	100.00%	5,760

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Fairforest Building 4[3] Spartanburg, SC	8/30/2007	2001	Warehouse/Distribution	100.00%	101	100.00%	5,640
Fairforest Building 5 Spartanburg, SC	8/30/2007	2006	Warehouse/Distribution	100.00%	316	100.00%	16,968
Fairforest Building 6 Spartanburg, SC	8/30/2007	2005	Warehouse/Distribution	100.00%	101	100.00%	7,469
Fairforest Building 7[3] Spartanburg, SC	8/30/2007	2006	Warehouse/Distribution	100.00%	101	83.78%	5,626
Greenville/Spartanburg Industrial Park[3] Spartanburg, SC	8/30/2007	1990	Warehouse/Distribution	100.00%	67	100.00%	3,388
Highway 290 Commerce Park Building 1[3] Spartanburg, SC	8/30/2007	1995	Warehouse/Distribution	100.00%	150	100.00%	5,388
Highway 290 Commerce Park Building 5[3] Spartanburg, SC	8/30/2007	1993	Warehouse/Distribution	100.00%	30	100.00%	1,420
Highway 290 Commerce Park Building 7[3] Spartanburg, SC	8/30/2007	1994	Warehouse/Distribution	100.00%	88	0.00%	4,889
HJ Park Building 1 Spartanburg, SC	8/30/2007	2003	Warehouse/Distribution	100.00%	70	100.00%	4,216
Jedburg Commerce Park[3] Charleston, SC	8/30/2007	2007	Warehouse/Distribution	100.00%	513	100.00%	41,991
Kings Mountain I Charlotte, NC	8/30/2007	1998	Warehouse/Distribution	100.00%	100	100.00%	5,497
Kings Mountain II Charlotte, NC	8/30/2007	2002	Warehouse/Distribution	100.00%	301	100.00%	11,311
Mount Holly Building Charleston, SC	8/30/2007	2003	Warehouse/Distribution	100.00%	101	100.00%	6,208
North Rhett I Charleston, SC	8/30/2007	1973	Warehouse/Distribution	100.00%	285	100.00%	10,302
North Rhett II Charleston, SC	8/30/2007	2001	Warehouse/Distribution	100.00%	102	0.00%	7,073
North Rhett III Charleston, SC	8/30/2007	2002	Warehouse/Distribution	100.00%	80	100.00%	4,812
North Rhett IV Charleston, SC	8/30/2007	2005	Warehouse/Distribution	100.00%	316	100.00%	17,060
Orangeburg Park Building Charleston, SC	8/30/2007	2003	Warehouse/Distribution	100.00%	101	100.00%	5,474
Orchard Business Park 2[3] Spartanburg, SC	8/30/2007	1993	Warehouse/Distribution	100.00%	18	100.00%	761
Union Cross Building I Winston-Salem, NC	8/30/2007	2005	Warehouse/Distribution	100.00%	101	100.00%	6,585
Union Cross Building II Winston-Salem, NC	8/30/2007	2005	Warehouse/Distribution	100.00%	316	36.38%	17,216
Highway 290 Commerce Park Building 2[3] Spartanburg, SC	9/24/2007	1995	Warehouse/Distribution	100.00%	100	100.00%	4,626
Highway 290 Commerce Park Building 6[3] Spartanburg, SC	11/1/2007	1996	Warehouse/Distribution	100.00%	105	42.86%	3,760
Orchard Business Park 1[3] Spartanburg, SC	11/1/2007	1994	Warehouse/Distribution	100.00%	33	0.00%	1,378
Lakeside Office Center Dallas, TX	3/5/2008	2006	Office	100.00%	99	90.61%	17,994
Kings Mountain III[3] Charlotte, NC	3/14/2008	2007	Warehouse/Distribution	100.00%	542	0.00%	25,728
Enclave on the Lake Houston, TX	7/1/2008	1999	Office	100.00%	171	100.00%	37,827
Avion Midrise III Washington, DC	11/18/2008	2002	Office	100.00%	71	100.00%	21,111
Avion Midrise IV Washington, DC	11/18/2008	2002	Office	100.00%	72	100.00%	21,112
13201 Wilfred Lane Minneapolis, MN	6/29/2009	1999	Warehouse/Distribution	100.00%	335	100.00%	15,340
3011, 3055 & 3077 Comcast Place East Bay, CA	7/1/2009	1988	Office	100.00%	220	100.00%	49,000
140 Depot Street Boston, MA	7/31/2009	2007	Warehouse/Distribution	100.00%	238	100.00%	18,950
12650 Ingenuity Drive Orlando, FL	8/5/2009	1999	Office	100.00%	125	100.00%	25,350
Crest Ridge Corporate Center 1 Minneapolis, MN	8/17/2009	2009	Office	100.00%	116	100.00%	28,419
West Point Trade Center Jacksonville, FL	12/30/2009	2009	Warehouse/Distribution	100.00%	602	100.00%	29,000
5160 Hacienda Drive East Bay, CA	4/8/2010	1988	Office	100.00%	202	100.00%	38,500
10450 Pacific Center Court San Diego, CA	5/7/2010	1985	Office	100.00%	134	100.00%	32,750
225 Summit Ave Northern NJ	6/21/2010	1966	Office	100.00%	143	100.00%	40,600
One Wayside Road Boston, MA	6/24/2010	1998	Office	100.00%	200	100.00%	55,525
100 Tice Blvd. [4] Northern NJ	9/28/2010	2007	Office	100.00%	209	100.00%	67,600

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost(1) (in thousands)
Ten Parkway North(4) Chicago, IL	10/12/2010	1999	Office	100.00%	100	100.00%	25,000
4701 Gold Spike Drive(3)(4) Dallas, TX	10/27/2010	2002	Warehouse/Distribution	100.00%	420	100.00%	20,300
1985 International Way(3)(4) Cincinnati, OH	10/27/2010	1998	Warehouse/Distribution	100.00%	189	100.00%	14,800
Rickenbacker II(3)(4)(11) Columbus, OH	10/27/2010	1999	Warehouse/Distribution	100.00%	434	47.37%	8,600
Summit Distribution Center(3)(4) Salt Lake City, UT	10/27/2010	2001	Warehouse/Distribution	100.00%	275	100.00%	13,400
3660 Deerpark Boulevard(3)(4) Jacksonville, FL	10/27/2010	2002	Warehouse/Distribution	100.00%	322	100.00%	15,300
Tolleson Commerce Park II(3)(4) Phoenix, AZ	10/27/2010	1999	Warehouse/Distribution	100.00%	217	100.00%	9,200
Pacific Corporate Park(2)(4) Washington, DC	11/15/2010	2002	Office	100.00%	696	100.00%	144,500
100 Kimball Drive(3)(4) Northern NJ	12/10/2010	2006	Office	100.00%	175	100.00%	60,250
Rickenbacker III(3)(4)(11) Columbus, OH	12/17/2010	2001	Warehouse/Distribution	100.00%	676	60.71%	13,400
Total Domestic Consolidated Properties					**12,510**	**85.17%**	**1,179,303**
International Consolidated Properties:							
602 Central Blvd.(3) Coventry, UK	4/27/2007	2001	Office	100.00%	50	0.00%	23,847
Thames Valley Five Reading, UK	3/20/2008	1998	Office	100.00%	40	100.00%	29,572
Albion Mills Retail Park Wakefield, UK	7/11/2008	2000	Retail	100.00%	55	100.00%	22,098
Maskew Retail Park Peterborough, UK	10/23/2008	2007	Retail	100.00%	145	100.00%	53,740
Total International Consolidated Properties					**290**	**82.77%**	**129,257**
Total Consolidated Properties					**12,800**	**85.12%**	**1,308,560**
Domestic Unconsolidated Properties(5):							
Buckeye Logistics Center(6) Phoenix, AZ	6/12/2008	2008	Warehouse/Distribution	80.00%	605	100.00%	35,573
Afton Ridge Shopping Center(7) Charlotte, NC	9/18/2008	2007	Retail	90.00%	296	95.43%	44,530
AllPoints at Anson Bldg. 1(6) Indianapolis, IN	9/30/2008	2008	Warehouse/Distribution	80.00%	631	100.00%	27,150
12200 President's Court(6) Jacksonville, FL	9/30/2008	2008	Warehouse/Distribution	80.00%	772	100.00%	29,995
201 Sunridge Blvd.(6) Dallas, TX	9/30/2008	2008	Warehouse/Distribution	80.00%	823	100.00%	25,690
Aspen Corporate Center 500(6) Nashville, TN	9/30/2008	2008	Office	80.00%	180	100.00%	30,033
125 Enterprise Parkway(6) Columbus, OH	12/10/2008	2008	Warehouse/Distribution	80.00%	1,142	100.00%	38,088
AllPoints Midwest Bldg. I(6) Indianapolis, IN	12/10/2008	2008	Warehouse/Distribution	80.00%	1,200	100.00%	41,428
Celebration Office Center(6) Orlando, FL	5/13/2009	2009	Office	80.00%	101	100.00%	13,640
22535 Colonial Pkwy(6) Houston, TX	5/13/2009	2009	Office	80.00%	90	100.00%	11,596
Fairfield Distribution Ctr. IX(3)(6) Tampa, FL	5/13/2009	2008	Warehouse/Distribution	80.00%	136	100.00%	7,151
Northpoint III(6) Orlando, FL	10/15/2009	2001	Office	80.00%	108	100.00%	14,592
Goodyear Crossing Ind. Park II(6) Phoenix, AZ	12/07/2009	2009	Warehouse/Distribution	80.00%	820	100.00%	36,516
3900 North Paramount Parkway(6) Raleigh, NC	3/31/2010	1999	Office	80.00%	101	100.00%	11,176
3900 South Paramount Parkway(6) Raleigh, NC	3/31/2010	1999	Office	80.00%	119	100.00%	13,055
1400 Perimeter Park Drive(6) Raleigh, NC	3/31/2010	1991	Office	80.00%	45	100.00%	3,970
Miramar I(6)(8) Fort Lauderdale, FL	3/31/2010	2001	Office	80.00%	94	100.00%	13,645
Miramar II(6)(8) Fort Lauderdale, FL	3/31/2010	2001	Office	80.00%	129	100.00%	20,899
McAuley Place(3)(4)(6) Cincinnati, OH	12/21/2010	2001	Office	80.00%	191	97.60%	28,000
Point West I(3)(4)(6) Dallas, TX	12/21/2010	2008	Office	80.00%	183	100.00%	23,600
Sam Houston Crossing I(3)(4)(6) Houston, TX	12/21/2010	2007	Office	80.00%	160	100.00%	20,400
Regency Creek(3)(4)(6) Raleigh, NC	12/21/2010	2008	Office	80.00%	122	100.00%	18,000

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Easton III[3][4][6]							
Columbus, OH	12/21/2010	1999	Office	80.00%	135	100.00%	14,400
533 Maryville Centre[3][4][6]							
St. Louis, MO	12/21/2010	2000	Office	80.00%	125	100.00%	19,102
555 Maryville Centre[3][4][6]							
St. Louis, MO	12/21/2010	1999	Office	80.00%	127	67.84%	15,578
Total Domestic Unconsolidated Properties					**8,435**	**99.30%**	**557,807**
International Unconsolidated Properties							
Amber Park[3][9]							
Nottingham, UK	6/10/2010	1997	Warehouse/Distribution	80.00%	208	100.00%	12,514
Brackmills[3][9]							
Northampton, UK	6/10/2010	1984	Warehouse/Distribution	80.00%	187	100.00%	13,407
Düren[3][10]							
Rhine-Ruhr, Germany	6/10/2010	2008	Warehouse/Distribution	80.00%	392	100.00%	13,148
Schönberg[3][10]							
Hamburg, Germany	6/10/2010	2009	Warehouse/Distribution	80.00%	454	100.00%	13,819
Langenbach[3][4][10]							
Munich, Germany	10/28/2010	2010	Warehouse/Distribution	80.00%	225	100.00%	18,573
Total International Unconsolidated Properties					**1,466**	**100.00%**	**71,461**
Total Unconsolidated Properties[5]					**9,901**	**99.40%**	**629,268**
Total Properties[5]					**22,701**	**91.35%**	**$1,937,828**

(1) Approximate total acquisition cost represents the pro rata purchase price inclusive of customary closing costs and acquisition fees/acquisition expenses.

(2) Includes undeveloped land zoned for future use.

(3) This property is not encumbered by mortgage debt.

(4) The estimated acquisition cap rates for 100 Tice Blvd., Ten Parkway North, 4701 Gold Spike Drive, 1985 International Way, Rickenbacker II, Summit Distribution Center, 3660 Deerpark Boulevard, Tolleson Commerce Park, Pacific Corporate Park, 100 Kimball Drive, Rickenbacker III, McAuley Place, Point West, Sam Houston Crossing I, Regency Creek, Easton, 533 Maryville Center, 555 Maryville Center and Langenbach were 6.9%, 7.5%, 7.8%, 9.2%, 5.4%, 8.4%, 8.8%, 9.3%, 6.8%, 7.2%, 4.9%, 9.6%, 8.1%, 8.5%, 8.7%, 8.8%, 8.2%, 6.0% and 7.8% respectively. Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

(5) Does not include CBRE Strategic Partners Asia properties. For a discussion of these properties, see "—International Properties—Unconsolidated."

(6) This property is held through the Duke joint venture. For a discussion of the Duke joint venture, see "—Domestic Properties—Unconsolidated" and "—Recent Developments."

(7) This property is held through the Afton Ridge joint venture.

(8) Consolidated properties acquired on December 31, 2009 and contributed to the Duke joint venture during March 2010.

(9) This property is held through the UK JV.

(10) This property is held through the European JV.

(11) Real estate held for sale as of December 31, 2010.

Additional information relating to our consolidated and unconsolidated properties as of December 31, 2010 is provided below.

Domestic Properties—Consolidated

REMEC Corporate Campus—San Diego, CA

The REMEC Corporate Campus is a research and development office property which consists of four properties on four separate parcels. It is 100% leased to REMEC Defense and Space, Inc. a subsidiary of Cobham Defense Electronic System Corporation (a subsidiary of Cobham plc in the United Kingdom), a designer and manufacturer of sophisticated wireless communications networks for the defense, space and commercial sectors. The lease is scheduled to expire in April 2017. The property serves as the corporate headquarters for REMEC's Defense and Space division.

300 Constitution Drive—Boston, MA

300 Constitution Drive is a property comprised of 330,000 square feet of primarily distribution space on 27 acres of land. The property has potential for additional development, allowing for expansion of the existing distribution space. It is 100% leased to Women's Apparel Group, LLC, an owner and operator of women's apparel companies through March 2013.

Deerfield Commons I & II—Atlanta, GA

Deerfield Commons I is a multi-tenant office building located in Alpharetta, GA, a suburb of Atlanta, which is 100% leased to tenants encompassing a variety of business uses including financial services, publishing, and executive suites. Lease terms range from two to eight years. Regus Business Centers is the largest tenant at this property, and occupies approximately 45,321 square feet with a lease scheduled to expire in May 2018. Also included with this asset is Deerfield Commons II, ten acres of undeveloped land zoned for office use.

Texas Portfolio—Dallas, TX

The Texas Portfolio is comprised of three multi-tenant warehouse/distribution buildings (660 Dorothy, 505 Century, and 631 International), totalling 293,112 square feet, located in Allen and Richardson, Texas, both suburbs of Dallas. The buildings are 95% leased to eight tenants, under leases that expire from December 2011 to September 2018, encompassing a variety of business uses including communication, commercial and information technology services.

Bolingbrook Point III—Chicago, IL

Bolingbrook Point III located in Bolingbrook, IL, a suburb of Chicago, consists of a 185,045 square foot, multi-tenant warehouse distribution building completed in May 2006. The building is currently 53% leased to Compass Group USA, Inc., a managed foodservices company, which occupies 98,414 square feet, under a lease expiring in October 2016.

Carolina Portfolio

The Carolina Portfolio consists of 34 warehouse/distribution buildings located in the markets of Greenville/Spartanburg, SC; Charleston, SC; Charlotte, NC; and Winston-Salem, NC. The Carolina Portfolio totals approximately 5,005,452 square feet of industrial space and is currently 75% leased to tenants encompassing a variety of business uses including automotive, consumer products and logistics services. Jedburg Commerce Park is 100% leased to American La France LLC, a manufacturer of fire, rescue and vocational vehicles, under a lease that is scheduled to expire in July 2013 and each of Fairforest Bldg. 5, Kings Mountain II and North Rhett IV are 100% leased to tenants under leases that are scheduled to expire in February 2013, December 2019 and January 2022, respectively.

Lakeside Office Center—Dallas, TX

The Lakeside Office Center consists of a 98,750 square foot, three-story office building and surface parking. The building is 91% leased to several tenants. The largest tenant is Teachers Insurance and Annuity Association of America, one of the nation's largest financial services companies, who occupies 67,516 square feet through a lease that expires in May 2017.

Enclave on the Lake—Houston, TX

Enclave on the Lake consists of a 171,091 square foot, six-story office building with structured and surface parking lots completed in 1999. The office building is 100% leased to SBM Offshore, a Netherlands based supplier of products and services to the oil and gas industry under a lease that expires in February 2012. In connection with the acquisition of this property, we assumed a $18,790,000 fixed-rate mortgage loan that bears interest at a rate of 5.45% per annum and matures on May 1, 2011.

Avion Midrise III & IV—Washington, D.C.

Avion Midrise III & IV each consist of a three-story office building, with surface parking lots, completed in 2003 and 2002, respectively. Avion Midrise III has 71,507 rentable square feet and is 100% leased to Lockheed Martin Corporation, a leading supplier of aerospace and defense products and services, under a lease that expires in September 2012. Avion Midrise IV has 71,504 rentable square feet and is 100% leased to the U.S. General Services Administration, under a lease that expires in January 2012. Both buildings have been improved to meet Sensitive Compartmentalized Information Facilities standards that include enhanced access control systems which meet specific security requirements for handling federal classified information.

13201 Wilfred Lane—Minneapolis, MN

13201 Wilfred Lane is a 335,400 square foot warehouse/distribution building completed in 1999 and is 100% leased to Walgreens Co. through July 2018. Walgreens Co. is one of the nation's largest retailers of pharmaceuticals and consumer goods and currently utilizes the property for distribution of non-pharmaceutical goods to Walgreens stores in three states.

3011, 3055 & 3077 Comcast—East Bay, CA

3011, 3055 & 3077 Comcast Place is a 219,631 square foot office campus consisting of one two-story building and two one-story buildings with surface parking lots, completed in 1987/88 and fully renovated in 2009. The property is 100% leased to Comcast of California/Colorado/Washington I, Inc, a subsidiary of Comcast Corporation, through December 2023, and guaranteed by Comcast Corporation. Comcast Corporation is one of the nation's largest providers of cable, entertainment and communications products and services and utilizes the property as a regional headquarters, call-center and operations center.

140 Depot Street—Boston, MA

140 Depot Street is a 238,370 square foot warehouse/distribution building that was completed in 2009. The property is 100% leased to Best Buy Stores, L.P. through July 2019. Best Buy Stores, L.P. is one of the nation's leading retailers of consumer appliances and electronic goods and utilizes the property as a regional distribution center for large consumer electronics and appliances.

12650 Ingenuity Drive—Orlando, FL

12650 Ingenuity Drive is a 124,500 square foot, two-story office building, with surface parking lots, completed in 1999 and is 100% leased to Iowa College Acquisition Corp. through December 2021. The tenant is an operating subsidiary of Kaplan, Inc., the for-profit education subsidiary of The Washington Post Company. The lease is guaranteed by Kaplan, Inc., which utilizes the property for classroom space and as a call-center for online students of Kaplan University, a higher-education division providing certificates, associate degrees, bachelor degrees and postgraduate degrees in a variety of subjects.

Crest Ridge Corporate Center I—Minneapolis, MN

Crest Ridge Corporate Center I is a 116,338 square foot, three-story office building, with structured parking, that was completed in 2009. The property is 100% leased to Syngenta Seeds, Inc. through June 2019 and is utilized as its corporate headquarters. Syngenta Seeds, Inc. is a subsidiary of global agri-business company Syngenta AG and provides corn, soybean, sugar-beet and vegetable seeds to growers throughout the U.S. The lease is guaranteed by the U.S. parent, Syngenta US Holdings, Inc.

West Point Trade Center—Jacksonville, FL

West Point Trade Center is a 601,500 square foot warehouse/distribution building that was completed in 2009. The property is 100% leased to Dr Pepper/Seven Up, Inc., and guaranteed by Dr Pepper Snapple Group, Inc., through October 2019. Dr Pepper Snapple Group, Inc. is one of the nation's largest beverage companies and utilizes the property as a regional distribution center.

5160 Hacienda Drive—East Bay, CA

5160 Hacienda Drive is a 201,620 square foot corporate headquarters and research and development building that was completed in 1998. The property is 100% leased to Carl Zeiss Meditec, Inc. and guaranteed by Carl Zeiss Meditec AG, through September 2019. Carl Zeiss Meditec, Inc. is a market leader in the medical optics industry and utilizes the property as its U.S. corporate headquarters and research and development facility.

10450 Pacific Center Court—San Diego, CA

10450 Pacific Center Court is a 134,000 square foot office building that was completed in 1985. The property is 100% leased to Time Warner Cable Inc. through February 2018. Time Warner Cable Inc. is one of the nation's largest cable services providers and utilizes the property as its regional corporate headquarters.

225 Summit Avenue—Northern NJ

225 Summit Avenue is a 142,500 square foot two-story corporate headquarters office building that was completely renovated in 2007. The property is 100% leased to Barr Laboratories, Inc. and guaranteed by its parent company, Teva Pharmaceutical Industries Limited, through September 2020. Teva Pharmaceutical Industries Limited is a global leader in the generic pharmaceuticals industry and currently subleases 225 Summit Avenue to Medco Health Services, Inc.

One Wayside Road—Boston, MA

One Wayside Road is a 200,411 square foot four-story corporate headquarters office building that was completed in 1998 and expanded in 2008. The property is 100% leased to Nuance Communications, Inc., through March 2018. Nuance Communications, Inc. is a leading provider of speech recognition, imaging and customer interactions software solutions.

100 Tice Blvd.—Northern NJ

100 Tice Blvd. is a 208,911 square foot office building with surface and underground parking constructed in 2007 that is 100% leased to Eisai Inc. through December 2021 and is used as Eisai's North American headquarters. Eisai Inc. is the U.S. operating subsidiary of the Japanese company Eisai Co., Ltd. Eisai Inc. is a producer of pharmaceuticals for the treatment of Alzheimer's disease, various cancers and other diseases/disorders.

Ten Parkway North—Chicago, IL

Ten Parkway North is a 99,566 square foot, three-story office building constructed in 1999 that is 100% leased to Markel Midwest, Inc. through January 2020 and is used as a regional headquarters building. Markel Midwest, Inc. is an operating subsidiary of Markel Corporation (NYSE: MKL), an international insurance holding company that sells specialty insurance products and programs to a variety of niche markets.

National Industrial Portfolio—Various

The National Industrial Portfolio warehouse distribution properties total 2,534,037 rentable square feet with various lease expiration dates. Five of the properties are 100% leased and overall occupancy is 81% as of December 31, 2010. Two of the properties, Rickenbacker II and Rickenbacker III, have been designated as Real Estate Assets Held for Sale as of December 31, 2010.

Pacific Corporate Park—Washington, DC

Pacific Corporate Park consists of four office buildings constructed between 2000 and 2002 totaling approximately 696,387 square feet plus 22 acres of additional land entitled for two 180,000 square foot buildings. Pacific Corporate Park is currently 100% leased, with 96% net-leased through February 2021 to Raytheon Company (NYSE: RTN), a developer of products, services and solutions in the defense industry.

100 Kimball Drive—Northern NJ

100 Kimball Drive is a five-story, 175,000 square foot office building completed in 2007 that is currently 100% net-leased to Deloitte LLP through July 2020. Deloitte LLP is the US member firm of Deloitte Touché Tohmatsu and one of the largest professional services firms in the United States.

For a discussion of our investment activity since December 31, 2010, see"—Recent Developments."

Domestic Properties—Unconsolidated

Joint Venture with Duke Realty

On May 5, 2008, we entered into a contribution agreement with Duke Realty Limited Partnership, or Duke, a subsidiary of Duke Realty Corporation (NYSE: DRE), to form the Duke joint venture to acquire $248,900,500 in industrial real property assets, or the Industrial Portfolio. The Industrial Portfolio consists of six bulk industrial built-to-suit, fully leased properties. On September 12, 2008, we entered into an amendment to the contribution agreement to acquire a fully leased office building for $37,111,000, increasing and revising the total purchase commitment to $282,400,000. We own an 80% interest and Duke owns a 20% interest in the Duke joint venture.

On June 12, 2008, September 30, 2008 and December 10, 2008, the Duke joint venture acquired fee interests in seven properties pursuant to the contribution agreement. All of the properties acquired were new 100% leased, single-tenant buildings that did not have an operating history. The Duke joint venture obtained financing from 40/86 Mortgage Capital, Inc. for each of the seven properties. The financings, totaling $150,000,000, carry an interest rate of 5.58%, a term of five years and are cross-collateralized among the properties. The seven buildings were completed in 2007 and 2008. On May 13, 2009, the Duke joint venture acquired each of (i) 22535 Colonial Pkwy., located at 22535 Colonial Pkwy., Katy, TX, a suburb of Houston, (ii) Celebration Office Center III, located at 1390 Celebration Blvd., Celebration, FL, a suburb of Orlando, and (iii) Fairfield Distribution Ctr. IX located 4543-4561 Oak Fair Blvd., Tampa FL. The Duke joint venture acquired 22535 Colonial Pkwy. for approximately $14,700,000, Celebration Office Center III for approximately $17,050,000 and Fairfield Distribution Ctr. IX for approximately $9,300,000, exclusive of customary closing costs. On October 15, 2009, the Duke joint venture acquired Northpoint III, located in Lake Mary, FL, a suburb of Orlando, for approximately $18,240,000, exclusive of customary closing costs and acquisition fees which are both expensed as incurred. On December 7, 2009, the Duke joint venture acquired Goodyear Crossing Ind. Park II, located in Goodyear, AZ, a suburb of Phoenix, for approximately $45,645,000, exclusive of customary closing costs and acquisition fees which are both expensed as incurred.

On March 31, 2010, the Duke joint venture acquired 3900 North Paramount Parkway, 3900 South Paramount Parkway and 1400 Perimeter Park Drive in Morrisville, NC, a suburb of Raleigh, for approximately $35,250,000, exclusive of customary closing costs and acquisition fees which are both expensed as incurred. We made contributions of approximately $28,125,000 ($19,649,000 was made in cash and $8,476,000 in-kind as discussed below) to the Duke joint venture in connection with the acquisition.

On March 31, 2010, we contributed our Miramar I and Miramar II properties, located at 2300 and 2200 SW 145th Avenue in Miramar, FL, a suburb of Miami, to the Duke joint venture for approximately our cost of $42,650,000. Rather than receiving a distribution from the Duke joint venture in the amount of Duke's 20% share of Miramar I and Miramar II ($8,476,000) this amount was used to offset our contribution to the acquisition of the three Morrisville, NC buildings described above.

On August 24, 2010, the Duke joint venture closed on the acquisition of additional land and entered into a construction agreement and lease amendments, collectively, the Expansion Agreements, to expand the AllPoints at Anson Bldg. 1 property, a warehouse/distribution center located in Whitestown, IN, a suburb of Indianapolis. The existing property is 100% leased to a subsidiary of Amazon.com through July 2018. Pursuant to the Expansion Agreements, AllPoints at Anson Bldg. 1 (i) will be expanded from the current 630,573 square feet to approximately 1,036,573 square feet and (ii) will remain 100% leased to a subsidiary of Amazon.com, which lease will be extended through April 2021. The total cost of the expansion is anticipated to be approximately $16,900,000 to the Duke joint venture. As of December 31, 2010, the Duke joint venture had incurred land acquisition and construction costs totaling approximately $13,595,000. We expect to make cash contributions of approximately $13,541,000 to the Duke joint venture over the construction period in connection with the Expansion Agreements.

On December 17, 2010, the Duke joint venture entered into a purchase and sale agreement with Duke, Duke Secured Financing 2009-1PAC, LLC and Duke Realty Ohio, affiliates of Duke, for the acquisition of up to $516,650,000 in office real property assets, or the Office Portfolio. The Office Portfolio consists of 20 office properties that are expected to be contributed to the Duke joint venture in three separate tranches. On December 21, 2010, the Duke joint venture acquired fee interests in the first tranche of the Office Portfolio by acquiring seven properties for approximately $173,850,000, exclusive of closing costs and acquisition fees which were both expensed as incurred. We made a cash contribution of approximately $139,080,000 to the Duke joint venture in connection with the closing of the first tranche. See "—Recent Developments" for a discussion of the acquisition of the fee interests in the second and third tranches of the Office Portfolio by the Duke joint venture.

As of December 31, 2010, the Duke joint venture has purchased approximately $639,615,000 of assets, exclusive of acquisition fees and closing costs and holds interests in 24 properties, six located in Florida, four located in North Carolina, four located in Texas, three located in Ohio, two located in Arizona, two located in Indiana, two located in Missouri and one in Tennessee. For a listing of the properties owned by the Duke joint venture as of December 31, 2010, see "—Properties" and the below table.

The following table provides further detailed information concerning the properties held in the Duke joint venture as of December 31, 2010:

Property and Market	Property Type	Net Rentable Square Feet	Major Tenant[(1)]	Lease Expiration
Buckeye Logistics Center / Phoenix, AZ	Warehouse/ Distribution	604,678	Amazon.com[(2)]	06/2018
201 Sunridge Blvd. / Dallas, TX	Warehouse/ Distribution	822,550	Unilever[(3)]	09/2018
12200 President's Court / Jacksonville, FL	Warehouse/ Distribution	772,210	Unilever[(3)]	09/2018
AllPoints at Anson Bldg. 1 / Indianapolis, IN	Warehouse/ Distribution	630,573	Amazon.com[(2)]	07/2018
Aspen Corporate Center 500 / Nashville, TN	Office	180,147	Verizon Wireless[(4)]	10/2018
125 Enterprise Parkway /Columbus, OH	Warehouse/ Distribution	1,142,400	Kellogg's	03/2019
AllPoints Midwest Bldg. Indianapolis, IN	Warehouse/ Distribution	1,200,420	Prime Distribution	05/2019
22535 Colonial Pkwy / Houston, TX	Office	89,750	Det Norske Veritas	06/2019
Celebration Office Center / Orlando, FL	Office	100,924	Disney Vacation Development[(5)]	04/2016
Fairfield Distribution Ctr. IX / Tampa, FL	Warehouse/ Distribution	136,212	Iron Mountain	08/2025
Northpoint III / Orlando, FL	Office	108,499	Florida Power Corporation[(6)]	10/2021
Goodyear Crossing Ind. Park II / Phoenix, AZ	Warehouse/ Distribution	820,384	Amazon.com[(2)]	09/2019
3900 N. Paramount Pkwy. / Raleigh, NC	Office	100,987	PPD Development	11/2023
3900 S. Paramount Pkwy. / Raleigh, NC	Office	119,170	PPD Development/ LSSI	11/2023
1400 Perimeter Park Drive / Raleigh, NC	Office	44,916	PPD Development	11/2023
Miramar I/ Miami, FL	Office	94,060	DeVry	11/2017
Miramar II/ Miami, FL	Office	128,540	Royal Caribbean	05/2016
McAuley Place / Cincinnati, OH	Office	190,733	Mercy Health Partners of South West Ohio[(7)]	08/2023
Easton III / OH	Office	135,485	Lane Bryant[(8)]	01/2019
Point West I / Dallas, TX	Office	182,700	American Home Mortgage Services, Inc.[(9)]	12/2016
Sam Houston Crossing I / Houston, TX	Office	159,175	AMEC Paragon, Inc.[(10)]	05/2018
Regency Creek I / Raleigh, NC	Office	122,087	ABB, Inc.[(11)]	08/2017
533 Maryville Centre / St. Louis, MO	Office	125,296	Eveready Battery Company, Inc.[(12)]	04/2021
555 Maryville Centre / St. Louis, MO	Office	127,082	Eveready Battery Company, Inc.[(12)(13)]	04/2021
		8,138,978		

(1) Tenant that currently occupies more than 50,000 of the net rentable square feet of the property unless otherwise indicated.

(2) Our tenants Amazon.com.indc, LLC, Amazon.com.axdc, Inc. and Amazon.com.azda are wholly-owned subsidiaries of Amazon.com. AllPoints at Anson Bldg. 1, Buckeye Logistics Center and Goodyear Crossing Ind. Park II are three of Amazon's largest fulfillment centers in North America.

(3) Our tenant CONOPCO, Inc. is a wholly-owned subsidiary of Unilever United States, Inc., which is wholly-owned by Unilever N.V. and Unilever PLC, together Unilever.

(4) Our tenant Cellco Partnership does business as Verizon Wireless.

(5) Our tenant Disney Vacation Development, is a subsidiary of Disney Enterprises Inc. and the developer and operator of Disney Vacation Club time shares.

(6) Our tenant Florida Power Corporation does business as Progress Energy Florida, Inc.

(7) Mercy Health Partners of South West Ohio is a healthcare system comprised of five hospitals and 38 physician practices serving the greater Cincinnati, Ohio area.

(8) Lane Bryant, a division of Charming Shoppes, Inc. (NASDAQ:CHRS), is a chain of women's retail clothing stores with over 850 stores in 48 states.

(9) American Home Mortgage Services, Inc. is one of the country's largest servicers of Alt-A and subprime loans on behalf of banks and other investors.

(10) AMEC Paragon, Inc. is a provider of project management and engineering services to the oil and gas industry.

(11) ABB, Inc. is a leader in power and automation technologies for utility and industrial customers.

(12) Eveready Battery Company, Inc. is a division of Energizer Holdings, Inc. (NYSE:ENR), which manufactures batteries and lighting products.

(13) This tenant currently occupies approximately 43,000 of the net rentable square feet of the property.

We entered into an operating agreement for the Duke joint venture with Duke on June 12, 2008. Duke acts as the managing member of the Duke joint venture and is entitled to receive fees in connection with the services it provides to the Duke joint venture, including asset management, construction, development, leasing and property management services. Duke may also be entitled to a promoted interest in the Duke joint venture. We have joint approval rights over all major decisions.

On December 17, 2010, in connection with entering into the purchase agreement for the Office Portfolio, we entered into an amended and restated operating agreement for the Duke joint venture. The amended and restated operating agreement generally contains the same terms and conditions as the operating agreement dated June 12, 2008 described above, except for the following material changes: (i) Duke has granted us a call option to acquire Duke's entire interest in the Duke joint venture which such interest shall be valued based on the opinions of qualified appraisers and which we can elect to exercise anytime after June 30, 2012 upon the occurrence and adoption by resolution of certain triggering events and (ii) the Duke joint venture has certain rights to participate in the development of certain adjacent and nearby parcels of land currently owned by Duke.

For a period of three years from the date of the initial operating agreement, the Duke joint venture will have the right of first offer to acquire additional newly developed bulk industrial built-to-suit properties from Duke if such properties satisfy certain specified conditions. We will retain the right to approve the acquisition and purchase price of each such property.

For a discussion of our investment activity through the Duke joint venture since December 31, 2010, see "—Recent Developments."

Afton Ridge Joint Venture

On September 18, 2008, we acquired a 90% ownership interest in Afton Ridge Joint Venture, LLC, or Afton Ridge, the owner of Afton Ridge Shopping Center, from unrelated third parties. CK Afton Ridge Shopping Center, LLC, a subsidiary of Childress Klein Properties, Inc., or CK Afton Ridge, retained a 10% ownership interest in Afton Ridge and continues to manage Afton Ridge Shopping Center. In connection with the services it provides, CK Afton Ridge is entitled to receive fees, including management, construction management and property management fees. Afton Ridge Shopping Center is located at the intersection of I-85 and Kannapolis Parkway, in Kannapolis, NC.

Afton Ridge Shopping Center is a 470,288 square foot regional shopping center, completed in 2007, in which we own 296,388 rentable square feet that is currently 95% leased. One of the shopping center's anchors, a 173,900 square foot SuperTarget, is not owned by us. Additional anchor tenants in Afton Ridge Shopping Center are Best Buy, Marshalls, PetSmart, Dick's Sporting Goods, Stein Mart and Ashley Furniture. Afton Ridge Shopping Center is the retail component of a 260 acre master planned mixed-use development.

International Properties—Consolidated

602 Central Blvd.—Coventry, UK

602 Central Blvd. consists of a three-story office building containing approximately 49,985 rentable square feet and a surface parking lot completed in 2001. The office building is currently vacant.

Thames Valley Five—Reading, UK

Thames Valley Five consists of a four story office building and surface parking lot completed in 1998. The office building is 100% leased to Regus (Reading Thames Valley Park) Ltd., a subsidiary of Regus Group PLC, one of the world's largest providers of outsourced workplace solutions under a lease that expires in November 2023.

Albion Mills Retail Park—Wakefield, UK

Albion Mills Retail Park consists of a 55,294 square foot, two unit retail building and surface parking lot completed in 2000. The retail building is 100% leased to Wickes Building Supplies Ltd, one of the United Kingdom's leading hardware and building supplies retailers, under a lease that expires in May 2030, and DSG Retail Ltd. (d/b/a PC World), one of the largest retailers in the United Kingdom, under a lease that expires in September 2020.

Maskew Retail Park—Peterborough, UK

Maskew Retail Park consists of a three unit retail development and surface parking lot completed in 2007. The property is 100% leased to three tenants: B&Q plc, the largest home improvement, hardware and building supply retailer in the United Kingdom, under a lease that expires in September 2027; Matalan Retail Limited, one of the largest clothing and household goods retailers in the United Kingdom, under a lease that expires in September 2022; and Argos Limited, a major household goods and general merchandise retailer, under a lease that expires in April 2023.

International Properties—Unconsolidated

CBRE Strategic Partners Asia

We have agreed to a capital commitment of up to $20,000,000 in CB Richard Ellis Strategic Partners Asia II-A, L.P., or CBRE Strategic Partners Asia. As of December 31, 2010, we had funded $15,040,000 of our capital commitment. CBRE Investors, our sponsor, formed CBRE Strategic Partners Asia to purchase, reposition, develop, hold for investment and sell institutional quality real estate and related assets in targeted markets in Asia, including China, Japan, India, South Korea, Hong Kong, Singapore and other Asia Pacific markets. The initial closing of CBRE Strategic Partners Asia was in October 2007 with additional commitments being accepted through January 2008. CBRE Strategic Partners Asia closed on January 31, 2008, with aggregate capital commitments of $394,203,000. CBRE Strategic Partners Asia has an eight-year term, which may be extended for up to two one-year periods with the approval of two-thirds of the limited partners.

As of December 31, 2010, CBRE Strategic Partners Asia, with its parallel fund CB Richard Ellis Strategic Partners Asia II, L.P., had aggregate investor commitments of approximately $394,203,000 from institutional investors including CBRE Investors and had acquired ownership interests in 10 properties, five in China and five in Japan. As of December 31, 2010, we owned an ownership interest of approximately 5.07% in CBRE Strategic Partners Asia. Our capital commitment is currently being pledged as collateral on borrowings of CBRE Strategic Partners Asia of which our pro rata portion of such borrowings was approximately $218,000 based on our 5.07% ownership interest in CBRE Strategic Partners Asia at December 31, 2010.

CBRE Strategic Partners Asia is managed by CB Richard Ellis Investors SP Asia II, LLC, or the Investment Manager, an affiliate of CBRE Investors. The Investment Manager is entitled to an annual management fee at an annual rate equal to 1.25% of the capital commitments (or an annual rate of 1.5% of the capital commitments for limited partners (which includes us) with aggregate capital commitments of less than $50,000,000). The Investment Manager is also entitled to an acquisition fee equal to (i) for assets acquired for ground up, new development or asset repositioning involving refurbishment activity, 0.75% of CBRE Strategic Partners Asia's pro rata share of the total acquisition cost of such investment, plus 0.375% of the amount of projected capital expenditures required for such development or refurbishment activity, or (ii) for all other assets, 0.75% of CBRE Strategic Partners Asia's pro rata share of the total acquisition cost of such investment. Our share of investment management fees paid to the Investment Manager were approximately $282,000, $300,000 and $271,000 and for the years ended December 31, 2010, 2009 and 2008, respectively. In addition, our share of the acquisition fees was $104,000 for the year ended December 31, 2008 and no acquisition fees were paid to the investment manager in 2010 and 2009.

We will pay our Investment Advisor investment management and acquisition fees with respect to our investment in CBRE Strategic Partners Asia. Such fees paid to our investment advisor will be reduced, but not below zero, by our proportionate share of the management and acquisition fees paid to the Investment Manager. As of December 31, 2010, we had paid no fees to our Investment Advisor relating to this investment.

CBRE Strategic Partners Asia is not obligated to redeem the interests of any of its investors, including us, prior to 2017. Except in certain limited circumstances such as transfers to affiliates or successor trustees or state agencies, we will not be permitted to sell our interest in CBRE Strategic Partners Asia without the prior written consent of the general partner, which the general partner may withhold in its sole discretion.

UK JV and European JV

On June 10, 2010, we entered into two joint ventures with subsidiaries of the Goodman Group (ASX: GMG), or Goodman, one of which seeks to invest in logistics focused warehouse/distribution properties in the United Kingdom, or the UK JV, and the other which seeks to invest in logistics focused warehouse/distribution properties in France, Belgium, the Netherlands, Luxembourg and Germany, or the European JV. We own an 80% interest in each joint venture and Goodman owns a 20% interest in each joint venture. The terms of each joint venture are described in more detail below.

UK JV

The shareholders' agreement pertaining to the UK JV is by and among RT Princeton UK Holdings, LLC (our wholly-owned subsidiary), Goodman Jersey Holding Trust and Goodman Princeton Holdings (Jersey) Limited, the UK JV, for the purpose of acquiring and holding, either directly or indirectly, up to £400,000,000 in logistics focused warehouse/distribution properties. On June 10, 2010, we initially funded the UK JV with capital contributions of $26,180,000. The UK JV has acquired an initial portfolio of two properties, as described further in the table below, which were previously owned by a subsidiary of Goodman and which were purchased by the UK JV simultaneously with the closing of the UK JV.

Property and Market	Year Built	Property Type	Tenant	Net Rentable Sq. Feet	Percentage Leased	Lease Expiration	Approximate Total Acquisition Cost (in thousands)
Amber Park							
Nottingham, UK	1997	Warehouse/ Distribution	UniDrug Distribution Group	208,423	100%	03/2017	$ 15,642
Brackmills							
Northampton, UK	1984	Warehouse/ Distribution	GE Lighting Operations Limited	186,618	100%	03/2017	$ 16,759

A board of directors, comprised of members representing us and Goodman, in each case with an equal number of votes, has the responsibility for the supervision, management and major operating decisions of the UK JV and its business, except with respect to certain reserved matters which will require the unanimous approval of us and Goodman.

During the initial three year investment period, the UK JV has a right of first offer, with respect to certain logistics development or logistics investment assets considered for investment in the UK by Goodman or us. If a deadlock arises pertaining to a major decision regarding a specific property, either shareholder may exercise a buy-sell option in relation to the relevant property. After the initial investment period, either shareholder wishing to exit the UK JV may exercise a buy-sell option with respect to their entire interest in the UK JV.

The UK JV will pay certain fees to certain Goodman subsidiaries in connection with the services they provide to the UK JV, including but not limited to investment advisory, development management and property management services. Goodman may also be entitled to a promoted interest in the UK JV.

European JV

The shareholders' agreement pertaining to the European JV is by and among RT Princeton CE Holdings, LLC (our wholly-owned subsidiary), Goodman Europe Development Trust acting by its trustee Goodman Europe Development Pty Ltd. and Goodman Princeton Holdings (LUX) S.À.R.L., the European JV, for the purpose of acquiring and holding, either directly or indirectly, up to €400,000,000 in logistics focused warehouse/distribution properties. On June 10, 2010, we initially funded the European JV with capital contributions of $26,802,000. The European JV acquired an initial portfolio of two properties, Duren and Schönberg, which were previously owned by a subsidiary of Goodman and which were purchased by the European JV simultaneously with the closing of the European JV.

On October 28, 2010, we funded an additional capital contribution of $18,672,000 to the European JV to acquire Langenbach which was also previously owned by subsidiary of Goodman.

Property and Market	Year Built	Property Type	Tenant	Net Rentable Sq. 'Feet	Percentage Leased	Lease Expiration	Approximate Total Acquisition Cost (in thousands)
Düren							
Rhine-Ruhr Germany . . .	2008	Warehouse/ Distribution	Metsä Tissue GmbH	391,494	100%	01/2013	$ 16,435
Schönberg							
Hamburg, Germany	2009	Warehouse/ Distribution	LK Logistik GmbH	453,979	100%	05/2017	$ 17,274
Langenbach							
Munich, Germany	2010	Warehouse/ Distribution	DSV Stuttgart GmbH & Co. KG	225,106	100%	07/2015	$ 23,216

A board of directors, comprised of members representing us and Goodman, in each case with an equal number of votes, has the responsibility for the supervision, management and major operating decisions of the European JV and its business, except with respect to certain reserved matters which will require the unanimous approval of us and Goodman.

During the initial three year investment period, the European JV has a right of second offer (after another investment vehicle managed by Goodman) with respect to certain logistics development or logistics investment assets considered for investment by Goodman, and has a right of first offer with respect to certain logistics development or logistics investment assets considered for investment by us. If a deadlock arises pertaining to a major decision regarding a specific property, either shareholder may exercise a buy-sell option in relation to the relevant property. After the initial investment period, either shareholder wishing to exit the European JV may exercise a buy-sell option with respect to their entire interest in the European JV. The European JV will pay certain fees to certain Goodman subsidiaries in connection with the services they provide to the European JV, including but not limited to investment advisory, development management and property management services. Certain Goodman subsidiaries may also be entitled to a promoted interest in the European JV.

Property Type Concentration

Our property type concentrations as of December 31, 2010 are as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties(1)			Consolidated & Unconsolidated Properties(1)		
Property Type	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
Office	22	3,076	$ 767,458	16	2,010	$271,686	38	5,086	$1,039,144
Warehouse/Distribution	49	9,523	465,264	13	7,595	313,052	62	17,118	778,316
Retail	2	201	75,838	1	296	44,530	3	497	120,368
Total	73	12,800	$1,308,560	30	9,901	$629,268	103	22,701	$1,937,828

(1) Number of Properties and Net Rentable Square Feet for Unconsolidated Properties are at 100%. Approximate Total Acquisition Cost for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Geographic Concentration

Our geographic concentrations as of December 31, 2010 are as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties(1)			Consolidated & Unconsolidated Properties(1)		
Domestic	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
Virginia	3	839	$ 186,723	—	—	$ —	3	839	$ 186,723
South Carolina	29	3,647	184,324	—	—	—	29	3,647	184,324
Texas	6	983	94,459	4	1,256	81,286	10	2,239	175,745
Florida	3	1,048	69,650	6	1,340	99,922	9	2,388	169,572
New Jersey	3	526	168,450	—	—	—	3	526	168,450
North Carolina	5	1,360	66,337	5	683	90,731	10	2,043	157,068
California	7	688	146,917	—	—	—	7	688	146,917
Ohio	2	1,110	22,000	3	1,468	80,488	5	2,578	102,488
Massachusetts	3	769	94,280	—	—	—	3	769	94,280
Arizona	1	217	9,200	2	1,425	72,089	3	1,642	81,289
Indiana	—	—	—	2	1,831	68,578	2	1,831	68.578
Minnesota	2	452	43,759	—	—	—	2	452	43,759
Illinois	2	285	43,170	—	—	—	2	285	43,170
Missouri	—	—	—	2	252	34,680	2	252	34,680
Tennessee	—	—	—	1	180	30,033	1	180	30,033
Georgia	1	122	21,834	—	—	—	1	122	21,834
Kentucky	1	189	14,800	—	—	—	1	189	14,800
Utah	1	275	13,400	—	—	—	1	275	13,400
Total Domestic	69	12,510	1,179,303	25	8,435	557,807	94	20,945	1,737,110
International									
United Kingdom	4	290	129,257	2	395	25,921	6	685	155,178
Germany	—	—	—	3	1,071	45,540	3	1,071	45,540
Total International	4	290	129,257	5	1,466	71,461	9	1,756	200,718
Total	73	12,800	$1,308,560	30	9,901	$629,268	103	22,701	$1,937,828

(1) Number of Properties and Net Rentable Square Feet for Unconsolidated Properties are at 100%. Approximate Total Acquisition Cost for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Significant Tenants

The following table details our largest tenants as of December 31, 2010 (in thousands):

	Tenant	Primary Industry	Consolidated Properties		Unconsolidated Properties[1]		Consolidated & Unconsolidated Properties[1]	
			Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent
1	Raytheon Company	Defense and Aerospace	666	$ 8,902	—	$ —	666	$ 8,902
2	Amazon.com, Inc[2]	Internet Retail	—	—	2,056	7,811	2,056	7,811
3	Nuance Communications	Software	201	5,263	—	—	201	5,263
4	Eisai	Pharmaceutical and Health Care Related	209	4,772	—	—	209	4,772
5	Comcast	Telecommunications	220	4,578	—	—	220	4,578
6	Deloitte	Professional Service	175	4,390	—	—	175	4,390
7	SBM Offshore[3]	Petroleum and Mining	171	4,277	—	—	171	4,277
8	Barr Laboratories	Pharmaceutical and Health Care Related	143	4,061	—	—	143	4,061
9	Eveready Battery Company	Consumer Products	—	—	168	4,016	168	4,016
10	Unilever[4]	Consumer Products	—	—	1,595	3,864	1,595	3,864
11	PPD Development	Pharmaceutical and Health Care Related	—	—	251	3,616	251	3,616
12	Carl Zeiss	Pharmaceutical and Health Care Related	202	3,337	—	—	202	3,337
13	ConAgra Foods	Food Service and Retail	742	3,028	—	—	742	3,028
14	American LaFrance	Vehicle Related Manufacturing	513	2,979	—	—	513	2,979
15	Prime Distribution Services	Logistics and Distribution	—	—	1,200	2,958	1,200	2,958
16	Kellogg's	Consumer Products	—	—	1,142	2,817	1,142	2,817
17	B&Q	Home Furnishings/Home Improvement	104	2,601	—	—	104	2,601
18	Syngenta Seed's	Agriculture	116	2,472	—	—	116	2,472
19	REMEC	Defense and Aerospace	133	2,431	—	—	133	2,431
20	Time Warner	Telecommunications	134	2,412	—	—	134	2,412
21	Dr. Pepper Snapple	Food Service and Retail	602	2,388	—	—	602	2,388
22	Verizon Wireless[5]	Telecommunications	—	—	180	2,246	180	2,246
23	US General Services Administration	Government	72	2,197	—	—	72	2,197
24	Royal Caribbean Cruises	Travel/Leisure	—	—	129	2,139	129	2,139
25	Kaplan[6]	Education	125	2,117	—	—	125	2,117
26	American Home Mortgage	Financial Service	183	2,024	—	—	183	2,024
27	Best Buy	Specialty Retail	238	1,657	30	317	268	1,974
28	Markel Midwest, Inc.	Financial Service	100	1,882	—	—	100	1,882
29	Lockheed Martin	Defense and Aerospace	72	1,847	—	—	72	1,847
30	Disney	Travel/Leisure	—	—	101	1,800	101	1,800
31	Mercy Health Partners of SW Ohio	Pharmaceutical and Health Care Related	—	—	111	1,793	111	1,793
32	ABB, Inc.	Other Manufacturing	—	—	91	1,641	91	1,641
33	Devry University	Education	—	—	94	1,548	94	1,548
34	DSV Stuttgart Gmbh & Co KG	Logistics and Distribution	—	—	225	1,431	225	1,431
35	Women's Apparel Group, LLC	Internet Retail	330	1,426	—	—	330	1,426
36	Regus	Executive Office Suites	86	1,424	—	—	86	1,424
37	McLane Foodservice, Inc.	Logistics and Distribution	189	1,381	—	—	189	1,381
38	Walgreen	Pharmaceutical and Health Care Related	335	1,378	—	—	335	1,378
39	LK Logistik Gmbh	Logistics and Distribution	—	—	454	1,335	454	1,335
40	Florida Power	Utilities	—	—	108	1,280	108	1,280
	Other (138 tenants)		4,834	19,731	1,907	15,838	6,741	35,569
			10,895	$94,955	9,842	$56,450	20,737	$151,405

(1) Net Rentable Square Feet for Unconsolidated Properties is at 100%. Annualized Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

(2) Our tenants are Amazon.com.azdc, Inc., in our Buckeye Logistics Center and Goodyear Crossing Park II properties, and Amazon.com.indc, LLC, in our AllPoints at Anson Bldg. 1 property, which are all wholly-owned subsidiaries of Amazon.com.

(3) Our tenant is Atlantic Offshore Ltd., a wholly-owned subsidiary of SBM Offshore.

(4) Our tenant is CONOPCO, Inc., a wholly-owned subsidiary of Unilever.

(5) Verizon Wireless is the d/b/a for Cellco Partnership.

(6) Our tenant is Iowa College Acquisitions Corp., an operating subsidiary of Kaplan, Inc. The lease is guaranteed by Kaplan Inc.

Tenant Industries

Our tenants operate across a wide range of industries. The following table details our tenant-industry concentrations as of December 31, 2010 (in thousands):

Primary Tenant Industry Category	Consolidated Properties Net Rentable Square Feet	Consolidated Properties Annualized Base Rent	Unconsolidated Properties(1) Net Rentable Square Feet	Unconsolidated Properties(1) Annualized Base Rent	Consolidated & Unconsolidated Properties(1) Net Rentable Square Feet	Consolidated & Unconsolidated Properties(1) Annualized Base Rent
Pharmaceutical and Health Care Related	905	13,769	594	$ 6,815	1,499	$ 20,584
Consumer Products	164	913	3,493	13,371	3,657	14,284
Defense and Aerospace	901	13,912	—	—	901	13,912
Logistics and Distribution	1,671	5,862	2,023	6,472	3,694	12,334
Telecommunications	673	8,279	182	2,279	855	10,558
Internet Retailer	330	1,426	2,056	7,811	2,386	9,237
Food Service and Retail	1,485	6,267	16	308	1,501	6,575
Financial Services	281	3,458	235	2,720	516	6,178
Professional Services	240	5,039	41	535	281	5,574
Home Furnishings/Home Improvement	462	4,480	62	1,019	524	5,499
Software	201	5,263	—	—	201	5,263
Other Manufacturing	909	3,134	116	1,938	1,025	5,072
Petroleum and Mining	171	4,277	55	646	226	4,923
Business Services	747	2,835	135	1,766	882	4,601
Vehicle Related Manufacturing	828	4,537	—	—	828	4,537
Specialty Retail	391	3,150	111	1,178	502	4,328
Travel and Leisure	—	—	229	3,939	229	3,939
Education	125	2,117	94	1,548	219	3,665
Agriculture	116	2,472	—	—	116	2,472
Government	187	2,217	—	—	187	2,217
Apparel Retail	—	—	227	1,944	227	1,944
Utilities	—	—	127	1,516	127	1,516
Executive Office Suites	86	1,424	—	—	86	1,424
Other Retail	22	124	46	645	68	769
Total	10,895	$94,955	9,842	$56,450	20,737	$151,405

(1) Net Rentable Square Feet for Unconsolidated Properties is at 100%. Annualized Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Tenant Lease Expirations

The following table sets forth a schedule of expiring leases for our consolidated and unconsolidated properties as of December 31, 2010 (in thousands):

	Consolidated Properties Expiring Net Rentable Square Feet	Consolidated Properties Expiring Base Rent	Unconsolidated Properties(1) Expiring Net Rentable Square Feet	Unconsolidated Properties(1) Expiring Base Rent	Consolidated & Unconsolidated Properties(1) Number of Expiring Leases	Consolidated & Unconsolidated Properties(1) Expiring Net Rentable Square Feet	Consolidated & Unconsolidated Properties(1) Expiring Base Rent	Consolidated & Unconsolidated Properties(1) Percentage of Expiring Base Rent
2011	694	$ 2,508	14	$ 234	15	708	$ 2,742	1.62%
2012	823	10,514	61	823	24	884	11,337	6.68%
2013	1,603	8,551	460	2,537	24	2,063	11,088	6.53%
2014	581	3,563	74	1,021	16	655	4,584	2.70%
2015	1,821	6,661	238	1,638	21	2,059	8,299	4.89%
2016	306	1,711	442	6,855	9	748	8,566	5.04%
2017	267	3,832	1,180	8,969	16	1,447	12,801	7.54%
2018	743	8,510	3,174	14,152	17	3,917	22,662	13.35%
2019	1,697	13,239	3,424	13,157	14	5,121	26,396	15.54%
2020	600	12,949	—	—	6	600	12,949	7.63%
Thereafter	1,760	34,973	775	13,414	16	2,535	48,387	28.49%
Total	10,895	$107,011	9,842	$62,800	178	20,737	$169,811	100%
Weighted Average Expiration (years)		8.20		8.27			8.23	

(1) Expiring Net Rentable Square Feet for Unconsolidated Properties is at 100%. Expiring Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Property Portfolio Size

Our portfolio size at the end of each quarter since commencement of our intial public offering through December 31, 2010 is as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties[1]			Consolidated & Unconsolidated Properties[1]		
Cumulative Property Portfolio as of:	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
9/30/2006	9	878	$ 86,644	—	—	$ —	9	878	$ 86,644
12/31/2006	9	878	86,644	—	—	—	9	878	86,644
3/31/2007	9	878	86,644	—	—	—	9	878	86,644
6/30/2007	10	928	110,491	—	—	—	10	928	110,491
9/30/2007	42	5,439	348,456	—	—	—	42	5,439	348,456
12/31/2007	44	5,576	353,594	—	—	—	44	5,576	353,594
3/31/2008	47	6,257	426,856	—	—	—	47	6,257	426,856
6/30/2008	47	6,257	426,856	1	605	35,636	48	6,862	462,492
9/30/2008	49	6,483	486,777	6	3,307	193,773	55	9,790	680,550
12/31/2008	52	6,771	582,682	8	5,649	273,205	60	12,420	855,887
3/31/2009	52	6,771	582,717	8	5,649	273,130	60	12,420	855,847
6/30/2009	53	7,106	598,103	11	5,976	305,308	64	13,082	903,411
9/30/2009	57	7,805	719,822	11	5,976	305,202	68	13,781	1,025,024
12/31/2009	60	8,630	791,314	13	6,904	356,158	73	15,534	1,147,472
3/31/2010	58	8,407	748,835	18	7,392	418,818	76	15,799	1,167,653
6/30/2010	62	9,086	916,210	22	8,633	471,615	84	17,719	1,387,825
9/30/2010	63	9,295	983,810	22	8,633	471,615	85	17,928	1,455,425
12/31/2010	73	12,800	1,308,560	30	9,901	629,268	103	22,701	1,937,828

(1) Net Rentable Square Feet for unconsolidated properties is at 100%. Approximate Total Acquisition Cost is at our pro rata share of effective ownership and does not include our investment in CBRE Strategic Partners Asia.

Rental Operations

Our reportable segments consist of three types of commercial real estate properties for which our management internally evaluates operating performance and financial results: the Domestic Industrial Properties, Domestic Office Properties and International Office/Retail Properties. We evaluate the performance of our segments based on net operating income, defined as: rental income and tenant reimbursements less property and related expenses (operating and maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization, and our company-level general and administrative expenses. The following tables compare the net operating income for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	Year Ended December 31,		
	2010	2009	2008
Domestic Industrial Properties			
Revenues:			
Rental	$ 23,903	$ 19,473	$ 20,350
Tenant Reimbursements	5,481	5,057	4,323
Total Revenues	29,384	24,530	24,673
Property and Related Expenses:			
Operating and Maintenance	1,546	1,297	1,146
General and Administrative	257	312	147
Property Management Fee to Related Party	289	346	376
Property Taxes	5,735	4,916	4,054
Total Expenses	7,827	6,871	5,723
Net Operating Income	21,557	17,659	18,950
Domestic Office Properties			
Revenues:			
Rental	38,792	19,430	8,429
Tenant Reimbursements	8,294	3,974	2,290
Total Revenues	47,086	23,404	10,719
Property and Related Expenses:			
Operating and Maintenance	6,142	3,395	1,974
General and Administrative	433	174	61
Property Management Fee to Related Party	370	139	94
Property Taxes	5,230	2,708	1,425
Total Expenses	12,175	6,416	3,554
Net Operating Income	34,911	16,988	7,165
International Office/Retail Properties			
Revenues:			
Rental	6,678	8,120	4,617
Tenant Reimbursements	391	270	140
Total Revenues	7,069	8,390	4,757
Property and Related Expenses:			
Operating and Maintenance	930	282	128
General and Administrative	213	142	82
Property Management Fee to Related Party	289	171	21
Total Expenses	1,432	595	231
Net Operating Income	5,637	7,795	4,526
Reconciliation to Consolidated Net Loss			
Total Segment Net Operating Income[(1)]	62,105	42,442	30,641
Interest Expense	14,881	11,378	10,323
General and Administrative	4,623	3,618	3,030
Investment Management Fee to Related Party	11,595	7,803	3,964
Acquisition Expenses	17,531	5,832	—
Depreciation and Amortization	32,125	25,093	17,171
Loss on Impairment	—	9,160	—
	(18,650)	(20,442)	(3,847)

	Year Ended December 31,		
	2010	2009	2008
Other Income and Expenses			
Interest and Other Income	1,260	344	2,039
Net Settlement (Payments) Receipts on Interest Rate Swaps	(1,096)	(660)	65
Gain (Loss) on Interest Rate Swaps and Cap	23	89	(1,496)
(Loss) Gain on Note Payable at Fair Value	(118)	(807)	1,168
Loss on Early Extinguishment of Debt	(72)	—	—
Loss on Transfer of Held for Sale Real Estate to Continuing Operations	—	—	(3,451)
(Loss) Before (Provision) Benefit for Income Taxes and Equity in Income (Loss) of Unconsolidated Entities	(18,653)	(21,476)	(5,522)
(Provision) Benefit for Income Taxes	(296)	(169)	82
Equity in Income (Loss) of Unconsolidated Entities	8,838	2,743	(1,242)
Net Loss from Continuing Operations	(10,111)	(18,902)	(6,682)
Loss from Discontinued Operations	(507)	—	—
Net Loss	(10,618)	(18,902)	(6,682)
Net Loss Attributable to Non-Controlling Operating Partnership Units	18	54	26
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$(10,600)	$(18,848)	$(6,656)

(1) Total Segment Net Operating Income is a Non-GAAP financial measure which may be useful as a supplemental measure for evaluating the relationship of each reporting segment to the combined total. This measure should not be viewed as an alternative measure of operating performance to our U.S. GAAP presentations provided. Segment "Net Operating Income" is defined as operating revenues (rental income, tenant reimbursements and other property income) less property and related expenses (property expenses, including real estate taxes) before depreciation and amortization expense.

Insurance Coverage on Properties

We carry comprehensive general liability coverage and umbrella liability coverage on all of our properties with limits of liability which we deem adequate. Similarly, we are insured against the risk of direct physical damage in amounts we believe to be adequate to reimburse us on a replacement basis for costs incurred to repair or rebuild each property, including loss of rental income during the reconstruction period. The cost of such insurance is passed through to tenants whenever possible.

Tax Basis and Real Estate Tax

The following table provides information regarding our tax basis and real estate taxes at each of our consolidated properties as of December 31, 2010:

Location	Property	Original Income Tax Basis	2010 Annualized Real Estate Taxes
San Diego, CA	REMEC Corporate Campus	$ 26,667,000	$ 316,000
Taunton, MA	300 Constitution Drive	19,805,000	306,000
Alpharetta, GA	Deerfield Commons I	19,572,000	291,000
Alpharetta, GA	Deerfield Commons II	2,262,000	52,000
Allen, TX	505 Century	6,095,000	102,000
Richardson, TX	631 International	5,407,000	95,000
Richardson, TX	660 North Dorothy	6,836,000	99,000
Bolingbrook, IL	Bolingbrook Point III	18,170,000	218,000
Spartanburg, SC	Cherokee Corporate Park	3,775,000	38,000
Spartanburg, SC	Community Cash Complex 1-5	7,987,000	147,000
Spartanburg, SC	Fairforest Bldgs 1-4	19,753,000	363,000
Spartanburg, SC	Fairforest Bldg. 5	16,968,000	267,000
Spartanburg, SC	Fairforest Bldg. 6	7,469,000	163,000
Spartanburg, SC	Fairforest Bldg. 7	5,626,000	123,000
Spartanburg, SC	Greenville/Spartanburg Ind. Pk	3,388,000	70,000
Spartanburg, SC	Highway 290 Commerce Pk Bldgs	20,083,000	323,000
Spartanburg, SC	HJ Park Bldg. 1	4,216,000	107,000
Charleston, SC	Jedburg Commerce Park	41,991,000	634,000
Charlotte, NC	Kings Mountain I	5,497,000	35,000
Charlotte, NC	Kings Mountain II	11,311,000	55,000
Charleston, SC	Mount Holly Building	6,208,000	54,000
Charleston, SC	North Rhett I	10,302,000	140,000
Charleston, SC	North Rhett II	7,073,000	67,000
Charleston, SC	North Rhett III	4,812,000	55,000
Charleston, SC	North Rhett IV	17,060,000	226,000
Charleston, SC	Orangeburg Park Bldg.	5,474,000	128,000
Spartanburg, SC	Orchard Business Park 1 & 2	2,139,000	46,000
Winston-Salem, NC	Union Cross Bldg. I	6,585,000	179,000
Winston-Salem, NC	Union Cross Bldg. II	17,216,000	173,000
Lewisville, TX	Lakeside Office Center	17,994,000	277,000
Charlotte, NC	Kings Mountain III	25,728,000	73,000
Houston, TX	Enclave on the Lake	37,827,000	577,000
Washington, DC	Avion Midrise III	21,111,000	217,000
Washington, DC	Avion Midrise IV	21,112,000	217,000
Minneapolis, MN	13201 Wilfred Lane	15,340,000	530,000
East Bay, CA	3011, 3055 & 3077 Comcast Place	49,000,000	775,000
Boston, MA	140 Depot Street	18,950,000	254,000
Orlando, FL	12650 Ingenuity Drive	25,350,000	349,000
Minneapolis, MN	Crest Ridge Corporate Center I	28,419,000	285,000
Jacksonville, FL	West Point Trade Center	29,000,000	483,000
East Bay, CA	5160 Hacienda Dr	38,500,000	464,000
San Diego, CA	10450 Pacific Center Ct	32,750,000	315,000
Northern NJ	225 Summit	40,600,000	457,000
Boston, MA	One Wayside	55,525,000	544,000
Northern NJ	100 Tice Blvd	67,600,000	609,000
Chicago, IL	Ten Parkway North	25,000,000	140,000
Washington, DC	Pacific Corporate Park	144,500,000	1,675,000
Northern NJ	100 Kimball Drive	60,250,000	777,000
Dallas, TX	4701 Gold Spike Drive	20,300,000	315,000
Cincinnati, OH	1985 International Way	14,800,000	130,000
Columbus, OH	Rickenbacker II	8,600,000	56,000
Columbus, OH	Rickenbacker III	13,400,000	90,000
Salt Lake City, UT	Summit Distribution Center	13,400,000	147,000
Jacksonville, FL	3660 Deerpark Boulevard	15,300,000	170,000
Phoenix, AZ	Tolleson Commerce Park II	9,200,000	235,000
Coventry, UK	602 Central Blvd.	23,847,000	N/A
Reading, UK	Thames Valley Five	29,572,000	N/A
Wakefield, UK	Albion Mills Retail Park	22,098,000	N/A
Peterborough, UK	Maskew Retail Park	53,740,000	N/A
Total		$1,308,560,000	$15,033,000

(1) This amount is based on the pre-construction completion assessed value of this property and a forthcoming post-construction completion date assessment is likely to increase our future annualized real-estate taxes on this property.

Competition

As we purchase properties to build our portfolio, we are in competition with other potential buyers for the same properties, which may result in an increase in the amount we must pay to acquire a property or may require us to locate another property that meets our investment criteria. Leasing of real estate is also highly competitive in the current market, and we will experience competition for tenants from owners and managers of competing projects. As a result, we may have to provide rent concessions, incur charges for tenant improvements or offer other inducements to enable us to timely lease vacant space, all of which may have an adverse impact on our results of operations. At the time we elect to dispose of our properties, we will also be in competition with sellers of similar properties to locate suitable purchasers.

Regulations

Our properties, as well as any other properties that we may acquire in the future, are subject to various international, U.S. federal, state and local laws, ordinances and regulations, including, among other things, zoning regulations, land use controls, environmental controls relating to air and water quality, noise pollution and indirect environmental impacts such as increased motor vehicle activity. Our properties are subject to regulation under federal laws, such as the ADA, under which all public accommodations must meet federal requirements related to access and use by disabled persons, and state and local laws addressing earthquake, fire and life safety requirements. Although we believe that our properties substantially comply with present requirements under applicable governmental regulations, none of our properties have been audited or investigated for compliance by any regulatory agency. If we were not in compliance with material provisions of the ADA or other regulations affecting our properties, we might be required to take remedial action, which could include making modifications or renovations to properties. Federal, state or local governments may also enact future laws and regulations that could require us to make significant modifications or renovations to our properties. If we were to incur substantial costs to comply with the ADA or any other regulations, our financial condition, results of operations, cash flow, the quoted trading prices of our securities and ability to satisfy our debt service obligations and to pay distributions to shareholders could be adversely affected. We believe that we have all permits and approvals necessary under current law to operate our properties.

Recent Developments

On February 22, 2011, we entered into a lease for the Kings Mountain III property, a 541,910 square foot warehouse/distribution building located in Charlotte, North Carolina for a 10 year term.

On March 24, 2011, the Duke joint venture acquired fee interests in the second and third tranches of properties in the Office Portfolio, or the Remaining Properties, for $342,800,000 exclusive of closing costs and acquisition fees which were both expensed as incurred, thus completing the acquisition of the Office Portfolio, as described further below. We made a cash contribution of $47,066,641 to the Duke joint venture in connection with closing of the Remaining Properties.

Property and Market	Address	Year Built	Major Tenant[1]	Net Rentable Square Feet	Lease Expiration	Approximate Purchase Price[2]	Pro Rata Share of Approximate Purchase Price[3]	Percentage Leased	Acquisition Fee[4]	Estimated Acquisition Cap Rate[5]
Norman Pointe I/ Minneapolis, MN	5601 Green Valley Drive Bloomington, MN	2000	NCS Pearson, Inc. [6]	212,722	02/2017	$42,600,000	$34,080,000	100%	$511,200	8.4%
Norman Pointe II/ Minneapolis, MN	5600 West American Boulevard, Bloomington, MN	2007	General Services Administration[7]; Hartford Fire Insurance Company[8]	324,296	02/2016; 06/2013	$46,900,000	$37,520,000	100%	$562,800	7.7%
The Landings I/ Cincinnati, OH	9997 Carver Road, Blue Ash, OH	2006	Citicorp North America[9]	175,695	01/2022	$29,659,500	$23,727,600	100%	$355,914	8.0%
The Landings II/ Cincinnati, OH	9987 Carver Road, Blue Ash, OH	2007	—	175,076	—	$26,160,500	$20,928,400	96.1%	$313,926	8.1%
One Easton Oval / Columbus, OH	One Easton Oval, Columbus, OH	1997	—	125,031	—	$11,911,000	$9,528,800	89.4%	$142,932	4.2%
Two Easton Oval / Columbus, OH	Two Easton Oval, Columbus, OH	1995	—	128,674	—	$12,744,000	$10,195,200	74.6%	$152,928	7.2%
Weston Pointe I / Ft. Lauderdale, FL	2400 North Commerce Parkway, Weston, FL	1999	—	97,579	—	$19,384,250	$15,507,400	87.1%	$232,611	8.5%

Property and Market	Address	Year Built	Major Tenant[1]	Net Rentable Square Feet	Lease Expiration	Approximate Purchase Price[2]	Pro Rata Share of Approximate Purchase Price[3]	Percentage Leased	Acquisition Fee[4]	Estimated Acquisition Cap Rate[5]
Weston Pointe II / Ft. Lauderdale, FL	2200 North Commerce Parkway, Weston, FL	2000	—	97,180	—	$23,375,950	$18,700,760	100%	$280,511	9.9%
Weston Pointe III / Ft. Lauderdale, FL	2250 North Commerce Parkway, Weston, FL	2003	American Intercontinental University[10]	97,178	09/2015	$23,583,550	$18,866,840	100%	$283,002	8.0%
Weston Pointe IV / Ft. Lauderdale, FL	2100 North Commerce Parkway, Weston, FL	2006	General Services Administration[7]	96,175	04/2019	$28,256,250	$22,605,000	100%	$339,075	10.1%
One Conway Park / Chicago, IL	100 Field Drive, Lake Forest, IL	1989	—	105,000	—	$15,400,000	$12,320,000	86.5%	$184,800	7.7%
West Lake at Conway / Chicago, IL	1925 West Field Ct., Lake Forest, IL	2008	—	99,538	—	$17,575,000	$14,060,000	90.1%	$210,900	7.6%
Atrium I / Columbus, OH	5525 Parkcenter Circle, Dublin, OH	1996	Nationwide Mutual Insurance Co. [11]	315,102	05/2018; 05/2019[12]	$45,250,000	$36,200,000	100%	$543,000	8.2%

(1) This column represents tenants that currently occupy more than 50,000 net rentable square feet of each Property. Properties which do not list a tenant are multi-tenant properties that do not currently have a tenant that occupies more than 50,000 net rentable square feet.

(2) Approximate total purchase price, exclusive of customary closing costs, paid by the Duke Joint Venture for each Property.

(3) Pro rata share of approximate purchase price is at the Company's pro rata share of effective ownership for each of these Properties, which was funded using net proceeds of the Company's current public offering.

(4) Acquisition fees payable to the Investment Advisor are not included in the total acquisition cost for the Properties.

(5) Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

6) NCS Pearson, Inc. provides services, software, systems, and Internet-based technologies for the collection, management, and interpretation of data.

(7) The General Services Administration is an independent agency of the Federal Government of the United States of America, which supplies products and communications for U.S. government offices, provides transportation and office space to federal employees and develops government-wide cost-minimizing policies and other management tasks.

(8) Hartford Fire Insurance Company is a subsidiary of The Hartford Financial Services Group and one of the world's leading providers of fire, marine and casualty insurance.

(9) Citicorp North America, Inc., provides regional banking services and is a subsidiary of Citigroup, Inc. (NYSE: C).

(10) American Intercontinental University is an international for-profit university with both physical and online campuses.

(11) Nationwide Mutual Insurance Company is one of the nation's largest insurance and financial services companies.

(12) This tenant has two separate leases within this property, as they rent two separate spaces.

Additionally, on March 24, 2011, in connection with the acquisition of the Remaining Properties as described above, the Duke joint venture entered into a $275,000,000 unsecured term loan, or the Term Loan Agreement, with Wells Fargo Bank, National Association. While the term loan is non-recourse to us, the pro rata share of the term loan obligation attributable to us is $220,000,000 in accordance with our ownership interest in the Duke joint venture. The loan proceeds were used to accelerate the acquisition of the Remaining Properties. The loan has a six-month term and two six-month extension options. The term loan has an interest rate of LIBOR plus 2.50% and is fully pre-payable at any time, subject to any customary costs. An origination fee of $1,650,000 was paid to Wells Fargo Bank, National Association at the closing of the term loan. The Term Loan Agreement contains customary representations and warrants and covenants. During the term of the loan, the Duke joint venture has agreed to comply with certain financial covenants related to its leverage ratio, net asset value, unencumbered leverage ratio and the inability to enter into certain types of investments.

On April 4, 2011 we paid the fixed rate mortgage loan that we assumed with our purchase of the Enclave on the Lake property off and extended the lease expiration to June 2022.

On April 11, 2011, we acquired a fee interest in two office buildings located at 70 Hudson Street, or 70 Hudson, and 90 Hudson Street, or 90 Hudson, in Jersey City, New Jersey, or collectively, 70 & 90 Hudson.

We acquired 70 & 90 Hudson for an aggregate purchase price of approximately $310,000,000, exclusive of customary closing costs and the assumption of approximately $238,419,000 in two existing mortgage loans, or collectively the Assumed Loans. The estimated acquisition cap rate for 70 & 90 Hudson is 7.9% in the aggregate.[1] The 70 Hudson mortgage loan has a current balance of approximately $120,857,000 and bears interest at a rate of 5.64% annually, matures on April 11, 2016, has a 30-year amortization schedule, may be defeased at any time subject to posting adequate defeasance collateral and related conditions and is pre-payable in whole, without penalty or premium, during the three month period immediately preceding the maturity date. The balance due at maturity is approximately $111,449,000. The 90 Hudson mortgage loan has a current balance of approximately $117,562,000 and bears interest at a rate of 5.66% annually, matures on May 1, 2016, has a 30-year amortization schedule and is pre-payable at any time subject to a prepayment premium of the greater of 1% of the then outstanding principal balance and yield maintenance, except during the three month period immediately preceding the maturity date, when no such premium or other penalty shall apply. The balance due at maturity is approximately $106,953,000. A $50,000 fee was paid to CBRE Capital Markets, an affiliate of the Investment Advisor, in connection with the assumption of the 90 Hudson mortgage loan. In addition, we have provided a guaranty of certain recourse obligations and an environmental indemnity for each of the Assumed Loans. The agreements pertaining to the Assumed Loans contain customary provisions, including representations, warranties, covenants and indemnifications. We funded the approximately $71,581,000 balance of the aggregate purchase price, exclusive of closing costs, using the net proceeds from this offering. Upon closing, we paid the Investment Advisor a $4,650,000 acquisition fee.

70 Hudson is a 409,272 square foot, 12-story office building constructed in 2000 located directly on the Hudson River waterfront across from lower Manhattan. The following table summarizes information regarding the tenant of 70 Hudson as of April 11, 2011:(1)

Tenant	Principal Nature of Business	Lease Expiration	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent Per Leased Square Foot	Annualized Effective Rent Per Leased Square Foot(2)	Percentage of Gross Annual Rent
Barclays Capital, Inc.(3)	Financial	1/2016(4)	409,272	100%	$12,278,160	$30.00	$47.42	100%
Total/ Weighted Average:			409,272	100%	$12,278,160	$30.00	$47.42	100%

(1) Because we did not own this property prior to April 11, 2011, we are unable to show data for years prior to this time.

(2) Annualized Effective Rent Per Leased Square Foot includes tenant reimbursables and other revenue.

(3) The tenant is Long Island Holding A, LLC, a wholly-owned subsidiary of Barclays Capital, Inc., a leading global investment bank based in the United Kingdom. Barclays Capital, Inc. is the investment banking division of Barclays Bank PLC (NYSE: BCS), a global bank, and remains financially responsible under the lease.

(4) There are no termination or renewal options.

90 Hudson is a 418,046 square foot, 12-story office building constructed in 1999 that is immediately adjacent to 70 Hudson along the Hudson River waterfront. The following table summarizes information regarding the tenants of 90 Hudson as of April 11, 2011:(1)

Tenant	Principal Nature of Business	Lease Expiration	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent Per Leased Square Foot	Annualized Effective Rent Per Leased Square Foot(2)	Percentage of Gross Annual Rent
Lord Abbett & Co., LLC(3)	Financial	12/2024(4)	148,894	36%	$ 5,211,290	$35.00	$47.59	36%
National Union Fire Insurance Company of Pittsburgh, PA(5)	Insurance	12/2012(6)	171,824	41%	$ 6,010,440	$34.98	$44.41	39%
NDB Capital Markets Corp.(7)	Financial	12/2024(8)	97,138	23%	$ 3,399,830	$35.00	$48.17	24%
Other(9)	Misc.	Various	190	<1%	$ 141,863	—(9)	—(9)	1%
Total/ Weighted Average:			418,046	100%	$14,763,423	$35.32	$46.74	100%

(1) Because we did not own this property prior to April 11, 2011, we are unable to show data for years prior to this time.

1 Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

(2) Annualized Effective Rent Per Leased Square Foot includes tenant reimbursables and other revenue.

(3) Lord Abbett & Co., LLC is an employee owned investment manager.

(4) There are no termination options. There is one 10-year renewal option at the then fair market rental rate.

(5) National Union Fire Insurance Company of Pittsburgh, PA operates as a subsidiary of American International Group, Inc. and is a national provider of commercial insurance solutions.

(6) There are two 5-year renewal options, each at 95% of the then fair market value rental rate.

(7) NDB Capital Markets Corp. is a subsidiary of National Discount Brokers Group, Inc., a NASDAQ market maker (NYSE: NDB).

(8) Pursuant to a sublease, Lord Abbett & Co., LLC has taken occupancy of the premises subject to the existing lease with NDB Capital Markets Corp. In exchange for granting consent to this sublease, we have the right to require Lord Abbett & Co., LLC to incorporate the NDB Capital Markets Corp. premises into its primary lease with us through the remainder of the term expiring in December 2024, with one 10-year renewal option.

(9) Includes 190 square feet that is rented to the proprietor of a news stand and two antenna leases for rooftop space. Per square foot amounts for this category are not meaningful as the antennas are not allocated building square footage. However, antenna income is included in deriving the total per square foot amounts for the property.

At this time we currently have no plans with respect to the major renovation, improvement or redevelopment of 70 & 90 Hudson. Both 70 Hudson and 90 Hudson are participating in a payment in lieu of taxes program, or a PILOT program, whereby they are exempt from property taxes for a period of 20 years (which period commenced on May 1998 for 90 Hudson and October 1999 for 70 Hudson), with the implementation of a lease/sublease structure between our subsidiary entities required to qualify for the PILOT program and to preserve the continuing tax abatement; however, ownership has agreed to make certain scheduled "service charge" payments to the City of Jersey City in lieu of such taxes. In 2010, the service charge paid with respect to 70 Hudson was approximately $1,170,000 and the service charge paid with respect to 90 Hudson was approximately $1,313,000. The annual service charges payable with respect to 70 Hudson and 90 Hudson are subject to staged adjustments and periodic increases through the term of the PILOT program, which is scheduled to end in May 2018.

MANAGEMENT OF THE COMPANY

Our Executive Officers and Trustees

The following table sets forth certain information regarding our executive officers and trustees. Our board of trustees currently consists of five individuals, three of whom are independent. The biographical descriptions for each trustee include the specific experience, qualifications, attributes and skills that led to the conclusion by our board of trustees that such person should serve as a trustee.

Name	Age	Position
Jack A. Cuneo	63	Chairman of the Board of Trustees, President and Chief Executive Officer
Charles E. Black	62	Trustee*
Martin A. Reid	55	Trustee*
James M. Orphanides	60	Trustee*
Peter E. DiCorpo	39	Trustee
Laurie E. Romanak	51	Senior Vice President, Chief Financial Officer and Secretary
Philip L. Kianka	54	Executive Vice President and Chief Operating Officer

* Denotes independent trustee.

Jack A. Cuneo. Mr. Cuneo has been the Chairman of our board of trustees since January 2009 and our President, Chief Executive Officer and the President and Chief Executive Officer of the Investment Advisor since March 2004. Mr. Cuneo is also an Executive Managing Director of CBRE Investors. Mr. Cuneo has over 41 years of experience in the real estate industry and had been involved in a wide range of real estate investment activity including acquisitions, development, joint venture structuring, property sales, work outs and private equity financing for REITs and real estate operating companies. Prior to joining CBRE Investors in June 2003, Mr. Cuneo served as President of Cuneo Capital Group which engaged in advisory and private equity investment activities from 2002 to 2003. Mr. Cuneo also spent 26 years at Merrill Lynch where he served from 1997 to 2000 as the Chairman and Chief Executive Officer of Merrill Lynch Hubbard, a real estate investment subsidiary which acquired, operated and sold over 100 properties valued at $1.8 billion on behalf of over 240,000 individual investors. Mr. Cuneo was a Managing Director of the Global Real Estate and Hospitality Group at Merrill Lynch from 2000 to 2002 where he led private equity, advisory and asset sales activities. He is a member of the Urban Land Institute (ULI), the Policy Advisory Board at the Haas School of Business, University of California at Berkeley and the Real Estate Board of New York. Mr. Cuneo received a B.A. from City College of New York and pursued graduate studies at the University of Massachusetts at Amherst.

Charles E. Black. Mr. Black has been one of our trustees since June 2004. Mr. Black is an attorney in private practice who represents developers, land owners and businesses in development, entitlement, financing and implementation of politically sensitive, public and private real estate projects through the firm, Luce, Forward, Hamilton & Scripps LLP, where he is of counsel. Mr. Black's area of special focus in the real estate industry relates to structuring the entitlement and financing of large public/private mixed-use developments anchored by sports venues, convention centers and other public facilities. Mr. Black is the Chief Executive Officer of CB Urban Development, a development company he founded in 2007 which specializes in mixed-use urban development projects. Prior to that, Mr. Black was the Regional Senior Vice President (San Diego region) of The Irvine Company. Prior to joining The Irvine Company in March 2006, Mr. Black was the Executive Vice President of JMI Realty, where he had overall management responsibility for the development of Petco Park, the $450,000,000 San Diego Padres baseball park that was completed in February 2004. Prior to joining JMI Realty in 2002, Mr. Black was the President and Chief Operating Officer of the San Diego Padres Baseball Club. From 1991 to 2002, Mr. Black was a partner in the law firm of Gray, Cary, Ware and Freidenrich, where his areas of expertise included real estate acquisition and development, urban planning and development law and development financing. Mr. Black is a member of the Urban Land Institute (ULI) and the land economics society Lambda Alpha. Mr. Black received a B.S. from the United States Air Force Academy and a J.D. from the University of California at Davis.

Martin A. Reid. Mr. Reid has been one of our trustees since March 2005. Mr. Reid is the Executive Vice President, Development and Acquisitions at Interstate Hotels & Resorts where he focuses on sourcing and acquiring hotels and identifying management contract opportunities. Prior to joining Interstate, Mr. Reid was a partner in Cheswold Real Estate Investment Management. Prior to joining Cheswold, Mr. Reid was the Chief Executive Officer of the General Partner of Redstone Hotel Partners, advising on hotel transactions and fund raising activities. From 1998 until 2006, Mr. Reid was a Managing Director of Thayer Lodging where he was responsible for acquisitions and dispositions. Mr. Reid has a broad professional background in real estate investment, capital markets and finance, including experience in public accounting and financial reporting. Prior to joining Thayer Lodging in 1998, Mr. Reid spent four years as a Principal at LaSalle Advisors in Baltimore, Maryland, successor through merger to Alex. Brown Kleinwort Benson, where he originated and closed real estate transactions for pension fund clients. Prior to his tenure with LaSalle, Mr. Reid spent several years in acquisitions and dispositions with real estate investment and advisory affiliates of Merrill Lynch & Co. and Chase Manhattan Bank, where he was involved in the acquisition of several office, retail and residential properties and portfolios. Mr. Reid received a B.S. in Accounting from the State University of New York at Albany and an M.B.A. in Financial Management from Pace University. Mr. Reid is a Member of the American Institute of Certified Public Accountants and is a Full Member of the Urban Land Institute (ULI).

James M. Orphanides. Mr. Orphanides has been one of our trustees since October 2005. Since January 2010, Mr. Orphanides has been a Partner and the President of Centurion Holdings LLC. Mr. Orphanides has been retired from First Industrial American Title Insurance Company of New York since 2008 where he had served as Chairman Emeritus and as a director until the company merged with its parent, First American Title Insurance Company in November 2010. Mr. Orphanides worked for First American since 1992 in key executive positions including, from 1996 through 2007, as President, Chief Executive Officer and Chairman of the Board. Prior to joining First American, Mr. Orphanides was a Principal and President of Preferred Land Title Services, Inc. from 1982 to 1992. Mr. Orphanides was an executive at Commonwealth Land Title Insurance Company from 1979 to 1982 and an executive at Chicago Title Insurance Company from 1972 to 1979. Mr. Orphanides was a trustee of Wilshire Enterprises, Inc. from January 2009 through January 2010 where he was a member of the Audit committee and chaired strategic planning. Mr. Orphanides has been actively involved in many non-for profit organizations. Currently, Mr. Orphanides sits on the Boards of: the Foundation for Medical Evaluation and Early Detection, Citizen Budget Commission, The American Ballet Theatre and CUNY TV Foundation. Mr. Orphanides is also a member of the Hellenic American Bankers Association (HABA), the Economic Club of New York, TPC Golf Club at Jasna Polana in Princeton, New Jersey, the Nassau Club in Princeton, New Jersey and the Union League Club in New York City. Mr. Orphanides received a B.A. from Heidelberg College and an M.A. from Queens College of New York.

Peter E. DiCorpo. Mr. DiCorpo has been one of our trustees since March 2009. Mr. DiCorpo joined CBRE Investors in 2008 as Global Chief Operating Officer. In this capacity, he is responsible for the global execution of the company's business plan and oversight of day-to-day business operations. He is a member of the firm's Executive Committee and Global Leadership Team. Mr. DiCorpo is a seasoned real estate professional who has a broad range of experience in many facets of the industry, including accounting, auditing and operations experience. He joined CBRE Investors from AIG Global Real Estate Investment Corp., where he served in various capacities since 1995, including Chief Administrative Officer. He also served as Head of Residential Production where he created a national investment team and oversaw all multifamily investments. Mr. DiCorpo earned a B.A. degree in Mathematical Economics from Colgate University, a M.S. in Professional Accounting from the University of Hartford and an M.B.A. in Finance and Management from New York University Stern School of Business.

Laurie E. Romanak. Ms. Romanak has been our Senior Vice President, Chief Financial Officer and Secretary and a Managing Director of the Investment Advisor since March 2004. Ms. Romanak is also the Executive Managing Director and Global Head of Investment Reporting of CBRE Investors and is responsible for global accounting/reporting and finance activities for the organization's approximately $37.6 billion real estate investment portfolio. Ms. Romanak directs fund accounting and administration for the firm's offices in the US, Asia and Europe. Ms. Romanak joined CBRE Investors in 1986 and has served in her current role since 1995. Ms. Romanak is a C.P.A. and has more than 25 years of experience in the commercial real estate industry. Ms. Romanak previously served on the board of directors of the National Council of Real Estate Investment Fiduciaries (NCREIF), and as its past President, and is an active member of the National Association of Real Estate Investment Managers (NAREIM). Ms. Romanak received a B.B.A. from the University of Michigan at Ann Arbor.

Philip L. Kianka. Mr. Kianka has been our Executive Vice President and Chief Operating Officer since October 2008. Mr. Kianka has also been the Director of Operations of the Investment Advisor since January 2006. Mr. Kianka is also a Managing Director of CBRE Investors. Mr. Kianka has over 27 years of experience in acquisitions, asset and portfolio management, development and dispositions of real estate. Prior to joining the Investment Advisor, Mr. Kianka was a Vice President and senior asset manager for Lexington Corporate Properties Trust from 1997 to December 2005. Mr. Kianka also spent 13 years as Vice President at Merrill Lynch Hubbard, a real estate investment subsidiary of Merrill Lynch, which acquired, operated and sold over 100 properties valued at $1.8 billion on behalf of over 240,000 investors. Mr. Kianka received a B.A. and a MARCH from Clemson University in Clemson, South Carolina and is a licensed architect and member of the American Institute of Architects.

Our Board of Trustees

We operate under the direction of our board of trustees, the members of which are accountable to us and our shareholders as fiduciaries. The board is responsible for the management and control of our affairs. The board has retained the Investment Advisor to manage our day-to-day affairs and the acquisition and disposition of our investments, subject to the board's supervision. The board, including the independent trustees, is required to ratify our declaration of trust. Consistent with this requirement, our declaration of trust was amended and restated by a unanimous vote of our trustees, including our independent trustees.

Our declaration of trust and bylaws provide that the number of our trustees may be established by a majority of the entire board of trustees but may not be fewer than three nor more than nine. Our board of trustees currently consists of four trustees, three of whom are independent. An "independent trustee" is a person who is not associated and has not been associated within the last two years, directly or indirectly, with the Investment Advisor or its affiliates. A trustee will be deemed to be associated with the Investment Advisor if he or she (i) owns an interest in the Investment Advisor or any of its affiliates (other than us), (ii) is employed by or an officer of the Investment Advisor or any of its affiliates (other than us), (iii) performs services, other than as a trustee, for us, (iv) is a trustee for more than three REITs organized or advised by the Investment Advisor or its affiliates, or (v) has any material business or professional relationships with the Investment Advisor or any of its affiliates (other than us). Until our shares are listed on a national securities exchange, our declaration of trust requires a majority of our trustees to be independent trustees.

Each trustee is elected by our shareholders for a one-year term and serves until his or her successor has been duly elected and qualified. Holders of our common shares do not have the right to cumulative voting in the election of trustees. Consequently, at each annual meeting of shareholders, the holders of a majority of our common shares entitled to vote are able to elect all of our trustees. Any vacancy on our board may be filled by a majority of the remaining trustees, even if such a majority constitutes less than a quorum, except that a vacancy resulting from an increase in the number of trustees may be filled by a majority of the entire board of trustees. Independent trustees shall nominate replacements for vacancies amongst the independent trustee positions. Although the number of trustees may be increased or decreased, a decrease shall not have the effect of shortening the term of any incumbent trustee.

Limited Liability and Indemnification of Trustees, Officers, Employees and Other Agents

Our organizational documents limit the personal liability of our shareholders, trustees and officers for monetary damages to the fullest extent permitted under current Maryland REIT Law (as defined herein), subject to restrictions contained in the NASAA Guidelines. We have also entered into indemnification agreements with each trustee and officer. See "Certain Provisions of Maryland Law and of Our Declaration of Trust and Bylaws—Limitation of Liability and Indemnification." We maintain a trustees and officers liability insurance policy.

THE INVESTMENT ADVISOR

Our investment advisor is CBRE Advisors LLC, an affiliate of CBRE Investors. The Investment Advisor has contractual responsibilities to and is a fiduciary of ours and our shareholders pursuant to the advisory agreement. Some of our officers and trustees are also officers and/or directors of the Investment Advisor. See "Certain Relationships and Related Party Transactions."

The directors and executive officers of the Investment Advisor are as follows:

Name	Age	Position
Jack A. Cuneo	63	President and Chief Executive Officer
Laurie E. Romanak	55	Managing Director
Douglas J. Herzbrun	55	Managing Director/Global Head of Research
Philip L. Kianka	54	Director of Operations
Christopher B. Allen	43	Director of Finance
Nickolai S. Dolya	33	Director of Capital Markets
Charles W. Hessel	40	Director of Investments
Hugh S. O'Beirne	39	Senior Counsel
Brian D. Welcker	61	Director of Asset Management
G. Eric Fraser	60	Director of Accounting
Dennis Keyes	51	Director of Asset Management
Gregory L. Vinson	39	Senior Associate

For a description of Messrs. Cuneo, Kianka and Ms. Romanak, see "Management of the Company."

Douglas J. Herzbrun. Mr. Herzbrun has been a Managing Director of the Investment Advisor since April 2006. Mr. Herzbrun joined CBRE Investors in 1984 and is currently Senior Managing Director and Global Head of Research and directs strategic analysis of the U.S. real estate and capital markets. Mr. Herzbrun also oversees CBRE Investors' analysis of the property markets in Europe and Asia. Prior to joining CBRE Investors, Mr. Herzbrun was from 1980 to 1984 responsible for the preparation and management of market studies for office, high technology and mixed-use developments for Coldwell Banker Real Estate Consultation Services. Mr. Herzbrun has over 31 years of experience in real estate. Mr. Herzbrun received a B.A. from the University of California at Berkeley and a Master of City and Regional Planning from Harvard University. Mr. Herzbrun is a member of the Research Affinity Group of the Pension Real Estate Association (PREA), and the Education Committee of the National Council of Real Estate Investment Fiduciaries (NCREIF) where he is an instructor at their Academy education program.

Christopher B. Allen. Mr. Allen has been the Director of Finance of the Investment Advisor since February 2008. Mr. Allen is responsible for our capital planning and corporate finance activities. Prior to joining the Investment Advisor, Mr. Allen was a Director in the real estate investment banking group at Banc of America Securities, LLC, from 2004 to 2007. Mr. Allen also spent five years in the real estate investment banking group at Merrill Lynch. Mr. Allen received a B.S. in Electrical Engineering and a B.A. in Economics from Rice University in Houston, Texas and an M.B.A. in Finance and Accounting from the J.L. Kellogg Graduate School of Management at Northwestern University in Chicago, Illinois.

Nickolai S. Dolya. Mr. Dolya has been the Director of Capital Markets of the Investment Advisor since April 2007. Mr. Dolya is responsible for our capital raising activities, including coordinating our relationships with the dealer manager, CNL Securities Corp., participating brokers, transfer agent and marketing agent. Prior to joining the Investment Advisor, Mr. Dolya was a Senior Vice President of operations for CNL Capital Markets Corp., from 1998 to 2007. Mr. Dolya earned his Bachelor of Business Administration from Viterbo College, La Crosse, Wisconsin and an M.B.A. from Crummer Graduate School of Business, Orlando, Florida.

Charles W. Hessel. Mr. Hessel has been Director of Investments of the Investment Advisor since May 2007. Mr. Hessel is responsible for coordinating acquisition activity with CBRE Investors' acquisition personnel. Mr. Hessel has 14 years of experience in the brokerage, acquisition, asset management and financing of real estate. Prior to joining the Investment Advisor, Mr. Hessel was a Managing Director at HIGroup, LLC, a real estate investment banking and brokerage firm, from 2004 to 2006. Mr. Hessel also spent six years in Merrill Lynch's real estate investment banking group, where he was Vice President responsible for asset sales and private equity transactions, and advised clients on over $3 billion of real estate property sales and over $650,000,000 of real estate joint ventures. Earlier, Mr. Hessel spent four years at JLW Realty Advisors (now ING Clarion), where he was involved in over $1.4 billion of real estate acquisitions. Mr. Hessel received a B.A. from Williams College in Williamstown, Massachusetts.

Hugh S. O'Beirne. Mr. O'Beirne is Senior Counsel for the Investment Advisor. Prior to joining the Investment Advisor in December of 2007, Mr. O'Beirne was a senior associate and initial member of the REIT practice of the Atlanta, Georgia based law firm of Alston & Bird LLP. Mr. O'Beirne joined Alston & Bird in 2005 where he focused his practice almost exclusively on advising non-listed REIT clients.

From 2000 to 2005, Mr. O'Beirne was an associate in the Corporate & Securities practice of the New York, New York office of Sidley Austin LLP. Mr. O'Beirne received a J.D. from Vanderbilt University School of Law in Nashville, Tennessee in 2000, a M.A. from Boston College in Boston, Massachusetts in 1997, and a B.A. from Merrimack College in North Andover, Massachusetts in 1993.

Brian D. Welcker. Mr. Welcker has been a Director of Asset Management of the Investment Advisor since August 2007. Mr. Welcker is responsible for management, leasing and financial reporting activities at the property level for United States investments. Mr. Welcker has over 20 years of experience in asset management, facility management and construction management in real estate. Prior to joining the Investment Advisor, Mr. Welcker was Vice President of Asset Services for Alliance Realty Services responsible for all property management operations for a large portfolio of office, retail and mixed-use assets. Mr. Welcker also served as a Regional Property Manager for Brandywine Realty Trust overseeing a portfolio of 93 properties with a portfolio value of over $500,000,000. Mr. Welcker received a B.S. degree in engineering from the United States Merchant Marine Academy, an M.B.A. from Fordham University in New York and is an IREM Certified Property Manager.

G. Eric Fraser. Mr. Fraser has been the Director of Accounting of the Investment Advisor since January 2007. Mr. Fraser joined CBRE Investors in February 2005 as Controller of the Fund Accounting Group which is responsible for all client accounting and reporting and has been Senior Controller of the Fund Accounting Group since April 2011. Mr. Fraser has been actively involved with our company since April, 2005. Prior to joining CBRE Investors, Mr. Fraser was the Controller for Commonwealth Partners, LLC from 1998 through 2004. Mr. Fraser also spent 23 years with the Prudential Realty Group (The Prudential) in numerous accounting and systems capacities in Newark, New Jersey, Philadelphia, Pennsylvania and Los Angeles, California where he was Controller for Prudential's west coast real estate investments. Mr. Fraser received a B.S. in Accounting from Fairleigh Dickinson University in Teaneck, New Jersey.

Dennis Keyes. Mr. Keyes has been a Director of Asset Management of the Investment Advisor since January 2011. Mr. Keyes is responsible for management, leasing and financial reporting activities at the property level for United States investments. Mr. Keyes has over 25 years experience in asset management and portfolio accounting of all product types in the real estate industry. Prior to joining the Investment Advisor, Mr. Keyes was Vice President of Asset Management for J.P. Morgan Asset Management in its U.S. based real estate investment group. While at J.P. Morgan, Mr. Keyes was responsible for all aspects of asset management of commercial and residential assets totaling between $1.5 billion and $2.0 billion in gross asset value at any given time throughout the U.S. From 1992 to 1998, prior to its acquisition by J.P. Morgan, Mr. Keyes was an Asset Manager and Sr. Portfolio Controller for O'Connor Realty Advisors, concentrating on its Separate Account Pension Fund portfolio with several major public pension fund clients. Prior to 1992, Mr. Keyes also served as Portfolio Controller at Edward S. Gordon Company and First Winthrop Company overseeing commercial properties in the New York City area. Mr. Keyes received his B.B.A. degree in accounting and information systems from Pace University in New York City, New York.

Gregory L. Vinson. Mr. Vinson joined the Investment Advisor in June 2009. As a Senior Associate, Mr. Vinson handles asset management for European and Western United States investments at the property level. In addition to his asset management responsibilities, Mr. Vinson handles a wide range of duties related to the due diligence and underwriting of acquisitions, leasing and financing activities. Prior to joining the Investment Advisor in 2009, Mr. Vinson handled real estate matters as an associate attorney at Baker & Hostetler, LLP and Proskauer Rose, LLP. Mr. Vinson received a J.D. from Pepperdine University in 1997 and an M.B.A. degree from the Wharton School at the University of Pennsylvania in 2004.

The Advisory Agreement

We entered into an advisory agreement with the Investment Advisor in July 2004, which was amended and restated in October 2006, January 2009 and December 2010. Pursuant to this agreement, which was unanimously approved by our board of trustees, including our independent trustees, we appointed the Investment Advisor to manage, operate, direct and supervise our operations. The Investment Advisor performs its duties as a fiduciary of us and our shareholders. Many of the services to be performed by the Investment Advisor in managing our day-to-day activities are summarized below. This summary is provided to illustrate the material functions that the Investment Advisor performs for us as the Investment Advisor, and it is not intended to include all of the services that may be provided to us by the Investment Advisor or by third parties. The Investment Advisor may subcontract with third parties for the performance of certain duties on our behalf. The Investment Advisor will only subcontract with third parties that are believed to have the requisite experience to perform their duties. The Investment Advisor will supervise the activities of any such third parties consistent with its fiduciary duty to us. Under the terms of the advisory agreement, the Investment Advisor undertakes to use its best efforts to present to us investment opportunities consistent with our investment policies and objectives as adopted by our board of trustees. In its performance of this undertaking, the Investment Advisor shall, subject to the authority of our board of trustees:

- find, present and recommend to us real estate investment opportunities consistent with our investment policies and objectives;

- structure the terms and conditions of transactions pursuant to which acquisitions of assets will be made;
- acquire assets on our behalf in compliance with our investment objectives and policies;
- arrange for financing and refinancing of properties; and
- enter into leases and service contracts for the properties acquired.

The initial term of the advisory agreement was for one year and the term may be renewed at the end of each year of the agreement for an additional one-year period. The current term of the advisory agreement expires on April 30, 2012. Prior to any renewal, our trustees will evaluate the performance of the Investment Advisor and the criteria used in such evaluation will be reflected in the minutes of such meeting. Additionally, the advisory agreement may be terminated:

- immediately by us (i) in the event the Investment Advisor commits fraud, criminal conduct, willful misconduct or willful or negligent breach of fiduciary duty by the Investment Advisor, (ii) upon the bankruptcy or insolvency of the Investment Advisor, CBRE Investors and/or CB Richard Ellis, (iii) upon material breach of the Advisory Agreement by the Investment Advisor, which remains uncured after 30 days' written notice or (iv) if there is a dissolution of any of the Investment Advisor, CBRE Investors and/or CB Richard Ellis;
- without cause or penalty by a majority of our independent trustees or by the Investment Advisor upon 60 days' written notice; or
- immediately by the Investment Advisor upon our bankruptcy or any material breach of the Advisory Agreement by us, which remains uncured after 10 days' written notice.

Affiliates of the Investment Advisor may engage in other business ventures and, as a result, their resources may not be dedicated exclusively to our business. However, pursuant to the advisory agreement, the Investment Advisor must devote sufficient resources to the administration of our company to discharge its obligations. The Investment Advisor does not currently intend to advise REITs other than us. The Investment Advisor may assign the advisory agreement to an affiliate upon approval of a majority of the trustees, including the independent trustees. Until our shares are listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, the trustees shall determine that any successor advisor possesses sufficient qualifications to (i) perform the advisory function for us and (ii) justify the compensation provided for in its contract with us. We may assign or transfer the advisory agreement to a successor entity of ours.

The Investment Advisor may not complete an acquisition or disposition of property or financing of such acquisition on our behalf without the prior approval of a majority of our board of trustees. The Investment Advisor also utilizes the resources and professionals of CBRE Investors and consults with its investment committee when evaluating potential investments. However, the actual terms and conditions of transactions involving investments in properties shall be determined in the sole discretion of the Investment Advisor, subject at all times to such board approval.

We reimburse the Investment Advisor for all of the costs it incurs in connection with the services it provides to us, including, but not limited to:

- cumulative organization and offering expenses estimated to be 0.8%, but in no event shall such organizational and offering expenses exceed 15.0% of our aggregate gross offering proceeds from the sale of shares in the primary offering, which include actual legal, accounting, printing and other expenses attributable to conducting this offering or other offerings, any organizational documents, qualification of the shares for sale in the states and filing fees incurred by the Investment Advisor, as well as reimbursements for marketing, direct expenses of its employees while engaged in registering and marketing the shares and other marketing and organization costs;
- the annual cost of goods and materials used by us, including brokerage fees paid in connection with the purchase and sale of securities;
- administrative services including personnel costs;
- acquisition expenses, which are defined to include expenses related to the selection and acquisition of properties;
- disposition expenses;
- financing expenses; and
- operating expenses, subject to certain limitations set forth in the advisory agreement, which includes all expenses paid or incurred by the Investment Advisor or its affiliates as determined by generally accepted accounting principles, such as real estate operating costs, net of reimbursements, management and leasing fees, general and administrative expenses, and legal and accounting expenses.

The Investment Advisor and its affiliates are paid fees in connection with services provided to us. In the event the advisory agreement is terminated, the Investment Advisor will be paid all accrued and unpaid fees and expense reimbursements. In addition, an affiliate of the Investment Advisor has received one class B limited partnership interest in CBRE OP (representing 100% of the class B interest outstanding) in exchange for the services provided to us relating to our formation and future services. See "Compensation to Investment Advisor and Dealer Manager; Equity Investment by an Affiliate of the Investment Advisor." The class B limited partnership interest is subject to redemption by CBRE OP in the event of termination of the advisory agreement. See "The Operating Partnership Agreement—Redemption."

A majority of the independent trustees, and a majority of trustees not otherwise interested in the transaction, must approve all transactions with the Investment Advisor or any of its affiliates. See "Certain Relationships and Related Party Transactions." Until our shares are listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, our independent trustees must determine from time to time, but at least annually, that our fees and expenses are reasonable in light of our performance, our net assets and net income and the fees and expenses of other comparable unaffiliated REITs. During this period, our independent trustees are also responsible for reviewing the performance of the Investment Advisor and determining that the compensation to be paid to the Investment Advisor is reasonable in relation to the nature and quality of services to be performed and that the provisions of the advisory agreement are being carried out. Specifically, our independent trustees consider factors such as:

- the amount of the fee paid to the Investment Advisor in relation to the size, composition and performance of our investments;
- the success of the Investment Advisor in generating appropriate investment opportunities;
- rates charged to other REITs and other investors by advisors performing similar services;
- additional revenues realized by the Investment Advisor and any of its Affiliates through their relationship with us, whether we pay them or they are paid by others with whom we do business;
- the quality and extent of service and advice furnished by the Investment Advisor and the performance of our investment portfolio;
- the performance of our investments, including income generation, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and
- the quality of our portfolio relative to the investments generated by the Investment Advisor for its other clients.

Until our shares are listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, neither our trustees, the Investment Advisor nor their affiliates may vote or consent to the voting of shares they now own or hereafter acquire on matters submitted to the shareholders regarding either (1) the removal of the Investment Advisor, any trustee or any affiliate, or (2) any transaction between us and the Investment Advisor, any trustee or any affiliate.

The Sub-Advisory Agreement

The Investment Advisor has entered into a sub-advisory agreement with CNL Fund Management Company, or the Sub-Advisor. The Sub-Advisor, which is a wholly-owned subsidiary of CNL Financial Group, Inc., is an affiliate of the Dealer Manager, which is a wholly-owned subsidiary of CNL Capital Markets Corp. Pursuant to this agreement, the Sub-Advisor acts only as an advisor to the Investment Advisor, upon request, and provides advisory services relating to real estate acquisitions, property management and communications with existing investors and, in addition, provides marketing and other operational services. The term of this agreement will continue so long as the Investment Advisor remains our advisor pursuant to the advisory agreement and it may automatically be extended concurrently with the advisory agreement. The sub-advisory agreement may be terminated by (i) the Investment Advisor for "cause" on 60 days' written notice or if the managing dealer agreement is terminated pursuant to its terms, or (ii) the Sub-Advisor for a material breach of the agreement which remains uncured after 15 days' written notice or the bankruptcy of the Investment Advisor. For advisory services relating to real estate acquisitions, property management and communications with existing investors, the Investment Advisor compensates the Sub-Advisor through certain investment management and acquisition fees, which are in an amount equal to approximately 14% to 19%, respectively, of such fees the Investment Advisor receives from us. The Sub-Advisor may also provide certain marketing and operational services to the Investment Advisor, for which it is entitled to receive fees, and the Sub-Advisor is also entitled to reimbursement by the Investment Advisor for certain expenses it incurs. In the event the sub-advisory agreement is terminated, the Sub-Advisor will be paid all accrued and unpaid fees and expense reimbursements. The Investment Advisor retains ultimate responsibility for the performance of all of the matters entrusted to it under the advisory agreement.

COMPENSATION TO INVESTMENT ADVISOR AND DEALER MANAGER; EQUITY INVESTMENT BY AN AFFILIATE OF THE INVESTMENT ADVISOR

The Investment Advisor and its affiliates perform services relating to this offering and the investment and management of our assets. In addition, the Dealer Manager performs services in connection with the offer and sale of shares. Although we do not rely exclusively on, or have a have a written agreement to exclusively receive services from, CB Richard Ellis as a service provider, the Investment Advisor may seek certain services, such as leasing, property management and brokerage, from it or an affiliated entity. The Investment Advisor must review any proposal for services from an affiliate and determine, based on research conducted by the Investment Advisor's investment team, that it is the best combination of service, staffing and cost available in the market. The following table describes the compensation and equity participation that we contemplate paying to the Investment Advisor, its affiliates and the Dealer Manager. The estimated maximum amount of fees to be paid is based on the sale of $2,700,000,000 in common shares pursuant to the primary offering and $300,000,000 in common shares pursuant to our dividend reinvestment plan. For a discussion of the fees paid to our Investment Advisor and/or its affiliates and our Dealer Manager in connection with our initial public offering, see "Certain Relationships and Related Party Transactions—Fees Paid in Connection with Our Offerings" and "Certain Relationships and Related Party Transactions—Fees Paid in Connection with Our Operations."

Type	Description and Method of Computation	Estimated Maximum
	Organizational and Offering Stage	
Selling Commissions—the Dealer Manager(1)	Up to 7.0% of gross proceeds from the sale of shares in the primary offering (all or a portion may be reallowed to participating broker-dealers).	$189,000,000
Dealer Manager Fee—the Dealer Manager(1)	Up to 2.0% of the gross proceeds from the sale of shares in the primary offering (all or a portion may be reallowed to participating broker-dealers).	$ 54,000,000
Marketing Support Fee—the Dealer Manager(1)	Up to 1.0% of the gross proceeds from the sale of shares in the primary offering (all or a portion may be reallowed to participating broker-dealers).	$ 27,000,000
Organizational and Offering Expense Reimbursement—the Investment Advisor(2)	All cumulative offering and organizational expenses (excluding selling commissions, the dealer manager fee and the marketing support fee) incurred by the Investment Advisor on our behalf, estimated to be 0.8% of aggregate gross proceeds, but in no event shall our total organizational and offering expenses (including selling commissions, the dealer manager fee and the marketing support fee) exceed 15.0% of the aggregate gross proceeds from the sale of shares in the primary offering.	$ 20,750,000
	Acquisition Stage	
Acquisition Fee—the Investment Advisor and its Affiliates and affiliates of the Dealer Manager(3)	Up to 1.5% of (i) the purchase price of real estate investments acquired by us, or (ii) when we make an investment indirectly through another entity, such investment's pro rata share of the gross asset value of real estate investments held by that entity. We estimate that our acquisition expenses will average 0.5% of the contract purchase price of a property acquisition. In no event will total acquisition fees and acquisition expenses exceed 6% of the purchase price of our real estate investments as required by the NASAA Guidelines. In connection with the services provided to the Investment Advisor by the Sub-Advisor, which is an affiliate of the Dealer Manager, pursuant to a sub-advisory agreement, the Investment Advisor will pay the Sub-Advisor an amount equal to approximately 19% of the acquisition fees it receives from us.	$ 39,842,000

Type	Description and Method of Computation	Estimated Maximum
	Operational Stage	
Investment Management Fee—the Investment Advisor and affiliates of the Dealer Manager	The investment management fee consists of (i) a monthly fee equal to one twelfth of 0.5% of the aggregate cost (before non-cash reserves and depreciation) of all real estate investments in our portfolio and (ii) a monthly fee equal to 5.0% of the aggregate monthly net operating income derived from all real estate investments in our portfolio. All or any portion of the investment management fee not taken as to any fiscal year may be deferred or waived without interest at the option of the Investment Advisor. In connection with the services provided to the Investment Advisor by the Sub-Advisor pursuant to a sub-advisory agreement, the Investment Advisor pays the Sub-Advisor an amount equal to approximately 14% of the investment management fee it receives from us.	Not determinable at this time.
Property Management, Leasing and Construction Supervision Fees—the Investment Advisor or its affiliates, including CB Richard Ellis Inc.	Based upon the customary property management, leasing and construction supervision fees applicable to the geographic location and type of property. Such fees for each service provided are expected to range from 2.0% to 5.0% of gross revenues received from a property we own.	Not determinable at this time.
Expense Reimbursement—the Investment Advisor	Reimbursement of actual expenses incurred in connection with our administration on an ongoing basis. Our annual operating expenses will not exceed the greater of (i) 2% of our average invested assets or (ii) 25% of our net income in any year.	Not determinable at this time.
	Liquidity Stage	
Real Estate Commissions—the Investment Advisor or its affiliates[4]	In connection with the sale of properties (which shall include the sale of a specific property or the sale of a portfolio of properties through a sale of assets, merger or similar transaction), an amount not to exceed 50% of the brokerage commission paid; provided that 50% of such commission may not exceed 3% of the contract price of each property sold and the total brokerage commission may not exceed the lesser of the competitive total real estate commission or 6% of the contract price of the property sold.	Not determinable at this time.
Class B Profits Interest in the Operating Partnership—CBRE REIT Holdings LLC[5]	The holder will be entitled to receive 15% of the net sales proceeds received by CBRE OP on dispositions of properties or other assets (including by liquidation, merger or otherwise) after the other partners, including us, have received, in the aggregate, cumulative distributions from operating income, sales proceeds or other sources equal to (i) the total capital contributions made to CBRE OP and (ii) a 7% annual, uncompounded return on such capital contributions.	Not determinable at this time.

Type	Description and Method of Computation	Estimated Maximum
	In the event we elect to list our common shares on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, the holder will be entitled to receive the amount that would have been distributed to such holder as described above if CBRE OP had distributed to the partners upon liquidation an amount equal to the market value of our listed common shares based upon the average closing price or, if the average closing price is not available, the average bid and asked prices, for the 30-day period beginning 150 days after such listing.	

(1) The selling commissions and marketing support fee may be reduced or waived in connection with certain categories of sales, such as sales for which a volume discount applies. The selling commissions, dealer manager fee and marketing support fee are not paid for shares issued pursuant to our dividend reinvestment plan. The compensation we pay to the Dealer Manager may be reduced by up to $850,000 in connection with certain fees and expenses payable by the Investment Advisor to the Sub-Advisor pursuant to the sub-advisory agreement.

(2) We reimburse the Investment Advisor for cumulative organizational and offering expenses incurred by the Investment Advisor on our behalf, which may include up to approximately $3,000,000 of organizational and offering expenses incurred by our Investment Advisor on our behalf in connection with our initial public offering which commenced on October 24, 2006 and was terminated on January 29, 2009. Organizational and offering expenses consist of, among other things, actual legal, accounting, printing and other expenses attributable to conducting this offering, any organizational documents, qualification of the shares for sale in the states and filing fees incurred by the Investment Advisor, reimbursements for marketing, direct expenses of its employees while engaged in registering and marketing the shares and other marketing and organization costs, including costs associated with meetings and training seminars and reimbursement of bona fide due diligence expenses in an amount not to exceed $1,350,000.

(3) For purposes of the "estimated maximum" of acquisition fees to be paid to the Investment Advisor, we have assumed that there is zero leverage in the portfolio and the net proceeds from this offering are fully invested. In the event we incur debt in order to acquire real properties, the acquisition fees could exceed the amount stated above. See "Estimated Use of Proceeds." The payment of acquisition fees is deferred, if necessary, so that the total of all acquisition fees and acquisition expenses paid by us (including acquisition expenses paid on properties that are not acquired) do not exceed 6% of the aggregate contract price of all properties acquired by us. We may pay acquisition fees to affiliates of the Investment Advisor for a particular property acquisition in the form of brokerage fees and mortgage loan origination fees (in the event debt is placed or refinanced on a property). In the event that we pay these types of acquisition fees to affiliates of the Investment Advisor, such fees will be in addition to the 1.5% paid to the Investment Advisor and the Investment Advisor will not receive any portion of such fees.

(4) Although we are most likely to pay real estate commissions to the Investment Advisor or one of its affiliates in our Liquidity Stage, these fees may also be earned during our Operational Stage.

(5) The class B interest is subject to redemption by CBRE OP in the event of termination of the advisory agreement. For a discussion of the redemption feature of the class B interest, see "The Operating Partnership Agreement" section of this prospectus. The 7% annual, uncompounded return on capital contributions described above is calculated on an aggregate basis with respect to all investors. As a result, it is possible that certain of our shareholders would receive more or less than the 7% annual, uncompounded return on capital contributions prior to the commencement of distributions to the holder of the class B interest or the redemption of such interest. Any distributions that are not made by CBRE OP to the holder of the class B interest because the other partners have not yet received their required minimum distributions will be deferred and paid at such time as these conditions have been satisfied. Distributions payable to the holder of the class B interest upon the listing of our common shares will be reduced by any previous distributions made to such holder by CBRE OP from net sale proceeds as described above. Distributions payable upon the listing of our common shares may be paid in cash, through a promissory note or common shares, as determined by our board of trustees, including a majority of the independent trustees. In the event that we elect to satisfy the distribution through a promissory note, the terms and conditions of any such promissory note will be determined by our board of trustees, including a majority of our independent trustees. In the event that we elect to satisfy this distribution in the form of common shares, the number of common shares will be determined based on the listed market price described above.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We are subject to various conflicts of interest arising out of our relationship with the Investment Advisor and its affiliates, including conflicts related to the arrangements pursuant to which the Investment Advisor and its affiliates will be compensated by us. See "Compensation to Investment Advisor and Dealer Manager; Equity Investment by an Affiliate of the Investment Advisor."

The trustees have an obligation to function on our behalf in all situations in which a conflict of interest may arise and have a statutory obligation to act in the best interest of our shareholders. See "Management of the Company—Limited Liability and Indemnification of Trustees, Officers, Employees and Other Agents." These conflicts include, but are not limited to, the following:

Interests in Other Real Estate Programs or Accounts

The Investment Advisor and its affiliates may in the future become sponsors of or affiliated with other real estate accounts or programs having investment objectives and legal and financial obligations similar to ours. The Investment Advisor has informed us that it does not currently manage any real estate programs other than CBRE REIT. However, CBRE Investors does currently manage programs with similar investment objectives to CBRE REIT. In the event of conflict with any other program or account, the Investment Advisor will use the procedures described under "Conflict Resolution Procedures" below.

The Investment Advisor or one of its affiliates may acquire, for its own account or for other accounts or programs, properties that it deems not suitable for purchase by us, whether because of the greater degree of risk, the complexity of structuring inherent in such transactions, financing considerations or for other reasons.

Other Activities of the Investment Advisor and its Affiliates

We rely on the Investment Advisor for the day-to-day operation of our business in accordance with the advisory agreement. Our advisory agreement was negotiated between related parties and we did not have the benefit of arm's length negotiations of the type normally conducted with an unaffiliated third party. Certain fees payable to the Investment Advisor are not tied to the performance of our portfolio. If it acquires interests in other real estate programs or accounts in the future, the Investment Advisor and its affiliates will have conflicts of interest in allocating their time between us and such other programs and activities in which they are involved. See "Risk Factors—Conflicts of Interest Risks." However, the Investment Advisor believes that it and its affiliates have sufficient personnel to discharge fully their responsibilities to all of the affiliates and ventures in which they are involved.

In addition, Peter E. DiCorpo, one of our trustees, serves as the Global Chief Operating Officer of CBRE Investors, our sponsor. Laurie E. Romanak, our Senior Vice President, Chief Financial Officer and Secretary, serves as a Managing Director of the Investment Advisor, as the Executive Managing Director and Global Head of Investment Reporting of CBRE Investors and is also a member of the investment committee of CBRE Strategic Partners Asia, an entity in which we are a limited partner. Jack A. Cuneo, our President and Chief Executive Officer and the Chairman of our board of trustees, serves as the President and Chief Executive Officer of the Investment Advisor and also serves as a Managing Director of CBRE Investors. Philip L. Kianka, our Chief Operating Officer and Executive Vice President serves as the Director of Operations of the Investment Advisor and as a Managing Director of CBRE Investors. Our Chairman, President and Chief Executive Officer and our Chief Financial Officer directly hold an aggregate of approximately a 12.9% economic interest in the Investment Advisor. Given these positions and ownership interest, these individuals owe fiduciary duties to these entities and their shareholders. Such fiduciary duties may from time to time conflict with the fiduciary duties owed to us and our shareholders. See "Risk Factors—Conflicts of Interest Risks."

We may purchase or lease a property from the Investment Advisor, or its affiliates upon a finding by a majority of our board of trustees, including a majority of any independent trustees not otherwise interested in the transaction, that such transaction is competitive and commercially reasonable to us and is at a price no greater than the cost of the property to the Investment Advisor or its affiliates, unless there is substantial justification for any amount that exceeds such costs and such excess is determined to be reasonable. In no event will we acquire such property at an amount in excess of its current appraised value. In all situations where assets are being acquired from the Investment Advisor, our trustees or any of their affiliates, the fair market value of such assets will be determined by an independent expert selected by our independent trustees. In no event may we make loans to the Investment Advisor or any of its affiliates or enter into agreements with the Investment Advisor or its affiliates for the provision of insurance covering us or any of our properties.

Ownership by the Investment Advisor and its Affiliates

As of December 31, 2010, CBRE REIT Holdings LLC, an affiliate of the Investment Advisor, owned 246,361 limited partnership units, representing 0.14% of the outstanding limited partnership units in CBRE OP. CBRE REIT Holdings LLC also owns all of the class B limited partnership interest in CBRE OP. See "The Operating Partnership Agreement—General." CBRE REIT Holdings LLC was formed solely to hold these ownership interests in CBRE OP and is controlled by CBRE Investors, which is an indirect wholly-owned subsidiary of CB Richard Ellis. CBRE REIT Holdings LLC purchased the limited partnership units for an aggregate amount of $242,500, or $8.10 per unit in July 2004. The class B limited partnership interest was issued to CBRE REIT Holdings LLC as part of the consideration for the Investment Advisor entering into the advisory agreement with us and for services provided to us in connection with our formation and ongoing advisory services, such as selecting the placement agent relating to our initial private placement, sourcing members to serve on our executive management team and seeking initial investments for our portfolio. The issuance of this interest was negotiated between related parties and we did not have the benefit of arm's length negotiations of the type normally conducted with an unaffiliated third party. CBRE Investors, an affiliate of the Investment Advisor, also purchased 269,428 of our common shares for $2,182,500, or $8.10 per share, in an initial private placement of our common shares prior to our initial public offering.

Ownership by Affiliates of the Dealer Manager and the Sub-Advisor

Fund Investors, LLC, an affiliate of the Dealer Manager, owns 10,903 of our common shares. Additionally, CNL Fund Management Company, an affiliate of the Dealer Manager, serves as the Sub-Advisor to the Investment Advisor. Fund Investors, LLC and CNL Fund Management Company own an aggregate 23% distribution interest in the net proceeds upon a sale of the Investment Advisor and an aggregate 24.9% voting and distribution interest (excluding distributions that CBRE Investors is entitled to with respect to 29,937 class A units) in CBRE REIT Holdings LLC. CNL Fund Management Company and Fund Investors, LLC received their interests in the Investment Advisor and in CBRE REIT Holdings LLC in return for capital contributions made to each respective entity. CNL Fund Management Company is a wholly-owned subsidiary of CNL Financial Group, Inc. and the Dealer Manager is a wholly-owned subsidiary of CNL Capital Markets Corp.

Competition

Asset Acquisitions. Conflicts of interest may arise when a potential asset acquisition that meets our investment objectives is also suitable for other accounts or programs managed by affiliates of the Investment Advisor. In such event, the Investment Advisor will use the procedures described under "Conflict Resolution Procedures" below.

Property Operations. Conflicts of interest may exist to the extent that we own properties in the same geographic areas where other affiliates of the Investment Advisor own properties. In such a case, a conflict could arise in the leasing of properties if we and one of such affiliates were to compete for the same tenants in negotiating leases, or a conflict could arise in connection with the resale of properties if we and one of such affiliates were to attempt to sell similar properties at the same time. See "Risk Factors—Conflicts of Interest Risks."

Affiliated Service Providers

Conflicts of interest may also exist at such time as the Investment Advisor, its affiliates or others managing property on our behalf seek to employ developers, contractors, building managers or other service providers. Although we do not rely exclusively on, nor have a written agreement to exclusively receive services from, CB Richard Ellis as a service provider, the Investment Advisor may seek certain services, such as leasing, property management and brokerage, from it or an affiliated entity. CB Richard Ellis, directly or indirectly, has the capability to provide services relating to acquisitions, dispositions, leasing, property management, construction supervision and mortgage banking. We have engaged affiliates of CB Richard Ellis to provide certain property management services and mortgage banking services in connection with certain properties we own. See "Compensation to Investment Advisor and Dealer Manager; Equity Investment By An Affiliate of the Investment Advisor." The Investment Advisor must review any proposal for services from an affiliate and determine, based on research conducted by the Investment Advisor's investment team, that it is the best combination of service, staffing and cost available in the market. In the event the Investment Advisor does engage CB Richard Ellis to provide services of the type described above, such services will be provided at market rates. The Investment Advisor seeks to reduce conflicts relating to the employment of affiliated service providers by following the procedures described under "Conflict Resolution Procedures" below.

Joint Ventures with Affiliates of the Investment Advisor

We may enter into one or more joint venture or similar arrangement with other existing or future affiliates of the Investment Advisor, including other programs sponsored by CBRE Investors, for the acquisition, development or improvement of properties. See "The Company—Investment Objectives and Acquisition Policies—Joint Venture Investments." The co-venturer may have economic or business interests or goals which are or which may become inconsistent with our business interests or goals. In addition, should any such joint venture be consummated, the Investment Advisor may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co-venturer and in managing the joint venture. Since the Investment Advisor and its affiliates will manage both the affiliated co-venturer and us, agreements and transactions between the co-venturers with respect to any such joint venture will not have the benefit of arm's-length negotiation of the type normally conducted between unrelated co-venturers. See "Risk Factors—Conflicts of Interest Risks."

We may only enter into joint ventures with other affiliates for the acquisition of properties if:

- a majority of our trustees, including a majority of any independent trustees, approve the transaction as being fair and reasonable to us;
- the investment by us and such affiliate are on substantially the same terms and conditions; and
- we will have a right of first refusal to buy if such co-venturer elects to sell its interest in the property held by the joint venture.

For a description of our joint venture investments, see "Real Estate Investments."

Receipt of Fees and Other Compensation and Equity in Us by the Investment Advisor and its Affiliates

Our Investment Advisor and its affiliates perform services relating to this offering and the investment and management of our assets. In addition, the Dealer Manager performs services in connection with the offer and sale of shares. Although we do not rely exclusively on, or have a written agreement to exclusively receive services from, CB Richard Ellis as a service provider, the Investment Advisor may seek certain services from it or an affiliated entity. For a description of the compensation that may be paid to these entities, see "Compensation to Investment Advisor and Dealer Manager; Equity Investment by an Affiliate of the Investment Advisor."

A transaction involving the borrowing of debt and the purchase and sale of properties may result in the receipt of loan fees, commissions, fees and other compensation by, or special allocations of income to, the Investment Advisor and its affiliates, including acquisition fees, investment management fees, real estate brokerage commissions, and participation in non-liquidating net sale proceeds. Subject to oversight by our board of trustees, the Investment Advisor has considerable discretion with respect to all decisions relating to the terms and timing of all transactions. Therefore, the Investment Advisor may have conflicts of interest concerning certain actions taken on our behalf, particularly due to the fact that fees will generally be payable, or allocations of income made, to the Investment Advisor and its affiliates regardless of the quality of the properties acquired or the services provided to us. See "Compensation to Investment Advisor and Dealer Manager; Equity Investment by an Affiliate of the Investment Advisor."

Every transaction we enter into with the Investment Advisor or its affiliates is subject to an inherent conflict of interest. The board may encounter conflicts of interest in enforcing our rights against any affiliate in the event of a default by or disagreement with an affiliate or in invoking powers, rights or options pursuant to any agreement between us and any affiliate.

An affiliate of the Investment Advisor owns the class B limited partnership interest in CBRE OP. Certain executive officers and directors of the Investment Advisor hold ownership interests in such affiliate. In evaluating investments and other management strategies, this may lead the Investment Advisor to place emphasis on the maximization of revenues at the expense of other criteria, such as preservation of capital. Investments with higher yield potential are generally riskier or more speculative. This could result in increased risk to the value of our invested portfolio. In addition, the holder of the class B limited partnership interest may suffer different and more adverse tax consequences than holders of our common shares upon the sale or refinancing of the properties owned by CBRE OP, and therefore such holder may have different objectives regarding the appropriate pricing, timing and other material terms of any sale or refinancing of certain properties.

Fees Paid in Connection with Our Offerings

For the years ended December 31, 2010, 2009 and 2008, the Dealer Manager earned the following fees:

	Year Ended December 31,					
	2010		2009		2008	
	Earned[(1)]	Payable[(2)]	Earned[(1)]	Payable[(2)]	Earned[(1)]	Payable[(2)]
Selling commissions	$29,388,000	$347,000	$23,204,000	$347,000	$13,703,000	$426,000
Dealer manager fees	$13,179,000	$ 99,000	$ 8,359,000	$412,000	$ 4,929,000	$194,000
Marketing support fees	$ 4,523,000	$ 50,000	$ 3,462,000	$111,000	$ 2,074,000	$ 80,000

(1) Earned represents the amount expensed on an accrual basis for services provided by the Dealer Manager during the period.

(2) Payable represents the unpaid amount due on an accrual basis to the Dealer Manager at year end for services provided as of the balance sheet date specified.

For the years ended December 31, 2010, 2009 and 2008, the Dealer Manager and our Investment Advisor and/or its affiliates earned the following other offering costs:

	Year Ended December 31,					
	2010		2009		2008	
	Earned[(1)]	Payable[(2)]	Earned[(3)]	Payable[(4)]	Earned[(5)]	Payable[(6)]
Other Offering Costs	$4,633,000	$422,000	$1,426,000	$244,000	$4,115,000	$3,704,000

(1) Included in the other offering costs earned is $4,412,000 and $221,000 for the Dealer Manager and our Investment Advisor, respectively.

(2) Included in the payable amount is $407,000 and $15,000 due to the Dealer Manager and our Investment Advisor, respectively.

(3) Included in the other offering costs earned is $1,266,000 and $160,000 for the Dealer Manager and our Investment Advisor, respectively.

(4) Included in the payable amount is $243,000 and $1,000 due to the Dealer Manager, and our Investment Advisor, respectively.

(5) Included in the other offering costs earned is $3,999,000 and $116,000 for the Dealer Manager and CB Richard Ellis Group, Inc., respectively.

(6) Included in the payable amount is $2,692,000, $13,000 and $999,000 due to the Dealer Manager, our Investment Advisor and CB Richard Ellis Group, Inc., respectively.

Fees Paid in Connection with Our Operations

For the years ended December 31, 2010, 2009 and 2008, our Investment Advisor and/or its affiliates earned the following fees:

	Years Ended December 31,					
	2010		2009		2008	
	Earned[(1)]	Payable[(2)]	Earned[(1)]	Payable[(2)]	Earned[(1)]	Payable[(2)]
Acquisition Fees and Expenses[(3)]	$13,056,000	$ —	$4,826,000	$ —	$5,670,000	$743,000
Investment management fees[(4)]	$11,611,000	$1,330,000	$7,803,000	$757,000	$3,964,000	$625,000
Property management fees	$ 955,000	$ 191,000	$ 656,000	$106,000	$ 491,000	$126,000

(1) Earned represents the amount expensed on an accrual basis for services provided by our Investment Advisor during the period.

(2) Payable represents the unpaid amount due on an accrual basis to our Investment Advisor for services provided as of the balance sheet date specified.

(3) In connection with services provided to the Investment Advisor, the Sub-Advisor, pursuant to a sub-advisory agreement, was paid $2,216,000, $820,000 and $921,000 by our Investment Advisor for the years ended December 31, 2010, 2009 and 2008, respectively.

(4) Our Investment Advisor waived investment management fees of none, none, $1,529,000 for the years ended December 31, 2010, 2009 and 2008, respectively. In connection with services provided to our Investment Advisor, the Sub-Advisor, pursuant to a sub-advisory agreement, was paid $1,604,000, $1,078,000 and $547,000 by our Investment Advisor for the years ended December 31, 2010, 2009 and 2008, respectively.

CBRE Capital Markets, an affiliate of the Investment Advisor, received $1,217,000, none and $636,000 in mortgage banking fees for the years ended December 31, 2010, 2009 and 2008, respectively. Leasing and brokerage fees aggregating $895,000, $198,000 and $15,000 were paid to the Investment Advisor or its affiliates for the years ended December 31, 2010, 2009 and 2008, respectively. In addition, CB Richard Ellis, UK, an affiliate of the Investment Advisor, received a payment for certain acquisition expenses in conjunction with the acquisition of Thames Valley Five totaling £24,000 ($42,000) in 2008.

Conflict Resolution Procedures

In order to reduce or eliminate certain potential conflicts of interest, our board of trustees has established a Conflicts Committee to review and approve all matters our board believes may involve a conflict of interest. In addition, our declaration of trust contains a number of restrictions relating to (i) transactions we enter into with the Investment Advisor and its affiliates, (ii) allocation of properties among affiliated entities and (iii) retention of affiliated service providers. These restrictions, which apply until our shares are listed for trading on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, include among others, the following:

- *Transactions with the Investment Advisor*. Except for transactions under the advisory agreement or as otherwise described in this prospectus, we will not accept goods or services from the Investment Advisor or its affiliates unless a majority of our trustees, including a majority of any independent trustees not otherwise interested in the transactions, approve such transactions as fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties.

- *Property Transactions with the Investment Advisor and its Affiliates*. We will not purchase or lease properties in which the Investment Advisor or its affiliates has an ownership interest without a determination by a majority of our trustees, including a majority of any independent trustees not otherwise interested in such transaction, that such transaction is competitive and commercially reasonable to us and at a price to us no greater than the cost of the property to the Investment Advisor or its affiliates, unless there is substantial justification for any amount that exceeds such cost and such excess amount is determined to be reasonable. In no event will we acquire any such property at an amount in excess of its current appraised value. We will not sell or lease properties to the Investment Advisor or its affiliates or to our trustees unless a majority of our trustees, including a majority of any independent trustees not otherwise interested in the transaction, determine the transaction is fair and reasonable to us.

- *Loans*. We will not make any loans to the Investment Advisor or its affiliates or to our trustees. We may not borrow money from any of our trustees or from the Investment Advisor and its affiliates unless approved by a majority of our trustees, including a majority of any independent trustees not otherwise interested in the transaction, as fair, competitive and commercially reasonable, and no less favorable to us than comparable loans between unaffiliated parties.

- *Asset Acquisitions*. In the event that an investment opportunity becomes available to us through the CBRE Investors network that is suitable, under all of the factors considered by the Investment Advisor, for us and another program or account managed by CBRE Investors or its affiliates, then the entity that has had the longest period of time elapse since it was offered an investment opportunity will first be offered such investment opportunity. Investment opportunities sourced directly by the Investment Advisor and suitable for us are first presented to us before being offered to other programs or accounts. In determining whether or not such an investment opportunity is suitable for more than one program or account, the Investment Advisor shall examine, among others, the following factors:

  - the degree to which the potential acquisition meets the investment objectives and parameters of each program or account;
  - the amount of funds available to each program or account and the length of time such funds have been available for investment;
  - the effect of the acquisition both on diversification of each program's or account's investments by type of property and geographic area, and on diversification of the tenants of its properties;
  - the policy of each program or account relating to leverage of properties;
  - the anticipated cash flow of each program or account;
  - the tax effects of the purchase of each program or account; and
  - the size of the investment.

  If a subsequent event or development, such as a delay in the closing of a property or a delay in the construction of a property, causes any such investment, in the opinion of our board of trustees and the Investment Advisor, to be more appropriate for a program or account other than the program or account that committed to make the investment, the Investment Advisor may determine that another program or account affiliated with the Investment Advisor will make the investment. Our board of trustees (including our independent trustees) has a duty to ensure that the method used by the Investment Advisor for the allocation of the acquisition of properties by two or more affiliated programs seeking to acquire similar types of properties shall be reasonable, and has concluded that the procedures described above are reasonable. Such procedures are reviewed regularly by our board of trustees.

- *Affiliated Service Providers*. The Investment Advisor will attempt to retain the best real estate service providers available in the market. Although we do not rely exclusively on, nor have a written agreement to exclusively receive services from, CB Richard Ellis as a service provider, the Investment Advisor may seek certain services, such as leasing, property management and brokerage, from it or an affiliated entity. CB Richard Ellis, directly or indirectly, has the capability to provide services relating to acquisitions, dispositions, leasing, property management, construction supervision and mortgage banking. We have engaged affiliates of CB Richard Ellis to provide certain property management services in connection with one property we own and mortgage banking services in connection with three properties we own. See "Compensation to Investment Advisor and Dealer Manager; Equity Investment By An Affiliate of the Investment Advisor." The Investment Advisor must review any proposal for services from an affiliate and determine, based on research conducted by the Investment Advisor's investment team, that it is the best combination of service, staffing and cost available in the market.

DESCRIPTION OF SHARES

The following summary description of our shares does not purport to be complete and is subject to and qualified in its entirety by reference to our declaration of trust and our bylaws and any amendments thereto, copies of which will be filed as exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information."

General

Under our declaration of trust, we have the authority to issue a total of 1,000,000,000 shares of beneficial interest. Of the total shares authorized, 990,000,000 shares are designated as common shares with a par value of $0.01 per share and 10,000,000 shares are designated as preferred shares. In addition, our board of trustees may, subject to shareholder approval, amend our declaration of trust to increase or decrease the amount of our authorized shares. As of March 31, 2011, 173,811,832 common shares were issued and outstanding, and no preferred shares were issued and outstanding. Under Maryland law, our shareholders are generally not liable for our debts or obligations.

Common Shares

The holders of common shares are entitled to one vote per share on all matters voted on by shareholders, including election of our trustees. Our declaration of trust does not provide for cumulative voting in the election of our trustees. Therefore, the holders of a majority of the outstanding common shares can elect our entire board of trustees. Subject to any preferential rights of any outstanding series of preferred shares, the holders of common shares are entitled to such dividends as may be declared from time to time by our board of trustees out of legally available funds and, upon liquidation, are entitled to receive all assets available for distribution to our shareholders. All shares issued in the offering are fully paid and non-assessable common shares of beneficial interest. Holders of common shares do not have preemptive rights, which means that you will not have an automatic option to purchase any new shares that we issue.

We do not issue certificates for our shares. Shares are held in "uncertificated" form which eliminates the physical handling and safekeeping responsibilities inherent in owning transferable share certificates and eliminate the need to return a duly executed share certificate to effect a transfer. Boston Financial Data Services, Inc. acts as our registrar and as the transfer agent for our shares. Transfers can be effected by following the procedures described below under "Transfer Restrictions."

Preferred Shares

Our declaration of trust authorizes our board of trustees to designate and issue one or more classes or series of preferred shares without shareholder approval. Our board of trustees may determine the relative rights, preferences and privileges of each class or series of preferred shares so issued, which may be more beneficial than the rights, preferences and privileges attributable to the common shares. The issuance of preferred shares could have the effect of delaying or preventing a change in control of our company. Our board of trustees has no present plans to issue preferred shares, but may do so at any time in the future without shareholder approval.

Power to Issue Additional Common Shares and Preferred Shares

We believe that the power of our board of trustees to issue additional common shares or preferred shares will provide us with increased flexibility in making investment acquisitions and in meeting other needs which might arise. The additional common shares are available for issuance without further action by our shareholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our shares may be listed or traded.

Partnership Interests in Our Operating Partnership

We intend to make all acquisitions of real properties through CBRE OP for which we are the sole general partner. Interests in CBRE OP are in the form of partnership units or other partnership interests in one or more classes, or in one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, all as are determined, subject to applicable Delaware law, by the general partner in its sole and absolute discretion. As of March 31, 2011, we owned approximately 99.86% of the class A units, or limited partnership units, in CBRE OP. CBRE REIT Holdings LLC owns 0.14% of the limited partnership units and 100% of class B limited partnership interest.

CBRE OP is structured to make distributions with respect to limited partnership units which are equivalent to the distributions made to our shareholders. Holders of limited partnership units do not have the same voting interest as our common shareholders. Subject to certain limitations and exceptions, holders of limited partnership units have the right to cause CBRE OP to redeem their limited partnership units for cash equal to the value of an equivalent number of shares, or, at our option, we may purchase their limited partnership units by issuing one of our shares for each limited partnership unit redeemed. Holders of limited partnership units may exercise their redemption rights at any time after two years following the date of issuance of their limited partnership units. The class B limited partnership interest is subject to redemption by CBRE OP in the event of termination of the advisory agreement. Unless otherwise determined by the general partner of CBRE OP, the class B limited partnership interest may not be redeemed for our common shares.

For a more detailed discussion of the partnership interests in, and the partnership agreement of, CBRE OP, see "The Operating Partnership Agreement."

Meetings and Special Voting Requirements

An annual meeting of the shareholders is held each year, at least 30 days after delivery of our annual report, which is delivered within 120 days after the end of each fiscal year. Special meetings of shareholders may be called only upon the request of a majority of our trustees, a majority of the independent trustees, our Chief Executive Officer or upon the written request of shareholders holding at least 10% of the shares. Upon receipt of a written request stating the purpose(s) of the meeting, we will provide written notice of the meeting to all shareholders within 10 days of such request, which will be held not less than 15 nor more than 60 days after the date of such notice. The presence of a majority of the outstanding shares either in person or by proxy shall constitute a quorum. Generally, the affirmative vote of a majority of all votes entitled to be cast is necessary to take shareholder action authorized by our declaration of trust, except that a majority of the votes represented in person or by proxy at a meeting at which a quorum is present is sufficient to elect a trustee.

Under Maryland REIT Law (as defined herein) and our declaration of trust, shareholders are entitled to vote at a duly held meeting at which a quorum (as defined above) is present on (i) amendments to our declaration of trust, (ii) our liquidation or dissolution, (iii) our reorganization, and (iv) a merger, consolidation or sale or other disposition of substantially all of our assets. The vote of shareholders holding a majority of our outstanding shares is required to approve any such action, and no such action can be taken by our board of trustees without such majority vote of our shareholders. Accordingly, any provision in our declaration of trust, including our investment objectives, can be amended by the vote of shareholders holding a majority of our outstanding shares. Shareholders voting against any merger or sale of assets are permitted under Maryland REIT Law (as defined herein) to petition a court for the appraisal and payment of the fair value of their shares. In an appraisal proceeding, the court appoints appraisers who attempt to determine the fair value of the shares as of the date of the shareholder vote on the merger or sale of assets. After considering the appraisers' report, the court makes the final determination of the fair value to be paid to the dissenting shareholders and decides whether to award interest from the date of the merger or sale of assets and costs of the proceeding to the dissenting shareholders.

The Investment Advisor is selected and approved by our trustees. While the shareholders do not have the ability to vote to replace the Investment Advisor or to select a new advisor, shareholders do have the ability, by the affirmative vote of a majority of the shares entitled to vote on such matter, to elect to remove a trustee from our board. See "The Investment Advisor—The Advisory Agreement."

Shareholders and their designated representatives are provided with access to, and are allowed to inspect and copy, all of our books and records during normal business hours upon providing us with reasonable notice. Shareholders are also entitled to receive a copy of our shareholder list upon request, for purposes that include, without limitation, matters relating to shareholder voting rights and the exercise of shareholders rights under federal proxy laws. The list provided by us will include each shareholder's name, address and telephone number, if available, and number of shares owned by each shareholder and will be sent within 10 days of the receipt by us of the request. A shareholder requesting a list will be required to pay reasonable costs of postage and duplication. We have the right to request that a requesting shareholder represent to us that the list will not be used to pursue commercial interests unrelated to the shareholder's interest in the Company.

Transfer Restrictions

Our declaration of trust, subject to certain exceptions, contains certain restrictions on the number of our shares that a person may own. Our declaration of trust prohibits, with certain exceptions, direct or constructive ownership by any person of more than 3.0% by number or value, whichever is more restrictive, of our outstanding common shares or more than 3.0% by number or value, whichever is more restrictive, of our outstanding shares. Our declaration of trust further prohibits (i) any person from beneficially or constructively owning our common shares of beneficial interest that would result in us being "closely held" under Section 856(h) of the Internal

Revenue Code or otherwise cause us to fail to qualify as a REIT, and (ii) any person from transferring shares if such transfer would result in our shares being owned by fewer than 100 persons. Our board of trustees, in its sole discretion, may exempt a person from the share ownership limit. However, our board of trustees may not grant such an exemption to any person whose ownership, direct or indirect, of in excess of 3.0% of the number or value of the outstanding shares (whichever is more restrictive) would result in us being "closely held" within the meaning of Section 856(h) of the Internal Revenue Code or otherwise would result in us failing to qualify as a REIT. The person seeking an exemption must represent to the satisfaction of our board of trustees that it will not violate the aforementioned restriction. The person also must agree that any violation or attempted violation of any of the foregoing restrictions will result in the automatic transfer of the shares causing such violation to the trust (as defined below). Our board of trustees may require a ruling from the IRS or an opinion of counsel, in either case in form and substance satisfactory to our board of trustees in its sole discretion, to determine or ensure our qualification as a REIT.

CBRE Investors owns approximately 243,229 common shares, which equaled approximately 0.14% of our outstanding common shares as of March 31, 2011. CBRE Investors has made representations to us regarding its beneficial ownership. In reliance on these representations, our board of trustees has waived the requirement that no person may acquire or hold in excess of 3.0% of our common shares for CBRE Investors. This waiver permits CBRE Investors to own up to approximately 269,428 common shares. This waiver applies only to shares such persons already purchased, and not to further purchases unless approved by our board of trustees. We have determined that we are not "closely held" within the meaning of Section 856(h) of the Internal Revenue Code and do not otherwise fail to qualify as a REIT as a result of the ownership by CBRE Investors of approximately 243,229 common shares. Assuming this shareholder does not acquire additional shares of our common stock, we expect that its ownership percentage will decrease as we issue additional shares of our common stock.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of our shares that will or may violate any of the foregoing restrictions on transferability and ownership, or any person who would have owned our shares that resulted in a transfer of shares to the trust in the manner described below, is required to give notice immediately to us, or in the case of a proposed or attempted transaction, give at least 15 days prior written notice, and provide us with such other information as we may request in order to determine the effect of such transfer on us.

If any transfer of our shares occurs which, if effective, would result in any person beneficially or constructively owning shares in excess or in violation of the above transfer or ownership limitations, then that number of shares the beneficial or constructive ownership of which otherwise would cause such person to violate such limitations (rounded to the nearest whole share) shall be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries, and the prohibited owner shall not acquire any rights in such shares. Such automatic transfer shall be deemed to be effective as of the close of business on the business day prior to the date of such violative transfer. Shares held in the trust shall be issued and outstanding shares. The prohibited owner shall not benefit economically from ownership of any shares held in the trust, shall have no rights to dividends and shall not possess any rights to vote or other rights attributable to the shares held in the trust. The trustee of the trust shall have all voting rights and rights to dividends or other distributions with respect to shares held in the trust, which rights shall be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution paid prior to the discovery by us that shares have been transferred to the trustee shall be paid by the recipient of such dividend or distribution to the trustee upon demand, and any dividend or other distribution authorized but unpaid shall be paid when due to the trustee. Any dividend or distribution so paid to the trustee shall be held in trust for the charitable beneficiary. The prohibited owner shall have no voting rights with respect to shares held in the trust and, subject to Maryland law, effective as of the date that such shares have been transferred to the trust, the trustee shall have the authority (at the trustee's sole discretion) (i) to rescind as void any vote cast by a prohibited owner prior to the discovery by us that such shares have been transferred to the trust, and (ii) to recast such vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if we have already taken irreversible corporate action, then the trustee shall not have the authority to rescind and recast such vote.

Within 20 days after receiving notice from us that shares have been transferred to the trust, the trustee shall sell the shares held in the trust to a person, whose ownership of the shares does not violate any of the ownership limitations set forth in our declaration of trust. Upon such sale, the interest of the charitable beneficiary in the shares sold shall terminate and the trustee shall distribute the net proceeds of the sale to the prohibited owner and to the charitable beneficiary as follows. The prohibited owner shall receive the lesser of (i) the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other such transaction), the market price, as defined in our declaration of trust, of such shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee from the sale or other disposition of the shares held in the trust, in each case reduced by the costs incurred to enforce the ownership limits as to the shares in question. Any net sale proceeds in excess of the amount payable to the prohibited owner shall be paid immediately to the charitable beneficiary. If, prior to the discovery by us that shares have been transferred to the trust, such shares are sold by a prohibited owner, then (i) such shares shall be deemed to have been sold on behalf of the trust and

(ii) to the extent that the prohibited owner received an amount for such shares that exceeds the amount that such prohibited owner was entitled to receive pursuant to the aforementioned requirement, such excess shall be paid to the trustee upon demand.

In addition, shares held in the trust shall be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the trust (or, in the case of a devise or gift, the market price at the time of such devise or gift) and (ii) the market price on the date we, or our designee, accept such offer. We shall have the right to accept such offer until the trustee has sold the shares held in the trust. Upon such a sale to us, the interest of the charitable beneficiary in the shares sold shall terminate and the trustee shall distribute the net proceeds of the sale to the prohibited owner.

Every record holder of 0.5% or more (or such other percentage as required by the Internal Revenue Code and the related Treasury regulations) of all classes or series of our shares, including our common shares on any dividend record date during each taxable year, within 30 days after the end of the taxable year, shall be required to give written notice to us stating the name and address of such record holder, the number of shares of each class and series of our shares which the record holder beneficially owns and a description of the manner in which such shares are held. Each such record holder shall provide to us such additional information as we may request in order to determine the effect, if any, of such beneficial ownership on our qualification as a REIT and our status under the DOL plan asset regulations and to ensure compliance with the share ownership limits. In addition, each record holder shall upon demand be required to provide to us such information as we may reasonably request in order to determine our qualification as a REIT and our status under the DOL plan asset regulations and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance. We may request such information after every sale, disposition or transfer of our common shares prior to the date a registration statement for such share becomes effective.

These ownership limits could delay, defer or prevent a change in control or other transaction of us that might involve a premium price for the common shares or otherwise be in the best interest of the shareholders.

Our declaration of trust also requires that, to become a shareholder, a person must represent that he or she meets the suitability standards set forth under the heading "Suitability Standards" in this prospectus, subject to such other suitability standards that may be established by the individual states. See "Suitability Standards."

Share Redemption Program

Our share redemption program is designed to provide eligible shareholders with limited, interim liquidity by enabling them to sell shares back to us prior to a liquidity event. Shareholders who have held their shares for at least one year may, on a quarterly basis, present to us for redemption all or any portion of their shares. However, in the event that an eligible shareholder presents fewer than all of his or her shares to us for redemption, such shareholder must present at least 25% of his or her shares to us for redemption and must retain at least $5,000 of common shares if any shares are held after such redemption. At that time, we may, subject to the conditions and limitations described below, redeem such shares for cash to the extent that we have sufficient funds available to fund such redemption after the payment of dividends necessary to maintain our qualification as a REIT and to avoid payment of any U.S. federal income tax or excise tax on our net taxable income.

The amount received from the redemption of shares issued pursuant to this prospectus will be equal to a percentage of the price actually paid for the shares, which percentage is dependent upon the number of years the shares are held, as described in the following table:

Share Purchase Anniversary	Redemption Price as a Percentage of Purchase Price
Less than 1 year	No Redemption Allowed
1 year	92.0%
2 years	93.5%
3 years	95.0%
4 and longer	100.0%

During our current public offering and subsequent public offerings of our common shares, the amount received from the redemption of shares will also be equal to a percentage of the price actually paid for the shares, which percentage is dependent upon the number of years the shares are held, as described in the table above. However, in no event may the amount received from the redemption of shares during an offering exceed the offering price of our common shares in such offering.

For purposes of the one-year holding period, limited partners of CBRE OP who redeem their limited partnership interests for shares in us shall be deemed to have owned their shares as of the date they were issued their limited partnership interests in CBRE OP. In addition, our board of trustees has delegated to our officers the right to waive the one-year holding period and pro rata redemption requirements described below in the event of the death, disability (as such term is defined in the Internal Revenue Code) or bankruptcy of a shareholder. Shares that are redeemed in connection with the death, disability or bankruptcy of a shareholder will be redeemed at the time of showing death, disability or bankruptcy and at 100% of the price at which the investor purchased such shares while the share redemption program is in effect and sufficient funds are available. However, in the event that an eligible shareholder presents fewer than all of his or her shares to us for redemption, such shareholder must present at least 25% of his or her shares to us for redemption and must retain at least $5,000 of common shares if any shares are held after such redemption.

Redemption of shares, when requested, will be made quarterly and, in the event our available cash flow is insufficient to fund all redemption requests, each shareholder's request will be reduced on a pro rata basis. Alternatively, if we do not have such funds available, at the time when redemption is requested, a shareholder can (i) withdraw his or her request for redemption, or (ii) ask that we carry over his or her request to the next quarterly period, if any, when sufficient funds become available. If a shareholder does not make a subsequent request, we will treat the initial redemption request as cancelled.

We are not obligated to redeem common shares under our share redemption program. During any calendar year, we will not redeem more than 5% of the weighted average number of shares outstanding during the prior calendar year. The aggregate amount of redemptions under our share redemption program is not expected to exceed the aggregate proceeds received from the sale of shares pursuant to our dividend reinvestment plan. However, to the extent that the aggregate proceeds received from the sale of shares pursuant to our dividend reinvestment plan are not sufficient to fund redemption requests pursuant to the 5% limitation outlined above, the board of trustees may, in its sole discretion, choose to use other sources of funds to redeem common shares. Such sources of funds could include cash on hand and cash available from borrowings. We cannot guarantee that any funds set aside for our share redemption program will be sufficient to accommodate any or all requests made in any year.

The board of trustees, in its sole discretion, may choose to terminate or otherwise amend the terms of the share redemption program or to reduce the number of shares purchased under the share redemption program if it determines the funds otherwise available to fund our share redemption program are needed for other purposes. See "Risk Factors—General Investment Risks." If we terminate, amend or suspend the share redemption program or reduce the number of shares to be redeemed under the share redemption program, we will provide 30 days' advance notice to shareholders, and we will disclose the change in quarterly and annual reports filed with the SEC on Form 10-Q and Form 10-K.

A shareholder who wishes to have his or her shares redeemed must mail or deliver a written request on a form we provide, executed by the shareholder, its trustee or authorized agent, to the redemption agent, which is currently Boston Financial Data Services, Inc. Within 30 days following the redemption agent's receipt of the shareholder's request, the redemption agent will forward to such shareholder the documents necessary to effect the redemption, including any signature guarantee we or the redemption agent may require. The redemption agent will effect such redemption for the calendar quarter provided that it receives the properly completed redemption documents relating to the shares to be redeemed from the shareholder at least one calendar month prior to the last day of the current calendar quarter and has sufficient funds available to redeem such shares. The effective date of any redemption will be the last date during a quarter during which the redemption agent receives the properly completed redemption documents. As a result, we anticipate that, assuming sufficient funds are available for redemption and we have not reached our 5% limitation, the redemptions will be paid no later than 30 days after the quarterly determination of the availability of funds for redemption.

You will have no right to request redemption of your shares should our shares become listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market. Our share redemption program is only intended to provide potential interim liquidity for shareholders until a secondary market develops for the shares, at which time the program would terminate. No such market presently exists, and we cannot assure you that any market for your shares will ever develop.

The shares we redeem under our share redemption program will be returned to the status of authorized but unissued common shares. For the years ended December 31, 2010 and 2009, we received requests to redeem 2,057,122 common shares and 2,301,682 common shares, respectively, pursuant to our share redemption program. We redeemed 100% and 94% of the redemption requests for the years ended December 31, 2010 and 2009, respectively, at an average price per share of $9.16 and $9.00, respectively. We funded share redemptions for the periods noted above from the cumulative proceeds of the sale of our common shares pursuant to our dividend reinvestment plan.

Dividend Reinvestment Plan

The following is a summary of our dividend reinvestment plan that allows you to have dividends and other distributions otherwise distributable to you invested in additional common shares. As of March 31, 2011, we had issued 7,324,579 common shares pursuant to our dividend reinvestment plan. A complete copy of our dividend reinvestment plan as currently in effect is included in this prospectus as Appendix B.

Administrator. Boston Financial Data Services, Inc. serves as the plan administrator. The plan administrator administers the plan, keeps records and provides each participant with purchase confirmations.

Eligibility. Our existing shareholders, persons who receive our shares upon conversion of OP units of CBRE OP and investors who have purchased shares in this offering are eligible to participate in our dividend reinvestment plan, provided such persons meet the investor suitability and minimum purchase requirements of their states of residence. See "Suitability Standards." We may elect to deny your participation in the dividend reinvestment plan if you reside in a jurisdiction or foreign country where, in our judgment, the burden or expense of compliance with applicable securities laws makes your participation impracticable or inadvisable.

Election to Participate. Assuming you are eligible, you may elect to participate in the dividend reinvestment plan by completing the subscription agreement or other approved enrollment form available from the plan administrator. Your participation in the dividend reinvestment plan will begin with the next dividend made after receipt of your enrollment form provided such notice is received more than 30 days prior to the last day of the fiscal quarter. Once enrolled, you may continue to purchase shares under our dividend reinvestment plan until we have sold all of the shares registered in this offering, have terminated this offering or have terminated the dividend reinvestment plan. If you participate in the dividend reinvestment plan, all of your dividends will be reinvested through the plan.

Share Purchases. Shares will be purchased under the dividend reinvestment plan on the quarterly dividend payment dates. Shares will be purchased at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose. The purchase of fractional shares is a permissible, and likely, result of the reinvestment of dividends under the dividend reinvestment plan. Shares may be issued under the dividend reinvestment plan until all shares registered as part of this offering have been sold. After that time, we may purchase shares either through purchases on the open market, if a market then exists, or through an additional issuance of shares. In either case, the price per share will be equal to the then-prevailing market price, which shall equal the price on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market on which such shares are listed on the dividend reinvestment date if such shares are then listed.

Investment of Distribution. Our plan administrator uses the aggregate amount of distributions to all participants for each fiscal quarter to purchase shares (including fractional shares) for the participants. If the aggregate amount of distributions to participants exceeds the amount necessary to purchase all shares then available for purchase, the plan administrator will purchase all available shares and will return all remaining distributions to the participants within 30 days after the date such distributions are made. Any distributions not so invested will be returned to participants.

At this time, participants do not have the option to make voluntary contributions to the dividend reinvestment plan to purchase shares in excess of the amount of shares that can be purchased with their distributions. Our board of trustees reserves the right, however, to amend the dividend reinvestment plan in the future to permit voluntary contributions to the dividend reinvestment plan by participants, to the extent consistent with our objective of qualifying as a REIT.

Purchase Confirmations. The plan administrator provides a confirmation of your quarterly purchases under the dividend reinvestment plan. The plan administrator is to provide the confirmation to you or your designee within 30 days after the end of each quarter, which confirmation is to disclose the following information:

- each dividend reinvested for your account during the quarter;
- the date of the reinvestment;
- the number and price of the shares purchased by you; and
- the total number of shares in your account.

Fees and Commissions. We do not pay selling commissions, the dealer manager fee or the marketing support fee on shares sold under our dividend reinvestment plan. We do not receive a fee for selling shares under the dividend reinvestment plan. We are responsible for all administrative charges and expenses charged by the plan administrator. Any interest earned on such distributions will be paid to us to defray certain costs relating to the dividend reinvestment plan. The administrative charge for each fiscal quarter is the lesser of 5% of the amount reinvested for the participant or $2.50, with a minimum charge of $0.50.

Voting. You may vote all whole shares acquired through the dividend reinvestment plan.

Tax Consequences of Participation. The reinvestment of dividends does not relieve you of any taxes which may be payable on such dividends. When your dividends are reinvested to acquire shares (including any fractional share), you will be treated as having received a distribution in the amount of the fair market value of our common shares on the dividend payment date, multiplied by the number of shares (including any fractional share) purchased plus any brokerage fees, commissions or administrative costs paid by us on your behalf in connection with the reinvestment. You should be aware that, because shares purchased with reinvested dividends may be purchased at up to a 5% discount, the taxable income received by you as a participant in our dividend reinvestment plan may be greater than the taxable income that would have resulted from the receipt of the dividend in cash. See "Certain U.S. Federal Income Tax Consequences—Dividend Reinvestment." We will withhold 28% of the amount of dividends or distributions paid if you fail to furnish a valid taxpayer identification number, fail to properly report interest or dividends or fail to certify that you are not subject to withholding.

Termination of Participation. You may terminate your participation (in whole and not in part) in the dividend reinvestment plan at any time, without penalty, by providing written notice to us at least ten business days prior to the last day of the fiscal period to which the distribution relates. If you terminate your participation in the dividend reinvestment plan, the plan administrator will send you a check in payment for the amount of any distributions that have not been reinvested in shares, and our record books will be revised to reflect the ownership records of your whole and fractional shares. Any transfer of your shares will effect a termination of the participation of those shares in the dividend reinvestment plan. You must promptly notify us should you no longer meet the suitability standards described under the "Suitability Standards" section of this prospectus or cannot make the other representations or warranties set forth in the subscription agreement at any time prior to the listing of our shares on the New York Stock Exchange or another national exchange. We will terminate your participation to the extent that a reinvestment of your dividends in our shares would cause you to exceed the ownership limitation contained in our declaration of trust. In the event you terminate your participation in the dividend reinvestment plan, you may subsequently re-enroll in the plan upon receipt of the then current version of this prospectus or a separate current prospectus relating solely to the plan by notifying the plan agent and completing any required documents.

Amendment or Termination of Plan. We may amend or terminate the dividend reinvestment plan for any reason at any time upon ten days prior written notice to participants.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR DECLARATION OF TRUST AND BYLAWS

The Company is organized as a real estate investment trust under the laws of the State of Maryland. As a Maryland real estate investment trust, the Company is governed by Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended, or the Maryland REIT Law, certain provisions of the Maryland General Corporation Law, or the MGCL, and by the Declaration of Trust and the Bylaws. To the extent that Maryland REIT law or the MGCL conflicts with the provisions set forth in the NASAA Guidelines, the NASAA Guidelines will control to the extent any provisions of Maryland REIT law or the MGCL are not mandatory. The following summary of certain provisions of Maryland law and our declaration of trust and bylaws does not purport to be complete and is subject to, and qualified in its entirety by, reference to Maryland law and to our declaration of trust and our bylaws.

Removal of Trustees

Our declaration of trust provides that a trustee may be removed from office only for cause and only by the affirmative vote of at least a majority of the votes entitled to be cast by our shareholders generally in the election of our trustees.

Limitation of Liability and Indemnification

The Maryland REIT Law permits a Maryland real estate investment trust to include in its declaration of trust a provision limiting the liability of its trustees and officers to the corporation and its shareholders for money damages except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services, or (ii) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our declaration of trust contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

However, until our shares are listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, our ability to indemnify or limit the liability of trustees or officers is restricted by the NASAA Guidelines. Our declaration of trust contains provisions which are based on the NASAA Guidelines. Certain relevant provisions of both the Maryland REIT Law and the NASAA Guidelines, as incorporated into our declaration of trust, are described below.

Maryland REIT Law. The Maryland REIT Law requires a Maryland real estate investment trust to indemnify a trustee or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made a party by reason of his service in that capacity. The Maryland REIT Law permits a Maryland real estate investment trust to indemnify its present and former trustees and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (i) the act or omission of the trustee or officer was material to the matter giving rise to the proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty, (ii) the trustee or officer actually received an improper personal benefit in money, property or services, or (iii) in the case of any criminal proceeding, the trustee or officer had reasonable cause to believe that the act or omission was unlawful. However, under the Maryland REIT Law, a Maryland real estate investment trust may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the Maryland REIT Law permits a Maryland real estate investment trust to advance reasonable expenses to a trustee or officer upon the corporation's receipt of (1) a written affirmation by the trustee or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation, and (2) a written undertaking by or on his behalf to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

NASAA Guidelines. Our declaration of trust limits the above provisions of the Maryland REIT Law, providing that until our shares are listed on a national securities exchange, our trustees, the Investment Advisor and its affiliates are indemnified by us for losses arising from our operation only if all of the following conditions are met:

- our trustees, the Investment Advisor or its affiliates have determined, in good faith, that the course of conduct that caused the loss or liability was in our best interests;
- our trustees, the Investment Advisor or its affiliates were acting on our behalf or performing services for us;
- in the case of affiliated trustees, the Investment Advisor or its affiliates, the liability or loss was not the result of negligence or misconduct by the party seeking indemnification;
- in the case of independent trustees, the liability or loss was not the result of gross negligence or willful misconduct by the party seeking indemnification; and
- the indemnification or agreement to hold harmless is recoverable only out of our net assets and not from the shareholders.

Until our shares are listed on a national securities exchange, indemnification of the trustees, officers, employees, agents, the Investment Advisor, affiliates or any persons acting as a broker-dealer will not be allowed for liabilities arising from or out of a violation of state or U.S. federal securities laws, unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction; or
- a court of competent jurisdiction approves a settlement of the claims against the indemnitee and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authority in which our securities were offered or sold as to indemnification for violations of securities laws.

Our declaration of trust provides that until our shares are listed on a national securities exchange, the advancement of our funds to our trustees, officers, employees, agents, advisor or affiliates for legal expenses and other costs incurred as a result of any legal action for which indemnification is being sought is permissible only if all of the following conditions are satisfied:

- the legal action relates to acts or omissions with respect to the performance of duties or on behalf of us;
- our trustees, officers, employees, agents, advisor or affiliates provide us with written affirmation of their good faith belief that they have met the standard of conduct necessary for indemnification;
- the legal action is initiated by a third party who is not a shareholder or, if the legal action is initiated by a shareholder acting in his or her capacity as such, a court of competent jurisdiction specifically approves such advancement; and
- our trustees, officers, employees, agents, advisor or affiliates agree in writing to repay the advanced funds to us together with the applicable legal rate of interest thereon, in cases in which such trustees, officers, employees, agents, advisor or affiliates are found not to be entitled to indemnification.

We have agreed to indemnify and hold harmless the Investment Advisor and its affiliates performing services for us from specific claims and liabilities arising out of the performance of its obligations under the advisory agreement. As a result, we and our shareholders may be entitled to a more limited right of action than we would otherwise have if these indemnification rights were not included in the advisory agreement.

Indemnification Agreements

We have entered into indemnification agreements with each of our trustees and executive officers. The indemnification agreements require, among other things, that we indemnify such persons to the fullest extent permitted by law (subject to the restrictions contained in our declaration of trust), and advance to such persons all related expenses, subject to reimbursement if it is subsequently determined that indemnification is not permitted. Under these agreements, we must also indemnify and advance all expenses incurred by such persons seeking to enforce their rights under the indemnification agreements, and may cover our trustees and executive officers under our trustees' and officers' liability insurance. Although the form of indemnification agreement offers substantially the same scope of coverage afforded by law (subject to the restrictions contained in our declaration of trust), it provides greater assurance to our trustees and executive officers and such other persons that indemnification will be available because, as a contract, it cannot be modified unilaterally in the future by our board of trustees or the shareholders to eliminate the rights it provides.

Maryland Business Combination Act

The MGCL, as applicable to real estate investment trusts, establishes special requirements for "business combinations" between a Maryland real estate investment trust and "interested shareholders" unless exemptions are applicable. An interested shareholder is any person who beneficially owns, directly or indirectly, 10% or more of the voting power of our then-outstanding voting shares. Among other things, the law prohibits for a period of five years a merger and other similar transactions between us and an interested shareholder unless our board of trustees approved the transaction prior to the party becoming an interested shareholder. The five-year period runs from the most recent date on which the interested shareholder became an interested shareholder. The law also requires a supermajority shareholder vote for these transactions after the end of the five-year period. This means that the transaction must be approved by at least:

- 80% of the votes entitled to be cast by holders of outstanding voting shares; and
- 66% of the votes entitled to be cast by holders of outstanding voting shares other than shares held by the interested shareholder or an affiliate of the interested shareholder with whom the business combination is to be effected.

Our board of trustees has adopted a resolution exempting the company from the provisions of the MGCL relating to business combinations with interested shareholders or affiliates of interested shareholders. However, such resolution can be altered or repealed, in whole or in part, at any time by our board of trustees. If such resolution is repealed, the business combination statute could have the effect of discouraging offers to acquire us and of increasing the difficulty of consummating these offers, even if our acquisition would be in our shareholders' best interests.

Business Combination with the Investment Advisor

Many REITs that are listed on a national securities exchange are self-administered, which means that they employ persons or agents to perform all significant management functions. The costs to perform these management functions are "internalized" rather than external and no third-party fees, such as advisory and acquisition fees, are paid by the REIT. We will consider becoming a self-administered REIT if our board of trustees determines that internalizing the management functions performed by our Investment Advisor is in the best interests of our shareholders. If our board of trustees should make this determination in the future and propose to our Investment Advisor such a transaction, we would anticipate that our Investment Advisor would engage an independent investment banking firm to advise it as to the value of our Investment Advisor.

Upon the receipt of any proposal from our Investment Advisor, we would expect to make a formal presentation to our board of trustees, which would consider whether to continue a process of discussion with our Investment Advisor. If our board of trustees determined to move forward, it would then form a special committee comprised entirely of independent trustees to consider a possible business combination with our Investment Advisor. In such case, the board would, subject to applicable law, delegate all of its decision making power and authority to the special committee with respect to these matters. The special committee would be authorized to, and would be expected to, retain its own financial advisors and legal counsel to, among other things, negotiate with representatives of our Investment Advisor regarding a possible business combination. In addition, any business combination with our Investment Advisor would be contingent upon the receipt by the special committee of an opinion from an independent financial advisor or investment banking firm that the consideration to be paid to the shareholders of our Investment Advisor in connection with the transaction was fair to our shareholders from a financial point of view, and the approval of the proposed transaction at a duly convened meeting of our shareholders at which a quorum of the holders of a majority of our outstanding common shares is present; provided however, that, for these purposes, any shares held by our Investment Advisor or any of its affiliates will be counted only for purposes of determining the presence of quorum and not for determining the number of votes necessary to approve the acquisition. We have no existing plans to complete a business combination with our Investment Advisor.

Maryland Control Share Acquisitions Act

The MGCL, as applicable to real estate investment trusts, provides that "control shares" of a Maryland real estate investment trust acquired in a "control share acquisition" have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquiror, by officers or by directors who are employees of the corporation. "Control shares" are voting shares which, if aggregated with all other such shares previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing trustees within one of the following ranges of voting power: (i) one-tenth or more, but less than one-third; (ii) one-third or more, but less than a majority; or (iii) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A "control share acquisition" means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel our board of trustees to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, we may present the question at any shareholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the Maryland Control Share Acquisition Act, then, subject to certain conditions and limitations, we may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of shareholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a shareholders' meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. This means that you would be able to force us to redeem your shares for fair value. Under Maryland law, the fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition. Furthermore, certain limitations otherwise applicable to the exercise of appraisal rights would not apply in the context of a control share acquisition.

The control share acquisition statute does not apply (i) to shares acquired in a merger, consolidation or share exchange if we are a party to the transaction, or (ii) to acquisitions approved or exempted by our declaration of trust or bylaws.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our shares. We cannot assure you that such provision will not be amended or eliminated at any time in the future. If such provision is eliminated, the control share acquisition statute could have the effect of discouraging offers to acquire us and increasing the difficulty of consummating any such offers, even if our acquisition would be in our shareholders' best interests.

Amendment to the Declaration of Trust

Except as provided below, our declaration of trust may be amended only with the approval of our board of trustees and the affirmative vote of the holders of not less than a majority of all of the votes entitled to be cast on the matter. Amendments to the provisions of our declaration of trust relating to the removal of trustees will be required to be approved by our shareholders by the affirmative vote of at least a majority of all votes entitled to be cast on the matter.

Dissolution

Our dissolution must be approved by our shareholders by the affirmative vote of not less than a majority of all of the votes entitled to be cast on the matter.

Advance Notice of Trustee Nominations and New Business

Our bylaws provide that with respect to an annual meeting of shareholders, nominations of persons for election to our board of trustees and the proposal of business to be considered by shareholders may be made only (i) pursuant to our notice of the meeting, (ii) at the direction of our board of trustees, or (iii) by a shareholder who is entitled to vote at the meeting and has complied with the advance notice procedures set forth in our bylaws. Our bylaws provide that with respect to special meetings of our shareholders, only the business specified in our notice of meeting may be brought before the meeting, and nominations of persons for election to our board of trustees may be made only (a) pursuant to our notice of the meeting, (b) by or at the direction of our board of trustees, or (c) provided that our board of trustees has determined that trustees shall be elected at such meeting, by a shareholder who is entitled to vote at the meeting and has complied with the advance notice provisions set forth in our bylaws.

THE OPERATING PARTNERSHIP AGREEMENT

The following is a summary of material provisions in the partnership agreement of our operating partnership. For more detail, you should refer to the partnership agreement itself, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part. See "Where You Can Find More Information."

General

CBRE Operating Partnership, L.P., referred to in this prospectus as CBRE OP, was formed in March 2004 to acquire, own and operate properties on our behalf. We are considered to be an umbrella partnership real estate investment trust, or an "UPREIT," in which all of our assets are owned in a partnership, CBRE OP, of which we are the sole general partner. This structure permits the acquisition of real property from owners who desire to defer taxable gain otherwise required to be recognized by them upon the disposition of their properties. Such owners may also desire to achieve diversity in their investment and other benefits afforded to shareholders in a REIT. For purposes of satisfying the asset and income tests for qualification as a REIT for tax purposes, the REIT's proportionate share of the assets and income of a partnership, such as CBRE OP, are deemed to be assets and income of the REIT.

The property owner's tax-deferral goals are accomplished because a property owner may contribute property to a partnership in exchange for limited partnership interests on a tax-deferred basis. Further, CBRE OP is structured to make distributions with respect to class A units, or limited partnership units, that are equivalent to the dividend distributions made to our common shareholders. Finally, CBRE OP is structured to permit limited partners in CBRE OP to redeem their limited partnership units in CBRE OP for cash or our shares (in a taxable transaction) and, if our shares are then listed, achieve liquidity for their investment. See "—Redemption" below.

We intend to make all acquisitions of real properties through CBRE OP. We are the sole general partner of CBRE OP and have the exclusive power to manage and conduct the business of CBRE OP. In connection with our company's private offerings from July 2004 and October 2004, our company contributed the net proceeds of approximately $55,500,000 to CBRE OP in exchange for limited partnership units. CBRE OP is structured to make distributions with respect to the limited partnership units which are equivalent to the distributions made to our shareholders. In July 2004, CBRE REIT Holdings LLC, an affiliate of the Investment Advisor, purchased 29,937 limited partnership units in CBRE OP for an aggregate amount of $242,500. CBRE REIT Holdings LLC also owns one class B limited partnership interest (representing 100% of the class B interest outstanding) in CBRE OP. The class B limited partnership interest entitles such affiliate to receive 15% of the net sales proceeds received by CBRE OP on dispositions of properties or other assets (including by liquidation, merger or otherwise) after the other partners, including us, have received, in the aggregate, cumulative distributions from operating income, sales proceeds or other sources equal to (i) the total capital contributions made to CBRE OP and (ii) a 7% annual, uncompounded return on such capital contributions. Our declaration of trust provides that if we do not list our shares on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market on or before December 31, 2011, then our board of trustees must consider (but is not required to commence) an orderly liquidation of our assets. In the event that we elect to list our shares, the class B limited partnership interest entitles such affiliate to receive the amount that would have been distributed to such holder as described above if CBRE OP had distributed to the partners upon liquidation an amount equal to the market value of our listed common shares based upon the average closing price or, if the average closing price is not available, the average bid and asked prices, for the 30-day period beginning 150 days after such listing. See "Compensation to the Investment Advisor and Dealer Manager; Equity Investment by an Affiliate of the Investment Advisor."

Capital Contributions

As we accept subscriptions for shares, we transfer substantially all of the net proceeds of the offering to CBRE OP as a capital contribution in exchange for limited partnership units; however, we are deemed to have made capital contributions in the amount of the gross offering proceeds received from investors. CBRE OP is deemed to have simultaneously paid the selling commissions and other costs associated with the offering. If CBRE OP requires additional funds at any time in excess of capital contributions made by us and the Investment Advisor or from borrowing, we may borrow funds from a financial institution or other lender and lend such funds to CBRE OP on the same terms and conditions as are applicable to our borrowing of such funds. In addition, we are authorized to cause CBRE OP to issue partnership interests for less than fair market value if we conclude in good faith that such issuance is in the best interest of CBRE OP and our shareholders.

Operations

The partnership agreement of CBRE OP provides that CBRE OP will be operated in a manner so as to (1) not adversely affect our ability to qualify as a REIT for U.S. federal income tax purposes, (2) avoid any U.S. federal income or excise tax liability, and (3) ensure that CBRE OP will not be classified as a "publicly traded partnership" as defined by Section 7704 of the Internal Revenue Code, which classification could result in CBRE OP being taxed as a corporation, rather than as a partnership. See "Certain U.S. Federal Income Tax Consequences—Tax Aspect of Investments in Partnerships—Entity Classification."

The partnership agreement provides that CBRE OP distribute cash flow from operations and the net proceeds from the disposition of any properties to the holders of limited partnership units in accordance with their relative percentage interests on at least a quarterly basis, subject to the distribution rights of the holder of the class B limited partnership interest as described above. Similarly, the partnership agreement provides that taxable income and loss is allocated to the limited partners of CBRE OP in a manner consistent with such rights to distributions, subject to certain special allocations intended to comply with the provisions of Sections 704(b) and 704(c) of the Internal Revenue Code and corresponding Treasury Regulations.

Upon the liquidation of CBRE OP, after payment of debts and obligations, any remaining assets of CBRE OP will be distributed to the partners in accordance with their respective positive capital account balances.

In addition to the administrative and operating costs and expenses incurred by CBRE OP in acquiring and operating real properties, CBRE OP pays all of our administrative costs and expenses and such expenses are treated as expenses of CBRE OP. Such expenses include:

- all expenses relating to our formation and continuity of existence;
- all expenses relating to any offerings and registrations of securities;
- all expenses associated with our preparation and filing of any periodic reports under U.S. federal, state or local laws or regulations;
- all expenses associated with our compliance with applicable laws, rules and regulations; and
- all other operating or administrative costs of ours incurred in the ordinary course of its business.

Redemption

Subject to certain limitations and exceptions, the holders of limited partnership units of CBRE OP have the right to cause CBRE OP to redeem their limited partnership units for cash equal to the value of an equivalent number of our shares, or, at our option, we may purchase their limited partnership units by issuing one of our shares for each limited partnership unit redeemed. Prior to the time our shares are listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market, the cash value will be as determined in good faith by the board of trustees. These redemption rights may not be exercised, however, if and to the extent that the delivery of shares upon such exercise would (1) result in any person owning shares in excess of our ownership limits, (2) result in shares being owned by fewer than 100 persons, (3) result in us being “closely held” within the meaning of Section 856(h) of the Internal Revenue Code, (4) cause us to own 10% or more of the ownership interests in a tenant within the meaning of Section 856(d)(2)(B) of the Internal Revenue Code, (5) otherwise cause us to fail to qualify as a REIT or (6) cause the acquisition of shares by a redeemed holder of limited partnership units to be “integrated” with any other distribution of our shares for purposes of complying with the Securities Act.

Subject to the foregoing, holders of limited partnership units may exercise their redemption rights at any time after two years following the date of issuance of their limited partnership units; provided, however, that a holder of limited partnership units may not exercise a redemption right for less than 1,000 limited partnership units, unless such holder of limited partnership units holds less than 1,000 limited partnership units, in which case, he must exercise his redemption right for all of his limited partnership units.

If the advisory agreement is terminated without cause, CBRE OP will redeem the class B limited partnership interest for a newly created class of partnership interest, which we refer to as the advisor redemption interest, which shall initially have a capital account equal to the fair value of the class B limited partnership interest as of such date. One or more appraisers will determine the fair value of the class B limited partnership interest as of the termination date of the advisory agreement. The advisor redemption interest will entitle the holder of such interest to receive 15% of the net sales proceeds received by CBRE OP from a capital transaction (as defined in the partnership agreement) after the other partners, including us, have received, in the aggregate, cumulative distributions from operating income, sales proceeds or other sources equal to (i) the total capital contributions made to CBRE OP and (ii) a 7% annual, uncompounded return on such capital contributions. The advisor redemption interest may be paid in cash or common shares, as determined by our board of trustees, including a majority of our independent trustees. If the advisory agreement is terminated for cause, CBRE OP will redeem the class B limited partnership interest for $100.

Transferability of Interests

We may not (1) voluntarily withdraw as the general partner of CBRE OP, (2) transfer our general partnership interest in CBRE OP (except to a wholly-owned subsidiary) or (3) engage in any merger, consolidation or other business combination, unless, with respect to clause (3) only, the transaction in which such withdrawal occurs results in the limited partners receiving or having the right to receive an amount of cash, securities or other property equal in value to the amount they would have received if they had exercised their redemption rights immediately prior to such transaction. With certain exceptions, the limited partners may not transfer their interests in CBRE OP, in whole or in part, without our written consent as the general partner of CBRE OP.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of material U.S. federal income tax consequences relating to our qualification and taxation as a REIT and the acquisition, holding, and disposition of our common shares. For purposes of this section under the heading "Certain U.S. Federal Income Tax Consequences," references to "the company," "we," "our" and "us" mean only CB Richard Ellis Realty Trust and not its subsidiaries, except as otherwise indicated. This summary is based upon the Internal Revenue Code, the regulations promulgated by the Treasury Department, or the Treasury regulations, current administrative interpretations and practices of the IRS (including administrative interpretations and practices expressed in private letter rulings which are binding on the IRS only with respect to the particular taxpayers who requested and received those rulings) and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. No advance ruling has been or will be sought from the IRS regarding any matter discussed in this prospectus. The summary is also based upon the assumption that the operation of the company, and of its subsidiaries and other lower-tier and affiliated entities, will in each case be in accordance with its applicable organizational documents or partnership agreement. This summary is for general information only, and does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular shareholder in light of its investment or tax circumstances, or to shareholders subject to special tax rules, such as:

- expatriates;
- persons who mark-to-market our common shares;
- subchapter S corporations;
- shareholders (as defined below) whose functional currency is not the U.S. dollar;
- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- holders who receive our common shares through the exercise of employee share options or otherwise as compensation;
- persons holding our common shares as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment;

and, except to the extent discussed below:

- tax-exempt organizations; and
- Non-U.S. shareholders (as defined below).

This summary assumes that shareholders will hold our common shares as capital assets, which generally means as property held for investment.

THE U.S. FEDERAL INCOME TAX TREATMENT OF HOLDERS OF OUR COMMON SHARES DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. IN ADDITION, THE TAX CONSEQUENCES OF HOLDING OUR COMMON SHARES TO ANY PARTICULAR SHAREHOLDER WILL DEPEND ON THE SHAREHOLDER'S PARTICULAR TAX CIRCUMSTANCES. YOU ARE URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES TO YOU, IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX CIRCUMSTANCES, OF ACQUIRING, HOLDING, AND DISPOSING OF OUR COMMON SHARES.

Taxation of the Company

We elected to be taxed as a REIT under the Internal Revenue Code, commencing with our taxable year ended December 31, 2004. We believe that we have been organized and operated in a manner that allows us to qualify for taxation as a REIT under the Internal Revenue Code commencing with our taxable year ended December 31, 2004, and we intend to continue to be organized and operate in such a manner.

The law firm of Clifford Chance US LLP has acted as our tax counsel in connection with the offering. We have received the opinion of Clifford Chance US LLP, dated February 18, 2011, to the effect that, beginning with our taxable year ended December 31, 2004, we have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code, and our method of operation enables us to continue to meet the requirements for qualification and taxation as a REIT under the Internal Revenue Code. It must be emphasized that the opinion of Clifford Chance US LLP is given as of its date and is based on various assumptions relating to our organization and operation, and is conditioned upon representations and covenants made by our management and affiliated entities regarding our organization, assets, and present and future conduct of our business operations including an assumption that, if we were considered to have failed the 5% gross asset test as a result of our investment in a money market mutual fund (as discussed in "Risk Factors" above) such failure was due to reasonable cause and not willful neglect, and that we have otherwise satisfied all of the other requirements necessary for relief from such potential violation under certain mitigation provisions of the Internal Revenue Code. We believe that we have exercised ordinary business care and prudence in attempting to satisfy the REIT income and asset test set forth below, including the 5% gross asset test, and, accordingly, we believe any noncompliance with the REIT 5% gross asset test resulting from our investment in the fund should be due to reasonable cause and not willful neglect. We also have complied with the requirements of the mitigation provisions of the Internal Revenue Code with respect to such potential noncompliance with the 5% gross asset test, and, therefore, our qualification as a REIT should not be affected. However, the IRS is not bound by our determination, and no assurance can be provided that the IRS will not assert that we failed to comply with the REIT 5% gross asset test as a result of our investment in the fund and that such failure was not due to reasonable cause. While we believe that we are organized and intend to operate so that we qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Clifford Chance US LLP or us that we will so qualify for any particular year. Clifford Chance US LLP will have no obligation to update its opinion or to advise us or the holders of our common shares of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions.

Qualification and taxation as a REIT depends on our ability to meet, on a continuing basis, through actual operating results, distribution levels, and diversity of share ownership, various qualification requirements imposed upon REITs by the Internal Revenue Code, the compliance with which will not be reviewed by Clifford Chance US LLP. Our ability to qualify as a REIT also requires that we satisfy certain asset tests, some of which depend upon the fair market values of assets directly or indirectly owned by us. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that our actual results of our operations for any taxable year satisfy such requirements for qualification and taxation as a REIT.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Internal Revenue Code. The material qualification requirements are summarized below under "—Requirements for Qualification—General." While we intend to operate so that we qualify as a REIT, no assurance can be given that the IRS will not challenge our qualification as a REIT, or that we will be able to operate in accordance with the REIT requirements in the future. See "—Failure to Qualify."

Provided that we qualify as a REIT, we will generally be entitled to a deduction for dividends that we pay and therefore will not be subject to U.S. federal corporate income tax on our net income that is currently distributed to our shareholders. This treatment substantially eliminates the "double taxation" at the corporate and shareholder levels that results generally from an investment in a corporation. Rather, income generated by a REIT generally is taxed only at the shareholder level upon a distribution of dividends by the REIT.

For tax years through 2012, shareholders who are individual U.S. shareholders (as defined below) are generally taxed on corporate dividends at a maximum U.S. federal income tax rate of 15% (the same as long-term capital gains) thereby substantially reducing, though not completely eliminating, the double taxation that has historically applied to corporate dividends. With limited exceptions, however, dividends received by individual U.S. shareholders (as defined below) from us or from other entities that are taxed as REITs will continue to be taxed at rates applicable to ordinary income, which will be as high as 35% through 2012.

Net operating losses, foreign tax credits and other tax attributes of a REIT generally do not pass through to the shareholders of the REIT, subject to special rules for certain items such as capital gains recognized by REITs. See "—Taxation of Shareholders."

If we qualify as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

- We will be taxed at regular corporate rates on any undistributed income, including undistributed net capital gains.
- We may be subject to the "alternative minimum tax" on our items of tax preference, if any.

- If we have net income from prohibited transactions, which are, in general, sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See "—Prohibited Transactions," and "—Foreclosure Property," below.
- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may thereby avoid (a) the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), and (b) the inclusion of any income from such property not qualifying for purposes of the REIT gross income tests discussed below, but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%).
- If we fail to satisfy the 75% gross income test or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because other requirements are met, we will be subject to a 100% tax on an amount equal to (a) the greater of (1) the amount by which we fail the 75% gross income test or (2) the amount by which we fail the 95% gross income test, as the case may be, multiplied by (b) a fraction intended to reflect our profitability.
- Commencing with our taxable year beginning January 1, 2005, if we fail to satisfy the REIT asset tests, as described below, by more than a *de minimis* amount, but our failure is due to reasonable cause and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of $50,000 or the highest corporate tax rate multiplied by the net income generated by the nonqualifying assets.
- Commencing with our taxable year beginning January 1, 2005, if we fail to satisfy any provisions of the Internal Revenue Code that would result in our failure to qualify as a REIT (other than a violation of the REIT gross income and assets tests summarized in the preceding two bullet points) and the violation is due to reasonable cause, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.
- If we fail to distribute during each calendar year at least the sum of (a) 85% of our REIT ordinary income for such year, (b) 95% of our REIT capital gain net income for such year and (c) any undistributed taxable income from prior periods, or the "required distribution," we will be subject to a 4% excise tax on the excess of the required distribution over the sum of (i) the amounts actually distributed, plus (ii) retained amounts on which income tax is paid at the corporate level.
- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of our shareholders, as described below in "—Requirements for Qualification—General."
- A 100% excise tax may be imposed on some items of income and expense that are directly or constructively paid between us and any entity which we designate as a "taxable REIT subsidiary" (as described below) if and to the extent that the IRS successfully adjusts the reported amounts of these items.
- If we acquire appreciated assets from a corporation that is not a REIT (i.e., a corporation taxable under subchapter C of the Internal Revenue Code) in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the non-REIT corporation, we may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the ten-year period following their acquisition from the non-REIT corporation. The results described in this paragraph assume that the non-REIT corporation will not elect in lieu of this treatment to be subject to an immediate tax when the asset is acquired.
- We may have subsidiaries or own interests in other lower-tier entities that are subchapter C corporations, including any "taxable REIT subsidiary" the earnings of which could be subject to U.S. federal corporate income tax.

In addition, we and our subsidiaries are subject to a variety of taxes other than U.S. federal income tax, including payroll taxes and state, local, and foreign income, property and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification—General

The Internal Revenue Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;

(3) that would be taxable as a domestic corporation but for the special Internal Revenue Code provisions applicable to REITs;

(4) that is neither a financial institution nor an insurance company subject to specific provisions of the Internal Revenue Code;

(5) the beneficial ownership of which is held by 100 or more persons;

(6) in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Internal Revenue Code to include specified entities); and

(7) which meets other tests described below, including with respect to the nature of its income and assets and the amount of its distributions.

The Internal Revenue Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Our declaration of trust provides restrictions regarding the ownership and transfer of its shares, which are intended to assist in satisfying the share ownership requirements described in conditions (5) and (6) above. For purposes of condition (6), an "individual" generally includes a supplemental unemployment compensation benefit plan, a private foundation, or a portion of a trust permanently set aside or used exclusively for charitable purposes, but does not include a qualified pension plan or profit sharing trust. Conditions (5) and (6) do not need to be satisfied for the first taxable year for which a REIT election has been made.

To monitor compliance with the share ownership requirements, we are generally required to maintain records regarding the actual ownership of our shares. To do so, we must demand written statements each year from the record holders of significant percentages of our shares in which the record holders are to disclose the actual owners of the shares (i.e., the persons required to include in gross income the dividends paid by us.) A list of those persons failing or refusing to comply with this demand must be maintained as part of our records. Failure by us to comply with these record-keeping requirements could subject us to monetary penalties. If we satisfy these requirements and have no reason to know that condition (6) is not satisfied, we will be deemed to have satisfied such condition. A shareholder that fails or refuses to comply with the demand is required by Treasury regulations to submit a statement with its tax return disclosing the actual ownership of the shares and other information.

In addition, a corporation generally may not elect to become a REIT unless its taxable year is the calendar year. We satisfy this requirement.

Effect of Subsidiary Entities

Ownership of Partnership Interests. In the case of a REIT that is a partner in a partnership, Treasury regulations provide that the REIT is deemed to own its proportionate share of the partnership's assets, and to earn its proportionate share of the partnership's gross income based on its *pro rata* share of capital interest in the partnership, except as described in the following sentence, for purposes of the asset and gross income tests applicable to REITs as described below. For purposes of the 10% value test (described in "—Asset Tests" below), commencing with our taxable year beginning January 1, 2005, our proportionate share is based on our proportionate interest in the equity interests and certain debt securities issued by the partnership. In addition, the assets and gross income of the partnership generally are deemed to retain the same character in the hands of the REIT. Thus, our proportionate share, based upon our percentage capital interest, of the assets and items of income of partnerships in which we own an equity interest (including our interest in our operating partnership in any year in which it is treated as a partnership for U.S. federal income tax purposes), is treated as assets and items of income of our company for purposes of applying the REIT requirements described below. Consequently, to the extent that we directly or indirectly hold a preferred or other equity interest, and certain debt securities, in a partnership, the partnership's assets and operations may affect our ability to qualify as a REIT. A summary of certain rules governing the U.S. federal income taxation of partnerships and their partners is provided below in "—Tax Aspects of Investments in Partnerships."

Disregarded Subsidiaries. If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," that subsidiary is disregarded for U.S. federal income tax purposes, and all assets, liabilities and items of income, deduction and credit of the subsidiary are treated as assets, liabilities and items of income, deduction and credit of the REIT itself, including for purposes of the gross income and asset tests applicable to REITs as summarized below. A qualified REIT subsidiary is any corporation, other than a "taxable REIT subsidiary" (as described below), that is wholly-owned by a REIT, or by other disregarded subsidiaries, or by a combination of the two. Single member limited liability companies that are wholly-owned by a REIT (and partnerships owned by a single partner for U.S. federal income tax purposes are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT gross income and asset tests. Disregarded entities and partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary ceases to be wholly owned by us—for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of us—the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, it would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income tests applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the value or voting power of the outstanding securities of another corporation. See "—Asset Tests" and "—Gross Income Tests."

Taxable Subsidiaries. A REIT, in general, may jointly elect with a subsidiary corporation, whether or not wholly owned, to treat the subsidiary corporation as a taxable REIT subsidiary, or TRS. The separate existence of a TRS or other taxable corporation, unlike a disregarded subsidiary as discussed above, is not ignored for U.S. federal income tax purposes. Accordingly, such an entity would generally be subject to corporate income tax on its earnings, which may reduce the cash flow generated by us and our subsidiaries in the aggregate, and our ability to make distributions to our shareholders.

A REIT is not treated as holding the assets of a taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by the subsidiary is an asset in the hands of the REIT, and the REIT recognizes as income the dividends, if any, that it receives from the subsidiary. This treatment can affect the gross income and asset test calculations that apply to the REIT, as described below. Because a parent REIT does not include the assets and income of such subsidiary corporations in determining the parent's compliance with the REIT requirements, such entities may be used by the parent REIT to undertake indirectly activities that the REIT rules might otherwise preclude it from doing directly or through pass-through subsidiaries (for example, activities that give rise to certain categories of income such as management fees or foreign currency gains).

Certain restrictions imposed on TRSs are intended to ensure that such entities will be subject to appropriate levels of U.S. federal income taxation. First, if a TRS has a debt to equity ratio as of the close of the taxable year exceeding 1.5 to 1 it may not deduct interest payments made in such year to an affiliated REIT to the extent that such payments exceed, generally, 50% of the TRS's adjusted taxable income for that year (although the TRS may carry forward to, and deduct in, a succeeding year the disallowed interest amount if the 50% test is satisfied in that year). In addition, if a TRS pays interest, rent, or another amount to a REIT that exceeds the amount that would be paid to an unrelated party in an arm's-length transaction, the REIT generally will be subject to an excise tax equal to 100% of such excess.

Gross Income Tests

In order to qualify as a REIT, we annually must satisfy two gross income tests. First, at least 75% of our gross income for each taxable year, excluding gross income from property held primarily for sale to customers in the ordinary course of a trade or business, or prohibited transactions, must be derived from investments relating to real property or mortgages on real property, including "rents from real property," dividends received from other REITs, interest income derived from mortgage loans secured by real property (including certain types of mortgage-backed securities), and gains from the sale of real estate assets, as well as income from certain kinds of temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions, must be derived from some combination of income that qualifies under the 75% income test described above, as well as other dividends, interest, and gain from the sale or disposition of stocks or securities, which need not have any relation to real property.

Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test (as described above) to the extent that the obligation is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we acquired or originated the mortgage loan, the interest income will be apportioned between the real property and the other property, and our income from the arrangement will qualify for purposes of the 75% gross income test only to the extent that the interest is allocable to the real property. Even if a loan is not secured by real property or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test.

To the extent that the terms of a loan provide for contingent interest that is based on the cash proceeds realized upon the sale of the property securing the loan (a "shared appreciation provision"), income attributable to the participation feature will be treated as gain from sale of the underlying property, which generally will be qualifying income for purposes of both the 75% and 95% gross income tests, *provided* that the property is not held for sale to customers in the ordinary course of business in the hands of the borrower or us.

To the extent that we derive interest income from a mortgage loan or income from the rental of real property where all or a portion of the amount of interest or rental income payable is contingent, such income generally will qualify for purposes of the gross income tests only if it is based upon the gross receipts or sales, and not the net income or profits of any person. This limitation does not apply, however, where the borrower or lessee leases substantially all of its interest in the property to tenants or subtenants, to the extent that the rental income derived by the borrower or lessee, as the case may be, would qualify as rents from real property had it been earned directly by us, as described below.

Rents received by us will qualify as "rents from real property" in satisfying the gross income tests described above, only if several conditions are met, including the following. If rent is partly attributable to personal property leased in connection with a lease of real property, the portion of the total rent that is attributable to the personal property will not qualify as "rents from real property" unless it constitutes 15% or less of the total rent received under the lease. Moreover, for rents received to qualify as "rents from real property," we generally must not operate or manage the property or furnish or render certain services to the customers of such property, other than through an "independent contractor" who is adequately compensated and from which we derive no income or through a TRS, as discussed below. We are permitted, however, to perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered rendered to the occupant of the property. In addition, we may directly or indirectly provide non-customary services to customers of our properties without disqualifying all of the rent from the property if the payment for such services does not exceed 1% of the total gross income from the property. In such a case, only the amounts for non-customary services are not treated as rents from real property. The rest of the rent will be qualifying income. For purposes of this test, the income received from such non-customary services is deemed to be at least 150% of the direct cost of providing the services. Moreover, we are permitted to provide services to customers or others through a TRS without disqualifying the rental income received from customers for purposes of the REIT income tests. Also, rental income will qualify as rents from real property only to the extent that we do not directly or constructively own, (i) in the case of any lessee which is a corporation, stock possessing 10% or more of the total combined voting power of all classes of stock entitled to vote, or 10% or more of the total value of shares of all classes of stock of such lessee, or (ii) in the case of any lessee which is not a corporation, an interest of 10% or more in the assets or net profits of such lessee.

If in the future we receive, directly or indirectly, distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries, these distributions will be classified as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any dividends received by us from another REIT will be qualifying income in our hands for purposes of both the 95% and 75% gross income tests.

Because we have made investments outside the U.S., we are subject to foreign currency gains and losses. On July 30, 2008, the Housing Assistance Tax Act of 2008 was enacted. Under this act, foreign currency gain earned after July 30, 2008 that qualifies as "real estate foreign exchange gain" is excluded from both the 75% and 95% income tests, while income from foreign currency gain that qualifies as "passive foreign exchange gain" is excluded from the 95% income test, but is treated as non-qualifying income for the 75% income test.

"Real estate foreign exchange gain" is foreign currency gain attributable to (i) any item of income or gain which qualifies for purposes of the 75% income test, (ii) the acquisition or ownership of obligations secured by mortgages on real property or interests in real property; or (iii) becoming or being the obligor under debt obligations secured by mortgages on real property or on interests in real property. Real estate foreign exchange gain also includes foreign currency gain attributable to a qualified business unit, or QBU, of the REIT if the QBU meets the 75% income test for the taxable year and the 75% asset test at the close of each quarter of the taxable year that the REIT directly or indirectly owned an interest in the QBU. "Passive foreign exchange gain" includes all real estate foreign exchange gain plus foreign currency gain attributable to (i) any item of income or gain which qualifies for purposes of the 95% income test, (ii) the acquisition or ownership of debt obligations and (iii) becoming or being the obligor under debt obligations. The Treasury Department has the authority to expand the definition of real estate foreign exchange gain and passive foreign exchange gain to include other items of foreign currency gain.

We may recognize foreign currency gains that are not treated as qualifying income for purposes of the 95% and 75% gross income tests. In addition, income we derive from foreign real property held through a foreign corporation may not be treated as qualifying income for purposes of the 95% gross income test (and will not be treated as qualifying income for purposes of the 75% gross income test). To reduce the risk of non-qualifying foreign currency gains adversely affecting our REIT qualification, we may be required to defer the repatriation of cash from foreign jurisdictions or to employ other structures that could affect the timing, character or amount of income we receive or expense we incur from our non-U.S. dollar denominated assets and obligations. While we intend to manage our non-U.S. dollar denominated assets and obligations in a manner that does not jeopardize our ability to qualify as a REIT, there can be no assurance that the IRS will not challenge our qualification as a REIT as a result of foreign currency gains derived from such assets and obligations.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify as a REIT for the year if we are entitled to relief under applicable provisions of the Internal Revenue Code. These relief provisions will generally be available if the failure of our company to meet these tests was due to reasonable cause and not due to willful neglect, and, for our taxable year ended December 31, 2004, we attach to our U.S. federal income tax return a schedule of the sources of our income, and any incorrect information on the schedule was not due to fraud with intent to evade tax. For all subsequent taxable years, we are not required to attach a schedule to our U.S. federal income tax return on an annual basis, but rather are only required to file such a schedule in the taxable year in which such failure is identified. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances involving us, we will not qualify as a REIT. As discussed above under "—Taxation of REITs in General," even where these relief provisions apply, a tax would be imposed upon certain amounts by which we fail to satisfy the particular gross income test.

Asset Tests

We, at the close of each calendar quarter, must also satisfy four tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, U.S. government securities, and stock or debt instruments attributable to the temporary investment of capital raised by us from the issuance of our shares or debt obligations with a maturity of at least 5 years ("qualified temporary investments") but only for 1 year following the receipt of such capital. For this purpose, real estate assets include interests in real property, such as land, buildings, leasehold interests in real property, stock of other corporations that qualify as REITs, and certain kinds of mortgage backed securities and mortgage loans. Also, for purposes of the 75% asset test, "cash" includes foreign currency if we (or a QBU) use the foreign currency as our functional currency, but only to the extent that such foreign currency is held for use in the normal course of our (or the QBU's) activities that produce income qualifying for purposes of the REIT 75% or 95% income tests. Assets that do not qualify for purposes of the 75% test are subject to the additional asset tests described below.

The second asset test is that the value of any one issuer's securities owned by us may not exceed 5% of the value of our gross assets. Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. Fourth, the aggregate value of all securities of TRSs held by us may not exceed 20% (25% for taxable years beginning after December 31, 2008) of the value of our gross assets.

The 5% and 10% asset tests do not apply to securities of TRSs, qualified REIT subsidiaries or securities that are "real estate assets" for purposes of the 75% gross asset test described above. The 10% value test does not apply to "straight debt" and other excluded securities, as described in the Internal Revenue Code including, but not limited to, any loan to an individual or estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, (a) a REIT's interest as a partner in a partnership is not considered a security for purposes of applying the 10% value test to securities issued by the partnership; (b) any debt instrument issued by a partnership (other than straight debt or another excluded security) will not be considered a security issued by the partnership if at least 75% of the partnership's gross income is derived from sources that would qualify for the 75% REIT gross income test; and (c) any debt instrument issued by a partnership (other than straight debt or another excluded security) will not be considered a security issued by the partnership to the extent of the REIT's interest as a partner in the partnership. In general, straight debt is defined as a written, unconditional promise to pay on demand or at a specific date a fixed principal amount, and the interest rate and payment dates on the debt must not be contingent on profits or the discretion of the debtor. In addition, straight debt may not contain a convertibility feature.

After initially meeting the asset tests at the close of any quarter, we will not lose our qualification as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values (including, a discrepancy caused by a change in the foreign currency exchange rate used to value a foreign asset). If we fail to satisfy the asset tests because we acquire securities during a quarter, we can cure this failure by disposing of sufficient non-qualifying assets within 30 days after the close of that quarter. In addition, commencing with our taxable year beginning January 1, 2005, in the event that we violate the 5% value test or the 10% vote or value tests described above at the end of any calendar quarter, we will not lose our qualification as a REIT if (i) the failure does not exceed the lesser of 1% of our assets or $10,000,000 and (ii) we dispose of assets or otherwise comply with the asset tests within six months after the last day of the quarter. If the failure is in excess of the amount in the preceding sentence, as long as the failure was due to reasonable cause and not to willful neglect, we will not lose our qualification as a REIT if we (i) dispose of assets or otherwise comply with such asset tests within six months after the last day of the quarter and (ii) pay a tax equal to the greater of $50,000 or the highest U.S. federal corporate tax rate multiplied by the net income from the nonqualifying assets during the period in which we failed to satisfy such asset tests; *provided* that we file a schedule for such quarter describing each asset that causes us to fail to satisfy the asset test in accordance with regulations prescribed by the Treasury.

In March 2005 we mortgaged one of our real estate properties and invested the proceeds in a money market mutual fund until June 2005 when the proceeds were used to purchase another real estate property. During the time the proceeds were invested in the fund, we treated the investment as a qualified temporary investment for purposes of the REIT asset test requirements. If our investment in the fund was not eligible for treatment as a qualified temporary investment, we may not have satisfied the REIT 5% gross asset test for the first quarter of 2005. Even if our investment in the fund resulted in our noncompliance with the REIT 5% gross asset test, however, we would retain our qualification as a REIT pursuant to certain mitigation provisions of the Internal Revenue Code provided our noncompliance was due to reasonable cause and not willful neglect, and certain other requirements are met including the payment of a $50,000 penalty tax. We believe that we have exercised ordinary business care and prudence in attempting to satisfy the REIT income and asset tests including the 5% gross asset test, and, accordingly, we believe any noncompliance with the REIT 5% gross asset test resulting from our investment in the fund should be due to reasonable cause and not willful neglect. We have complied with the other requirements of the mitigation provisions of the Internal Revenue Code with respect to such potential noncompliance with the 5% gross asset test, including paying the $50,000 penalty tax, and, therefore, our qualification as a REIT should not be affected. The IRS is not bound by our determination, however, and no assurance can be *provided* that the IRS will not assert that we failed to comply with the REIT 5% gross asset test as a result of our investment in the fund and that such failure was not due to reasonable cause.

We intend to monitor compliance with the foregoing REIT asset requirements on an ongoing basis. The values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset tests.

Annual Distribution Requirements

In order to qualify as a REIT, we are required to distribute dividends, other than capital gain dividends, to our shareholders in an amount at least equal to:

(a) the sum of:

- 90% of our "REIT taxable income" (computed without regard to our deduction for dividends paid and our net capital gains), and
- 90% of the net income, if any (after tax), from foreclosure property (as described below), minus

(b) the sum of specified items of non-cash income that exceeds a percentage of our income.

These distributions must be paid in the taxable year to which they relate, or in the following taxable year if such distributions are declared in October, November or December of the taxable year, payable to shareholders of record on a specified date in any such month, and are actually paid before the end of January of the following year. Such distributions are treated as both paid by us and received by each shareholder on December 31 of the year in which they are declared. In addition, at our election, a distribution for a taxable year may be declared before we timely file our tax return for the year and paid with or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such taxable year. These distributions are taxable to our shareholders in the year in which paid, even though the distributions relate to our prior taxable year for purposes of the 90% distribution requirement. In order for distributions to be counted for this purpose, and to give rise to a tax deduction by us, they must not be "preferential dividends." A dividend is not a preferential dividend if it is *pro rata* among all outstanding shares within a particular class, and is in accordance with the preferences among different classes of shares as set forth in the organizational documents.

A redemption of our shares by a shareholder, regardless of whether such redemption is treated as a dividend or a sale or exchange for U.S. federal income tax purposes (see "Certain U.S. Federal Income Tax Consequences—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Redemptions" below) may be treated as a preferential dividend not eligible for the dividends paid deduction. If preferential, the redemption payments would not be taken into account in determining whether the 90% distribution requirement has been met. We do not intend to redeem shares if as a result we would be subject to regular corporate income or excise taxes on our undistributed net income.

IRS guidance allows a REIT to offer shareholders participating in its DRIP, up to a 5% discount on shares purchased through the DRIP, without treating such reinvested dividends as preferential. Our DRIP offers a 5% discount. In 2007, 2008 and the first two quarters of 2009, common shares issued pursuant to our DRIP were treated as issued as of the first day following the close of the quarter for which the distributions were declared, and not on the date that the cash distributions were paid to shareholders not participating in our DRIP. Because we declare dividends on a daily basis, including with respect to common shares issued pursuant to our DRIP, the IRS could take the position that distributions paid by us during these periods were preferential on the grounds that the discount provided to DRIP participants effectively exceeded the authorized 5% discount or, alternatively, that the overall distributions were not pro rata among all shareholders. In addition, in the years 2007 through 2009 we paid certain IRA custodial fees in respect of IRA accounts that invested in our shares. The payment of certain of such amounts could be treated as dividend distributions to the IRAs, and therefore as preferential dividends as such amounts were not paid in respect of our other outstanding common shares. Although we believe that the effect of the operation of our DRIP and the payment of such fees was immaterial, the REIT rules do not provide an exception for de minimis preferential dividends.

Accordingly, we submitted a request to the IRS for a closing agreement under which the IRS would grant us relief for preferential dividends that may have been paid as a result of the manner in which we operated our DRIP and in respect of our payment of certain of such custodial fees. There can be no assurance that the IRS will accept our proposal for a closing agreement. Even if the IRS accepts our proposal, we may be required to pay a fine if the IRS were to view the prior operation of our DRIP or the payment of such fees as preferential dividends. We cannot predict whether such a penalty would be imposed or, if so, the amount of the penalty.

If the IRS does not agree to our proposal for a closing agreement and treats the foregoing amounts as preferential dividends, we may be able to rectify our failure to meet the REIT distribution requirements for a year by paying "deficiency dividends," which would be paid in respect of all of our common shares pro rata and which would be included in our deduction for dividends paid in the prior years. If required, such deficiency dividends could be as much as approximately $22 million. In such a case, we would be able to avoid losing our qualification as a REIT or being taxed on amounts distributed as deficiency dividends. However, we would be required to pay an interest-like penalty based on the amount of our deficiency dividends. Amounts paid as deficiency dividends should generally be treated as taxable income for U.S. federal income tax purposes.

To the extent that we distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, our net long-term capital gains and pay tax on such gains. In this case, we could elect to have our shareholders include their proportionate share of such undistributed long-term capital gains in income and receive a corresponding credit for their proportionate share of the tax paid by us. Our shareholders would then increase the adjusted basis of their shares in us by the difference between the designated amounts included in their long-term capital gains and the tax deemed paid with respect to their proportionate shares.

If we fail to distribute during each calendar year at least the sum of (a) 85% of our REIT ordinary income for such year, (b) 95% of our REIT capital gain net income for such year and (c) any undistributed taxable income from prior periods, we will be subject to a 4% excise tax on the excess of such required distribution over the sum of (x) the amounts actually distributed and (y) the amounts of income retained on which we have paid corporate income tax. We intend to make timely distributions so that we are not subject to the 4% excise tax.

It is possible that we, from time to time, may not have sufficient cash to meet the distribution requirements due to timing differences between (a) the actual receipt of cash, including receipt of distributions from our subsidiaries, and (b) the inclusion of items in income by us for U.S. federal income tax purposes. Potential sources of non-cash taxable income include loans or mortgage-backed securities held by us as assets that are issued at a discount and require the accrual of taxable interest income in advance of our receipt in cash, loans on which the borrower is permitted to defer cash payments of interest and distressed loans on which we may be required to accrue taxable interest income even though the borrower is unable to make current servicing payments in cash. In the event that such timing differences occur, in order to meet the distribution requirements, it might be necessary to arrange for short-term, or possibly long-term, borrowings, or to pay dividends in the form of taxable distributions of property, which may include common or preferred shares.

Failure to Qualify

Commencing with our taxable year beginning January 1, 2005, if we violate a provision of the Internal Revenue Code that would otherwise result in our failure to qualify as a REIT (other than violations of the REIT gross income or asset tests, described above, for which other specific cure provisions are available), we will be granted relief if (i) the violation is due to reasonable cause, and (ii) we pay a penalty of $50,000 for each failure. If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions of the Internal Revenue Code do not apply, we will be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. Distributions to our shareholders in any year in which we are not a REIT will not be deductible by us, nor will they be required to be made. In this situation, to the extent of current and accumulated earnings and profits, distributions to our shareholders will generally be taxable in the case of our shareholders who are individual U.S. shareholders (as defined below), at preferential rates, and, subject to limitations of the Internal Revenue Code, dividends in the hands of our corporate U.S. shareholders may be eligible for the dividends received deduction. Unless we are entitled to relief under specific statutory provisions, we will also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether, in all circumstances, we will be entitled to this statutory relief.

Prohibited Transactions

Net income derived from a prohibited transaction is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property) that is held primarily for sale to customers in the ordinary course of a trade or business by a REIT, by a lower-tier partnership in which the REIT holds an equity interest or by a borrower that has issued a shared appreciation mortgage or similar debt instrument to the REIT. Whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. Any foreign currency gain attributable to a prohibited transaction will be taken into account in determining net income subject to the 100% prohibited transaction penalty tax. No assurance can be given that any particular property in which we hold a direct or indirect interest will not be treated as property held for sale to customers, or that certain safe-harbor provisions of the Internal Revenue Code that prevent such treatment will apply. The 100% tax will not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate income tax rates.

Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (i) that is acquired by a REIT as a result of the REIT having bid in the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after there was a default (or default was imminent) on a lease of the property or a mortgage loan held by the REIT and secured by the property, (ii) for which the related loan or lease was acquired by the REIT at a time when default was not imminent or anticipated and (iii) for which such REIT makes a proper election to treat the property as foreclosure property. REITs generally are subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property in the hands of the selling REIT. We do not anticipate that we will receive any income from foreclosure property that is not qualifying income for purposes of the 75% gross income test, but, if we do receive any such income, we intend to make an election to treat the related property as foreclosure property.

Hedging Transactions

We may enter into hedging transactions with respect to one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swaps or cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. To the extent that we enter into hedging transactions to reduce our interest rate risk on indebtedness incurred to acquire or carry real estate assets, for our taxable year ended December 31, 2004, any income or gain from the disposition of such hedging transactions will qualify for purposes of the 95% gross income test, but not the 75% gross income test. Commencing with our taxable year beginning January 1, 2005, income and gain from hedging transactions will be excluded from gross income for purposes of the 95% gross income test, but will be treated as non-qualifying income tax purposes of the 75% gross income test. Notwithstanding the forgoing, income and gain from hedging transactions entered into after July 30, 2008 will be excluded from gross income for purposes of both the 95% and 75% gross income tests. A "hedging transaction" includes any transaction entered into (1) in the normal course of our trade or business primarily to manage the risk of interest rate, price changes, or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets or (2) for transactions entered into after July 30, 2008 primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 95% or 75% income tests, which is clearly identified as such before the close of the day on which it was acquired, originated or entered into. We will be required to clearly identify any such hedging transaction before the close of the day on which it was acquired, originated, or entered into. To the extent that we hedge for other purposes, fail to identify such hedges or hedge assets that are not real estate assets, the income from those transactions will likely be treated as nonqualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT.

Foreign Investments

To the extent that our subsidiaries hold or acquire any investments and, accordingly, pay taxes in foreign countries, taxes paid by us in foreign jurisdictions may not be passed through to, or used by, our shareholders as a foreign tax credit or otherwise. In addition, because we have made investments outside the U.S., we are subject to foreign currency gains and losses. On July 30, 2008, the Housing Assistance Tax Act of 2008 was enacted. Under this act, foreign currency gain earned after July 30, 2008 that qualifies as "real estate foreign exchange gain" is excluded from both the 75% and 95% income tests, while income from foreign currency gain that qualifies as "passive foreign exchange gain" is excluded from the 95% income test, but is treated as non-qualifying income for the 75% income test. See "—Gross Income Tests." We may, however, recognize foreign currency gains that are not treated as qualifying income for purposes of the REIT 95% and 75% gross income tests. Also, income we derive from foreign real property held through a foreign corporation may not be treated as qualifying income for purposes of the REIT 95% gross income test (and will not be treated as qualifying income for purposes of the REIT 75% gross income test). To reduce the risk of non-qualifying foreign currency gains adversely affecting our REIT qualification, we may be required to defer the repatriation of cash from foreign jurisdictions or to employ other structures that could affect the timing, character or amount of income we receive or expense we incur from our non-U.S. dollar denominated assets and obligations. While we intend to manage our non-U.S. dollar denominated assets and obligations in a manner that does not jeopardize our ability to qualify as a REIT, there can be no assurance that the IRS will not challenge our qualification as a REIT as a result of foreign currency gains derived from such assets and obligations.

Tax Aspects of Investments in Partnerships

General

We may hold investments through entities that are classified as partnerships for U.S. federal income tax purposes, including our interest in our CBRE OP. In general, partnerships are "pass-through" entities that are not subject to U.S. federal income tax. Rather, partners are allocated their proportionate shares of the items of income, gain, loss, deduction and credit of a partnership, and are potentially subject to tax on these items without regard to whether the partners receive a distribution from the partnership. We will include in our income our proportionate share of these partnership items for purposes of the various REIT income tests based on our capital interest in such partnership and in the computation of our REIT taxable income. Moreover, for purposes of the REIT asset tests, we will include our proportionate share of assets held by subsidiary partnerships based on our capital interest in such partnerships, except as described in the following sentence. For purposes of the 10% value test (described in "—Asset Tests" above), commencing with our taxable year beginning January 1, 2005, our proportionate share is based on our proportionate interest in the equity interests and certain debt securities issued by the partnership. See "—Taxation of the Company" and "—Effect of Subsidiary Entities—Ownership of Partnership Interests" above. Consequently, to the extent that we hold an equity interest in a partnership, the partnership's assets and operations may affect our ability to qualify as a REIT, even though we may have no control, or only limited influence, over the partnership.

Entity Classification

The investment by us in partnerships involves special tax considerations, including the possibility of a challenge by the IRS of the status of any of our subsidiary partnerships as a partnership, as opposed to an association taxable as a corporation, for U.S. federal income tax purposes. If any of these entities in which we invest were treated as an association for U.S. federal income tax purposes, it would be taxable as a corporation and therefore could be subject to an entity-level tax on its income. In such a situation, the character of our assets and items of our gross income would change and could preclude us from satisfying the REIT asset tests (particularly the tests generally preventing a REIT from owning more than 10% of the voting securities, or more than 10% of the value of the securities, of a corporation) or the gross income tests as discussed in "—Taxation of the Company—Asset Tests" and "—Gross Income Tests" above, and in turn could prevent us from qualifying as a REIT unless certain relief provisions of the Internal Revenue Code are applied. See "—Taxation of the Company" and "—Failure to Qualify" above, for a discussion of the effect of our failure to meet these tests and qualify for relief for a taxable year. In addition, any change in the status of any subsidiary partnerships in which we invest for tax purposes might be treated as a taxable event, in which case we could have taxable income that is subject to the REIT distribution requirements without receiving any cash.

Tax Allocations with Respect to Partnership Properties

Under the Internal Revenue Code and the Treasury regulations, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated for tax purposes in a manner such that the contributing partner is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss is generally equal to the difference between the fair market value of the contributed property at the time of contribution, and the adjusted tax basis of such property at the time of contribution (a "book-tax difference"). Such allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Under Section 704(c) of the Internal Revenue Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership or partnership property that has been revalued on the books of the partnership, must be allocated in a manner so that the contributing partners, or partners who held an interest in the partnership at the time of such revaluation, are charged with the unrealized gain or benefit from the unrealized loss associated with the property at the time of such contribution or revaluation. CBRE OP will elect to use the "traditional method" (without remedial or curative allocations or adjustments to other items to offset the effect of the "ceiling rule") for making Section 704(c) allocations with respect to any revalued property of CBRE OP or its pass-through subsidiaries. Under the traditional method, which is the least favorable method from our perspective, we may be allocated reduced depreciation deductions for tax purposes as a result of any such tax-deferred contributions of property or revaluations. In addition, the traditional method could cause us to be allocated taxable gain in excess of our corresponding economic or book gain (or taxable loss that is less than our economic or book loss) with respect to a sale of property by CBRE OP or its pass-through subsidiaries. Therefore, the use of the traditional method could result in our having taxable income that is in excess of economic income and our cash distributions from CBRE OP. This excess taxable income is sometimes referred to as "phantom income" and will be subject to the REIT distribution requirements as described in "—Annual Distribution Requirements." Because we rely on our cash distributions from the operating partnership to meet the REIT distributions requirements, the phantom income could adversely affect our ability to comply with the REIT distribution requirements discussed above and result in our shareholders recognizing additional dividend income without an increase in distributions.

Taxation of Shareholders

Taxation of Taxable U.S. Shareholders

This section summarizes the taxation of U.S. shareholders that are not tax-exempt organizations. For these purposes, a U.S. shareholder is a beneficial owner of our common shares that for U.S. federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of a political subdivision thereof (including the District of Columbia);
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- any trust if (1) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our shares, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding our common shares should consult its tax adviser regarding the U.S. federal income tax consequences to the partner of the acquisition, ownership and disposition of our shares by the partnership.

Distributions. Provided that we qualify as a REIT, distributions made to our taxable U.S. shareholders out of our current and accumulated earnings and profits, and not designated as capital gain dividends, will generally be taken into account by them as ordinary dividend income and will not be eligible for the dividends received deduction for corporations. In determining the extent to which a distribution with respect to our common shares constitutes a dividend for U.S. federal income tax purposes, our earnings and profits will be allocated first to distributions with respect to our preferred shares, if any, and then to our common shares. Dividends received from REITs are generally not eligible to be taxed at the preferential qualified dividend income rates applicable to individual U.S. shareholders who receive dividends from taxable subchapter C corporations. However, individual U.S. shareholders are taxed at such preferential rates on dividends designated by and received from REITs, to the extent that the dividends are attributable to (i) "REIT taxable income" that the REIT retained in prior year, and on which it was subject to corporate level tax, (ii) dividends received by the REIT from taxable domestic subchapter C corporations, and certain foreign corporations or (iii) income from sales of appreciated property acquired from subchapter C corporations in carryover basis transactions that has been subject to tax.

In addition, distributions from us that are designated as capital gain dividends will be taxed to U.S. shareholders as long-term capital gains, to the extent that they do not exceed our actual net capital gain for the taxable year, without regard to the period for which the U.S. shareholder has held its shares. To the extent that we elect under the applicable provisions of the Internal Revenue Code to retain our net capital gains, U.S. shareholders will be treated as having received, for U.S. federal income tax purposes, our undistributed capital gains as well as a corresponding credit for taxes paid by us on such retained capital gains. U.S. shareholders will increase their adjusted tax basis in our common shares by the difference between their allocable share of such retained capital gain and their share of the tax paid by us. Corporate U.S. shareholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum U.S. federal rates of 15% (through 2012) in the case of U.S. shareholders who are individuals, and 35% for corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum U.S. federal income tax rate for individual U.S. shareholders, to the extent of previously claimed depreciation deductions.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a U.S. shareholder to the extent that they do not exceed the adjusted tax basis of the U.S. shareholder's shares in respect of which the distributions were made, but rather will reduce the adjusted tax basis of such shares. To the extent that such distributions exceed the adjusted tax basis of an individual U.S. shareholder's shares, they will be included in income as long-term capital gain (or short-term capital gain if the shares have been held for one year or less). In addition, any dividend declared by us in October, November or December of any year and payable to a U.S. shareholder of record on a specified date in any such month will be treated as both paid by us and received by the U.S. shareholder on December 31 of such year, *provided* that the dividend is actually paid by us before the end of January of the following calendar year.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that must be made in order to comply with the REIT distribution requirements. See "—Taxation of the Company" and "—Annual Distribution Requirements." Such losses, however, are not passed through to U.S. shareholders and do not offset income of U.S. shareholders from other sources, nor do they affect the character of any distributions that are actually made by us, which are generally subject to tax in the hands of U.S. shareholders to the extent that we have current or accumulated earnings and profits.

Redemptions. A redemption of our common shares for cash will be treated under Section 302 of the Internal Revenue Code as a distribution taxable as a dividend unless the redemption satisfies the tests set forth in Section 302(b) of the Internal Revenue Code and is therefore treated as a sale or exchange of the redeemed shares taxable as described under "—Dispositions of Our Common Shares" below. The redemption will be treated as a sale or exchange if it (i) results in a "complete termination" of the U.S. shareholder's share interest in us or (ii) is not "essentially equivalent to a dividend" with respect to the U.S. shareholder, in each case, within the meaning of Section 302(b) of the Internal Revenue Code. In determining whether either of these tests has been met, shares considered to be owned by a U.S. shareholder by reason of certain constructive ownership rules, as well as shares actually owned by such holder, must generally be taken into account. Because the determination as to whether either of these tests under Section 302(b) of the Internal Revenue Code will be satisfied with respect to any particular U.S. shareholder depends upon the facts and circumstances at the time that the determination must be made, prospective U.S. shareholders are advised to consult their tax advisors regarding the tax treatment of a redemption.

If a redemption of our common shares is treated as a distribution, the entire amount received (i.e., without any offset for the U.S. shareholder's adjusted tax basis in our shares) will be taxable as a dividend as described under the caption "—Distributions" above. In such case, the U.S. shareholder's adjusted tax basis in our shares will be transferred to our remaining shares held by such holder. If the U.S. shareholder holds none of our other shares, such basis may, under certain circumstances, be transferred to our shares held by a related person or it may be lost entirely.

Dispositions of Our Common Shares. In general, a U.S. shareholder will realize gain or loss upon the sale, redemption or other taxable disposition of our common shares in an amount equal to the difference between the sum of the fair market value of any property and the amount of cash received in such disposition and the U.S. shareholder's adjusted tax basis in the common shares at the time of the disposition. In general, a U.S. shareholder's adjusted tax basis will equal the U.S. shareholder's acquisition cost, increased by the excess of net capital gains deemed distributed to the U.S. shareholder (discussed above) less tax deemed paid on it and reduced by returns of capital. In general, capital gains recognized by individuals and other non-corporate U.S. shareholders upon the sale or disposition of shares of our common shares will be subject to a maximum U.S. federal income tax rate of 15% for taxable years through 2012, if our common shares are held for more than 12 months, and will be taxed at ordinary income rates (of up to 35% through 2012) if our common shares are held for 12 months or less. Gains recognized by U.S. shareholders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not classified as long-term capital gains. Capital losses recognized by a U.S. shareholder upon the disposition of our shares held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the U.S. shareholder but not ordinary income (except in the case of individuals, who may offset up to $3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of our common shares by a U.S. shareholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of distributions received from us that were required to be treated by the U.S. shareholder as long-term capital gain.

If a U.S. shareholder recognizes a loss upon a subsequent disposition of our common shares in an amount that exceeds a prescribed threshold, it is possible that the provisions of recently adopted Treasury regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss generating transaction to the IRS. While these regulations are directed towards "tax shelters," they are written broadly, and apply to transactions that would not typically be considered tax shelters. In addition, legislative proposals have been introduced in Congress, that, if enacted, would impose significant penalties for failure to comply with these requirements. You should consult your tax adviser concerning any possible disclosure obligation with respect to the receipt or disposition of our common shares, or transactions that might be undertaken directly or indirectly by us. Moreover, you should be aware that we and other participants in transactions involving us (including our advisers) might be subject to disclosure or other requirements pursuant to these regulations.

Passive Activity Losses and Investment Interest Limitations

Distributions made by us and gain arising from the sale or exchange by a U.S. shareholder of our common shares will not be treated as passive activity income. As a result, U.S. shareholders will not be able to apply any "passive losses" against income or gain relating to our common shares. Distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Taxation of Tax-Exempt U.S. Shareholders

U.S. tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they are subject to taxation on their unrelated business taxable income, which we refer to in this prospectus as UBTI. While many investments in real estate may generate UBTI, the IRS has ruled that dividend distributions from a REIT to a tax-exempt entity do not constitute UBTI. Based on that ruling, and *provided* that (1) a tax-exempt U.S. shareholder has not held our common shares as "debt financed property" within the meaning of the Internal Revenue Code (i.e. where the acquisition or holding of the property is financed through a borrowing by the tax-exempt shareholder), and (2) our common shares are not otherwise used in an unrelated trade or business, distributions from us and income from the sale of our common shares generally should not be treated as UBTI to a tax-exempt U.S. shareholders.

Tax-exempt U.S. shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Internal Revenue Code, respectively, are subject to different UBTI rules, which generally will require them to characterize distributions from us as UBTI.

In certain circumstances, a pension trust that (i) is described in Section 401(a) of the Internal Revenue Code, (ii) is tax exempt under Section 501(a) of the Internal Revenue Code, and (iii) owns more than 10% of our shares could be required to treat a percentage of the dividends from us as UBTI if we are a "pension-held REIT." We will not be a pension-held REIT unless either (A) one pension trust owns more than 25% of the value of our shares, or (B) a group of pension trusts, each individually holding more than 10% of the value of our shares, collectively owns more than 50% of such shares and (C) we would not have qualified as a REIT but for the fact that Section 856(h)(3) of the Internal Revenue Code provides that shares owned by such trusts shall be treated, for purposes of the requirement that not more than 50% of the value of the outstanding shares of a REIT is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Internal Revenue Code to include certain entities). Certain restrictions on ownership and transfer of our shares should generally prevent a tax-exempt entity from owning more than 10% of the value of our shares, or us from becoming a pension-held REIT.

Tax-exempt U.S. shareholders are urged to consult their tax advisers regarding the U.S. federal, state, local and foreign tax consequences of owning our shares.

Taxation of Non-U.S. Shareholders

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of our common shares applicable to non-U.S. shareholders of our common shares. For purposes of this summary, a non-U.S. shareholder is a beneficial owner of our common shares that is not a U.S. shareholder. The discussion is based on current law and is for general information only. It addresses only selective and not all aspects of U.S. federal income taxation.

Ordinary Dividends. The portion of dividends received by non-U.S. shareholders payable out of our earnings and profits that are not attributable to gains from sales or exchanges of U.S. real property interests and which are not effectively connected with a U.S. trade or business of the non-U.S. shareholder will generally be subject to U.S. federal withholding tax at the rate of 30%, unless reduced or eliminated by an applicable income tax treaty.

In general, non-U.S. shareholders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our shares. In cases where the dividend income from a non-U.S. shareholder's investment in our common shares is, or is treated as, effectively connected with the non-U.S. shareholder's conduct of a U.S. trade or business, the non-U.S. shareholder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as U.S. shareholders are taxed with respect to such dividends, and may also be subject to the 30% branch profits tax on the income after the application of the income tax in the case of a non-U.S. shareholder that is a corporation.

Non-Dividend Distributions. Unless (i) our common shares constitute a U.S. real property interest, or USRPI, or (ii) either (1) if the non-U.S. shareholder's investment in our shares is effectively connected with a U.S. trade or business conducted by such non-U.S.

shareholder or (2) if the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, distributions by us which are not dividends out of our earnings and profits will not be subject to U.S. federal income tax. If it cannot be determined at the time at which a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. However, the non-U.S. shareholder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. If our company's common shares constitute a USRPI, as described below, distributions by us in excess of the sum of our earnings and profits plus the non-U.S. shareholder's adjusted tax basis in our common shares will be taxed under the Foreign Investment in Real Property Tax Act of 1980, or FIRPTA, at the rate of tax, including any applicable capital gains rates, that would apply to a U.S. shareholder of the same type (e.g., an individual or a corporation, as the case may be), and the collection of the tax will be enforced by withholding at a rate of 10% of the amount by which the distribution exceeds the shareholder's share of our earnings and profits.

Capital Gain Dividends. Under FIRPTA, a distribution made by us to a non-U.S. shareholder, to the extent attributable to gains from dispositions of USRPIs held by us directly or through pass-through subsidiaries ("USRPI capital gains"), will be considered effectively connected with a U.S. trade or business of the non-U.S. shareholder and will be subject to U.S. federal income tax at the rates applicable to U.S. shareholders, without regard to whether the distribution is designated as a capital gain dividend. In addition, we will be required to withhold tax equal to 35% of the amount of capital gain dividends to the extent the dividends constitute USRPI capital gains. Moreover, if a non-U.S. shareholder disposes of our common shares during the 30-day period preceding a dividend payment, and such non-U.S. shareholder (or a person related to such non-U.S. shareholder) acquires or enters into a contract or option to acquire our common shares within 61 days of the 1st day of the 30-day period described above, and any portion of such dividend payment would, but for the disposition, be treated as a USRPI capital gain to such non-U.S. shareholder, then such non-U.S. shareholder shall be treated as having USRPI capital gain in an amount that, but for the disposition, would have been treated as USRPI capital gain. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. A distribution is not a USRPI capital gain if we held the underlying asset solely as a creditor, although the holding of a shared appreciation mortgage loan would not be solely as a creditor. Capital gain dividends received by a non-U.S. shareholder from a REIT that are not USRPI capital gains are generally not subject to U.S. federal income or withholding tax.

Dispositions of Our Shares. Unless our common shares constitute a USRPI, a sale of the shares by a non-U.S. shareholder (including a redemption of our shares treated as a sale or exchange as described under "—Redemptions" above) generally will not be subject to U.S. federal income taxation under FIRPTA. The shares will not be treated as a USRPI if less than 50% of our assets throughout a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor. Even if the foregoing test is not met, our common shares nonetheless will not constitute a USRPI if we are a "domestically controlled REIT." A domestically controlled REIT is a REIT in which, at all times during a specified testing period, less than 50% in value of its outstanding shares are held directly or indirectly by non-U.S. shareholders. We expect to be a domestically controlled REIT and, therefore, the sale of our common shares (or redemption of our shares treated as a sale or exchange) should not be subject to taxation under FIRPTA. However, no assurance can be given that we are or will continue to be a domestically controlled REIT.

If our common shares constitute a USRPI, then gain on the sale of our common shares (or redemption of our shares treated as a sale or exchange) will be subject to taxation under FIRPTA (i.e., the non-U.S. shareholder would be subject to the same treatment as a U.S. shareholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals, and the purchaser of the shares (or the REIT, in the case of a redemption) could be required to withhold 10% of the purchase price and remit such amount to the IRS.)

Gain from the sale of our common shares (or redemption of our shares treated as a sale or exchange) that would not otherwise be subject to FIRPTA will nonetheless be taxable in the United States to a non-U.S. shareholder in two cases: (a) if the non-U.S. shareholder's investment in our common shares is effectively connected with a U.S. trade or business conducted by such non-U.S. shareholder, the non-U.S. shareholder will be subject to the same treatment as a U.S. shareholder with respect to such gain, or (b) if the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, the nonresident alien individual will be subject to a 30% tax on the individual's capital gain.

Dividend Reinvestment

The reinvestment of dividends does not relieve you of any income tax which may be payable on such dividends. If you elect to have your dividends reinvested in shares (including any fractional share), you will be treated as having received a distribution in the amount of the fair market value of our common stock on the dividend payment date, multiplied by the number of shares (including any fractional share) purchased plus any brokerage fees, commissions or administrative costs paid by us on your behalf in connection with the reinvestment.

So long as we qualify as a REIT under the Internal Revenue Code, the distribution will be taxable under the provisions of the Internal Revenue Code applicable to REITs and their shareholders, pursuant to which (i) distributions will be taxable to shareholders as ordinary income to the extent of our current or accumulated earnings and profits, (ii) distributions which are designated as capital gains distributions by us will be taxed as long-term capital gains to shareholders to the extent they do not exceed our net capital gain for the taxable year, (iii) distributions which are not designated as capital gains distributions and which are in excess of our current or accumulated earnings and profits will be treated as a return of capital to the shareholders and reduce the adjusted tax basis of a shareholder's shares (but not below zero) and (iv) such distributions in excess of a shareholder's adjusted tax basis in its shares will be treated as gain from the sale or exchange of such shares. See "—Taxation of Shareholders—Taxation of Taxable U.S. Shareholders—Distributions" and "—Taxation of Non-U.S. Shareholders" above.

You should be aware that, because shares purchased with reinvested dividends may be purchased at up to a 5% discount (including any brokerage fees, commissions and administrative costs paid by us on your behalf in connection with the reinvestment), the taxable income received by you as a participant in our dividend reinvestment plan may be greater than the taxable income that would have resulted from the receipt of the dividend in cash.

3.8% Tax on Investment Income

For taxable years beginning after December 31, 2012, recently enacted legislation imposes a 3.8% U.S. federal income tax on the "net investment income" of certain individuals, and on the undistributed "net investment income" of certain estates and trusts. Among other items, net investment income generally includes gross income from interest, dividends and net gains from certain property sales (including shares of stock), less certain deductions. U.S. shareholders are urged to consult their tax advisors regarding this legislation.

Legislation Relating to Foreign Accounts

Legislation enacted in 2010 may impose U.S. federal withholding taxes on certain payments made to "foreign financial institutions" and other non-U.S. entities. Under this legislation, the failure to comply with certain certification, information reporting and other requirements could result in withholding tax being imposed on payments of sales proceeds and dividends to U.S. Shareholders who own our common shares through foreign accounts or foreign intermediaries, as well as certain non-U.S. shareholders. In particular, the legislation imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or other disposition of, our common shares paid to a foreign financial institution or to a foreign non-financial entity, unless (i) the foreign financial institution undertakes certain diligence and reporting obligations or (ii) the foreign non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. If the payee is a foreign financial institution, it must enter into an agreement with the U.S. Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. This legislation applies to payments made after December 31, 2012. Prospective investors should consult their tax advisors regarding this legislation.

Backup Withholding and Information Reporting

We report to our U.S. shareholders and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. Under the backup withholding rules, a U.S. shareholder may be subject to backup withholding with respect to dividends paid unless the holder is a corporation or comes within other exempt categories and, when required, demonstrates this fact or provides a taxpayer identification number or social security number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A U.S. shareholder that does not provide his or her correct taxpayer identification number or social security number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. In addition, we may be required to withhold a portion of capital gains distribution to any U.S. shareholder who fails to certify their non-foreign status.

We must report annually to the IRS and to each non-U.S. shareholder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. shareholder resides under the provisions of an applicable income tax treaty. A non-U.S. shareholder may be subject to back-up withholding unless applicable certification requirements are met.

Payment of the proceeds of a sale of our common shares within the United States is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a non-U.S. shareholder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person) or the holder otherwise establishes an exemption. Payment of the proceeds of a sale of our common shares conducted through certain United States related financial intermediaries is subject to information reporting (but not backup withholding) unless the financial intermediary has documentary evidence in its records that the beneficial owner is a non-U.S. shareholder and specified conditions are met or an exemption is otherwise established.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

Other Tax Considerations

State, Local and Foreign Taxes

We and our shareholders may be subject to state, local or foreign taxation in various jurisdictions, including those in which we or they transact business, own property or reside. We own interests in properties located in a number of jurisdictions, and may be required to file tax returns in certain of those jurisdictions. The state, local or foreign tax treatment of our company and our shareholders may not conform to the U.S. federal income tax treatment discussed above. Any foreign taxes incurred by us would not pass through to shareholders as a credit against their U.S. federal income tax liability. Prospective shareholders should consult their tax adviser regarding the application and effect of state, local and foreign income and other tax laws on an investment in our company's common shares.

ERISA AND CERTAIN OTHER CONSIDERATIONS

General

A fiduciary of a pension, profit sharing, retirement or other employee benefit plan, or Plan, subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, should consider the fiduciary standards under ERISA in the context of the Plan's particular circumstances before authorizing an investment of a portion of such Plan's assets in the common shares. Accordingly, such fiduciary should consider (i) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA, (ii) whether the investment is in accordance with the documents and instruments governing the Plan as required by Section 404(a)(1)(D) of ERISA, and (iii) whether the investment is prudent under ERISA. In addition to the imposition of general fiduciary standards of investment prudence and diversification, ERISA, and the corresponding provisions of the Internal Revenue Code, prohibit a wide range of transactions involving the assets of the Plan and persons who have certain specified relationships to the Plan ("parties in interest" within the meaning of ERISA, "disqualified persons" within the meaning of the Internal Revenue Code). Thus, a Plan fiduciary considering an investment in the common shares also should consider whether the acquisition or the continued holding of the common shares might constitute or give rise to a direct or indirect prohibited transaction.

The Department of Labor, or the DOL, has issued final regulations, or the Regulations, as to what constitutes assets of an employee benefit plan under ERISA. Under the Regulations, if a Plan acquires an equity interest in an entity, which interest is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets would include, for purposes of the fiduciary responsibility provision of ERISA, both the equity interest and an undivided interest in each of the entity's underlying assets unless certain specified exceptions apply. The Regulations define a publicly offered security as a security that is "widely held," "freely transferable," and either part of a class of securities registered under the Exchange Act, or sold pursuant to an effective registration statement under the Securities Act (provided the securities are registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the public offering occurred). The common shares are being sold in an offering registered under the Securities Act and are registered under the Exchange Act.

The DOL Regulations provide that a security is "widely held" only if it is part of a class of securities that is owned by 100 or more investors independent of the issuer and of one another. A security will not fail to be "widely held" because the number of independent investors falls below 100 subsequent to the initial public offering as a result of events beyond the issuer's control. We have over 100 independent shareholders, such that the common shares are "widely held."

The DOL Regulations provide that whether a security is "freely transferable" is a factual question to be determined on the basis of all relevant facts and circumstances. The DOL Regulations further provide that when a security is part of an offering in which the minimum investment is $10,000 or less, as is the case with the offering, certain restrictions ordinarily will not, alone or in combination, affect the finding that such securities are "freely transferable." We believe that the restrictions imposed under its declaration of trust on the transfer of the common shares are limited to the restrictions on transfer generally permitted under the DOL Regulations and are not likely to result in the failure of the common shares to be "freely transferable." The DOL Regulations only establish a presumption in favor of the finding of free transferability, and, therefore, no assurance can be given that the DOL will not reach a contrary conclusion.

Assuming that the common shares will be "widely held" and "freely transferable," we believe that the common shares will be publicly offered securities for purposes of the Regulations and that the assets of our company will not be deemed to be "plan assets" of any Plan that invests in the common shares.

Annual Valuation

A fiduciary of an employee benefit plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan's fiscal year and to file a report reflecting that value with the Department of Labor. When the fair market value of any particular asset is not available, the fiduciary is required to make a good faith determination of that asset's "fair market value" assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide an IRA participant with a statement of the value of the IRA each year.

In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistently with the relevant provisions of the plan and the general fiduciary standards of ERISA. It is not currently intended that our common shares will be listed on a national securities exchange, nor is it expected that a public market for our common shares will develop. To date, neither the Internal Revenue Service nor the Department of Labor has promulgated regulations specifying how a plan fiduciary should determine the "fair market value" of our common shares, namely when the fair market value of our common shares is not determined in the marketplace. Therefore, to assist fiduciaries in fulfilling their valuation and annual reporting responsibilities with respect to ownership of our common shares, we intend to provide reports of our annual determinations of the current value of our net assets per outstanding share to those fiduciaries (including IRA trustees and custodians) who identify themselves to us and request the reports.

For so long as we are offering our common shares in the primary share offering, we intend to use the most recent offering price as the per share net asset value. We will continue to use the most recent primary share offering price as the per share net asset value until 18 months after our most recently completed offering has expired unless a new offering has commenced prior to that time in which case we would use the new offering price. Beginning no later than 18 months after the completion of our final primary share offering, the value of the properties and our other assets will be based upon a valuation, which may be performed by a person independent of us and our investment advisor.

We anticipate that we will provide annual reports of our determination of value (1) to IRA trustees and custodians not later than January 15 of each year, and (2) to other Benefit Plan fiduciaries within 75 days after the end of each calendar year. Each determination may be based upon valuation information available as of October 31 of the preceding year, updated, however, for any material changes occurring between October 31 and December 31.

We intend to revise these valuation procedures to conform with any relevant guidelines that the Internal Revenue Service or the Department of Labor may hereafter issue. Meanwhile, we cannot assure you:

- That the value determined by us could or will actually be realized by us or by shareholders upon liquidation (in part because appraisals or estimated values do not necessarily indicate the price at which assets could be sold and because no attempt will be made to estimate the expenses of selling any of our assets);
- That shareholders could realize this value if they were to attempt to sell their common shares; or
- That the value, or the method used to establish value, would comply with the ERISA or IRA requirements described above.

PLAN OF DISTRIBUTION

The Offering

We are offering a maximum of $3,000,000,000 in common shares in this offering, consisting of $2,700,000,000 in common shares initially allocated to be offered in the primary offering and $300,000,000 in common shares initially allocated to be offered pursuant to our dividend reinvestment plan. Prior to the conclusion of this offering, if any of the $300,000,000 in common shares initially allocated for our dividend reinvestment plan remain after meeting anticipated obligations under the dividend reinvestment plan, we may decide to sell a portion of these shares in the primary offering. Similarly, prior to the conclusion of this offering, if the shares initially allocated for our dividend reinvestment plan have been purchased and we anticipate additional demand for our dividend reinvestment plan, we may decide to reallocate a portion of the shares allocated for the primary offering to our dividend reinvestment plan. The shares in the primary offering are being offered at a price of $10.00 per share and the shares purchased pursuant to our dividend reinvestment plan are being sold at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose. Individuals must initially invest a minimum of $5,000 of common shares. Any investor who has made the required minimum investment may purchase additional shares in increments of one share. The offering of our common shares will terminate on or before January 30, 2012, unless extended. In certain states, we will be required to renew this registration statement or file a new registration statement to extend the offering beyond this date. However, we reserve the right to terminate this offering at any time prior to such termination date. This offering must be registered in every state in which we offer or sell shares. Generally, such registrations are for a period of one year, subject to renewal or extension for one or more additional periods of one year.

The shares are being offered to the public on a "best efforts" basis (which means that no one is guaranteeing that any minimum amount will be sold) through the Dealer Manager and members of the Financial Industry Regulatory Authority, or FINRA, or entities exempt from broker-dealer registration, both of which we refer to as participating broker-dealers. The Dealer Manager and participating broker-dealers will use their best efforts during the offering period to find eligible persons who desire to subscribe for the purchase of our shares. Fund Investors, LLC, an affiliate of the Dealer Manager, owns 10,903 common shares.

The Dealer Manager and participating broker-dealers are required to deliver a copy of the prospectus to each potential investor. We may make this prospectus, the subscription agreement, certain offering documents, administrative and transfer forms, as well as certain marketing materials, available electronically to the Dealer Manager and participating broker-dealers as an alternative to paper copies when possible. As a result, if the Dealer Manager or a participating broker-dealer chooses, with an investor's prior consent, it may provide an investor with the option of receiving the prospectus, the subscription agreement, offering documents, administrative and transfer forms, as well as marketing materials, electronically. If the Dealer Manager or a participating broker-dealer chooses to offer electronic delivery of these documents to an investor, it will comply with all applicable requirements of the SEC and FINRA and any laws or regulations related to the electronic delivery of documents. In any case, an investor may always receive a paper copy of these documents upon request to the Dealer Manager or the participating broker-dealer.

Compensation We Pay for the Sale of Our Shares

Subject to the provisions for a reduction of the selling commissions and other fees described below, we pay the Dealer Manager an amount up to 7.0% of gross proceeds as selling commissions from the sale of our common shares in the primary offering, all or a portion of which the Dealer Manager may, in its sole discretion, reallow to participating broker-dealers in this offering. In addition, we pay the Dealer Manager an amount up to 2.0% of gross proceeds from the sale of our common shares in the primary offering for acting as the dealer manager, a portion of which the Dealer Manager, in its sole discretion, may reallow to participating broker-dealers in this offering. We also pay the Dealer Manager an amount up to 1.0% of gross proceeds from the sale of our shares in the primary offering as a marketing support fee, all or a portion of which the Dealer Manager, in its sole discretion, may reallow to participating broker-dealers in this offering. Generally, the Dealer Manager does not reallow any portion of the marketing support fee to participating broker-dealers unless they agree to provide one or more of the following services:

- provide internal marketing support personnel and marketing communication vehicles to assist the Dealer Manager in promoting us;
- respond to investors' inquiries concerning monthly statements, valuations, distribution rates, tax information, annual reports, reinvestment and redemption rights and procedures, our financial status and the real estate markets in which we have invested;
- assist investors with reinvestments and redemptions; and/or
- provide other services requested by investors from time to time and maintain the technology necessary to adequately service investors.

The compensation we pay to the Dealer Manager may be reduced by up to $850,000 in connection with certain fees and expenses payable by the Investment Advisor to the Sub-Advisor pursuant to the sub-advisory agreement. Selling commissions, the dealer manager fee and the marketing support fee are not paid in connection with shares purchased pursuant to our dividend reinvestment plan. See "Description of Shares—Dividend Reinvestment Plan."

The following table shows the maximum amount of selling commissions, dealer manager fees and marketing support fees payable to the Dealer Manager in this offering, assuming the sale of $2,700,000,000 in common shares in the primary offering with no discounts and $300,000,000 in common shares through our dividend reinvestment plan.

	Per Share	Maximum Offering
Primary Offering		
Price to Public	$10.00	$2,700,000,000
Commissions and Fees	$ 1.00	$ 270,000,000
Proceeds to Us	$ 9.00	$2,430,000,000
Dividend Reinvestment Plan		
Price to Public	$ 9.50	$ 300,000,000
Proceeds to Us	$ 9.50	$ 300,000,000

The maximum compensation and offering expense reimbursements payable to the Dealer Manager and other members of FINRA participating in this offering will not exceed 10% of gross offering proceeds plus approximately $1,350,000 for reimbursement of bona fide due diligence expenses.

A participating broker-dealer may withhold the selling commissions to which it is entitled from the purchase price for the common shares in this offering and forward the balance to the Dealer Manager if (i) the participating broker-dealer is legally permitted to do so and the Dealer Manager and the participating broker-dealer have executed an addendum to their respective participating broker agreement pertaining to such an arrangement; and (ii) (a) the participating broker-dealer meets all applicable net capital requirements under the rules of FINRA or other applicable rules regarding such an arrangement; (b) the participating broker-dealer forwards the subscription agreement to us and receives our written acceptance of the subscription prior to forwarding the purchase price for the common shares, net of the commissions to which the participating broker-dealer is entitled, to us; and (c) the participating broker-dealer verifies that there are sufficient funds in the investor's account with the participating broker-dealer to cover the entire cost of the subscription.

Purchases Net of Selling Commissions and the Marketing Support Fee

The following persons and entities may purchase shares in the primary offering net of the 7.0% selling commissions and the 1.0% marketing support fee (but not net of the 2.0% dealer manager fee), at a per share price of $9.20.

- a registered principal, or representative or associated person of the Dealer Manager or a participating broker-dealer and any employee, officer or director of affiliates of the Dealer Manager or the affiliate entity itself;
- our employees, officers and directors or those of our Investment Advisor or CBRE Investors;
- a client of an investment adviser registered under the Investment Advisers Act of 1940, as amended, or under applicable state securities laws (other than any registered investment adviser that is also registered as a broker-dealer, with the exception of clients who have "wrap" accounts which have asset-based fees with such duly registered investment adviser/broker-dealer); and
- a person investing in a bank trust account with respect to which the decision-making authority for investments made has been delegated to the bank trust department.

Except for certain share ownership and transfer restrictions contained in our declaration of trust, there is no limit on the number of common shares that may be sold to these persons and entities at a per share price of $9.20. All sales must be made through a participating broker-dealer; therefore, any persons eligible to acquire shares net of selling commissions and the marketing support fee and any investment adviser whose client wants to purchase shares must arrange the placement of the transaction through a participating broker-dealer that will waive compensation.

The amount of proceeds to us will not be affected by eliminating selling commissions and the marketing support fee payable in connection with sales to investors purchasing through registered investment advisers or bank trust department. In addition, participating broker-dealers that have a contractual arrangement with their clients for the payment of fees on terms that are inconsistent with the acceptance of selling commissions and the marketing support fee may elect not to accept their compensation in the form of selling commissions and the marketing support fee offered by us for shares that they sell. In that event, such shares shall be sold to the investor net of some or all of the 7.0% selling commissions and some or all of the 1.0% marketing support fee, at a per share purchase price as low as $9.20.

We have agreed to indemnify the participating broker-dealers, including the Dealer Manager, against certain civil liabilities, including liabilities under the Securities Act and liabilities arising from breaches of our representations and warranties contained in the managing dealer agreement or to contribute to payments the Dealer Manager may be required to make in respect of any of these liabilities. In connection with the selected dealer agreement that we have entered into with Ameriprise Financial Services, Inc., we separately agreed to indemnify and reimburse our Dealer Manager, our Investment Advisor and CBRE Investors under certain circumstances for any amounts each of them is required to pay pursuant to the indemnification provisions of that agreement.

Volume Discounts

In connection with the purchases of certain minimum numbers of shares in the primary offering by an investor who does not qualify for the discount described above, the amount of selling commissions otherwise payable to a participating broker-dealer may be reduced in accordance with the following schedule:

Number of shares purchased	Purchase price per incremental share in volume discount range	Selling commissions to Dealer Manager and reallowed on sales per incremental share in volume discount range	
		Percent	Dollar amount
1-50,000	$10.00	7.0%	$0.70
50,001-100,000	$ 9.90	6.0%	$0.60
100,001-200,000	$ 9.80	5.0%	$0.50
200,001-300,000	$ 9.70	4.0%	$0.40
300,001-400,000	$ 9.60	3.0%	$0.30
400,001-500,000	$ 9.50	2.0%	$0.20
Over 500,000	$ 9.40	1.0%	$0.10

For example, if an investor purchases 100,000 shares, the investor could pay as little as $995,000 rather than $1,000,000 for the shares, in which event the selling commissions on the sale would be $64,700 ($0.647 per share). Our net proceeds will not be affected by such discounts.

The volume discount is, to the extent requested in writing by an investor as described below, cumulative. To the extent an investor qualifies for a volume discount on a particular purchase, its subsequent purchase, regardless of shares subscribed for in that purchase, will also qualify for (x) that volume discount or, (y) to the extent the subsequent purchase when aggregated with the prior purchase(s) qualifies for a greater volume discount, such greater discount. For example, if an initial purchase is for 99,000 shares, and a second purchase is for 3,000 shares, 1,000 shares of the second purchase will be priced at $9.90 per share and 2,000 shares of the second purchase will be priced at $9.80 per share. Any request to treat a subsequent purchase cumulatively for purposes of the volume discount must be made in writing in a form satisfactory to us and must set forth the basis for such request.

For purposes of volume discounts, all such shares must be purchased through the same participating broker-dealer, or through the Dealer Manager or through the same registered investment adviser, as applicable.

Other Discounts

Notwithstanding the above, the Dealer Manager may, at its sole discretion, enter into an agreement with a participating broker-dealer, whereby such participating broker-dealer may aggregate subscriptions as part of a combined order for the purpose of offering investors reduced aggregate selling commissions and marketing support fees to as low as 1.0%, *provided* that any such aggregate group of subscriptions must be received from such participating broker-dealer. Additionally, the Dealer Manager may, at its sole discretion, aggregate subscriptions as part of a combined order for the purpose of offering investors reduced aggregate selling commissions and marketing support fees to as low as 1.0%, *provided* that any such aggregate group of subscriptions must be received from the Dealer Manager. Any reduction in selling commissions and marketing support fees would be prorated among the separate subscribers.

Investors should ask their participating broker-dealer about the opportunity to receive volume discounts by either qualifying as a "single purchaser," as described below in "Application of Various Discounts," or by having their subscription(s) aggregated with the subscriptions of other investors, as described above.

Application of Various Discounts

The volume discount is prorated among the separate subscribers considered to be a "single purchaser." Shares purchased pursuant to our dividend reinvestment plan are not be combined with other subscriptions for shares in the primary offering by the investor in determining the volume discount or other discount to which such investor may be entitled. Further, shares purchased pursuant to our dividend reinvestment plan are not eligible for a volume discount or any other discount referred to in this Plan of Distribution. See the section of this prospectus titled "Description of Shares—Dividend Reinvestment Plan."

For purposes of determining the applicability of volume discounts, "single purchaser" includes:

- an individual, his or her spouse, and their children under the age of 21, who purchase the shares for his or her or their own accounts;
- a corporation, partnership, association, joint-stock company, trust fund, or any organized group of persons, whether incorporated or not;
- an employee's trust, pension, profit-sharing, or other employee benefit plan qualified under Section 401 of the Code; and
- all pension, trust, or other funds maintained by a given bank.

Any request to be deemed a "single purchaser" must be made in writing in a form satisfactory to us and must set forth the basis for such request.

Any reduction in selling commissions and/or the marketing support fee will reduce the effective purchase price per share to the investor involved but will not alter the proceeds available to us as a result of such sale. All investors acquiring shares in the primary offering will be deemed to have contributed the same amount per share whether or not the investor receives a discount. Accordingly, for purposes of distributions, investors who pay reduced selling commissions and/or marketing support fees will receive higher rates of return on their investments in our common stock as compared to investors who do not pay reduced selling commissions and/or marketing support fees.

Sales Incentives

We or the Dealer Manager may provide incentive items for registered representatives of the Dealer Manager and the participating broker-dealers, which in no event shall exceed an aggregate of $100 per annum per participating registered representative. In the event other incentives are provided to registered representatives of the Dealer Manager or the participating broker-dealers, they will be paid only in cash, and such payments will be made only to the Dealer Manager or the participating broker-dealers rather than to their registered representatives. Sales incentive programs offered to participating broker-dealers must first have been submitted for review by FINRA, and must comply with Rule 2710 or Rule 2810, as applicable. Sales incentive programs offered to registered representatives of the Dealer Manager must comply with Rule 2710 or Rule 2810, as applicable, but are not required to be submitted to FINRA. Costs incurred in connection with such sales incentive programs, if any, will be considered underwriting compensation.

Procedures Applicable to All Subscriptions

We will sell common shares when subscriptions to purchase common shares are received and accepted by us. If you meet our suitability standards, you may subscribe for shares by completing and signing a subscription agreement, substantially in the form contained in this prospectus as Appendix A, according to its instructions for a specific number of shares and delivering to us a check payable to "CB Richard Ellis Realty Trust," in the amount of $10.00 per share, subject to certain discounts.

Each participating broker-dealer receiving a subscriber's check made payable to "CB Richard Ellis Realty Trust" (where the participating broker-dealer's internal supervisory procedures must be conducted at the same location at which subscription documents and checks are received from subscribers) shall deliver such checks to Boston Financial Data Services, Inc., our transfer agent, no later than the close of business of the first business day after receipt of the subscription documents. If the participating broker-dealer maintains a branch office, and, pursuant to a participating broker-dealer's internal supervisory procedures, final internal supervisory review is conducted at a different location, the branch office shall transmit the subscription documents and check to the office of the participating broker-dealer conducting such internal supervisory review by the close of business on the first business day following the receipt of the subscription documents by the branch office. Further, in this circumstance, the participating broker-dealer shall review the subscription documents and subscriber's check to ensure their proper execution and form and, if they are acceptable, transmit the check to our transfer agent by the close of business on the first business day after the check is received by such other office of the participating broker-dealer.

Certain participating broker-dealers. who have "net capital," as defined in the applicable federal securities regulations, of $250,000 or more may instruct their customers to make their checks for shares for which they have subscribed payable directly to the participating broker-dealer. In such case, the participating broker-dealer will issue a check made payable to "CB Richard Ellis Realty Trust" for the aggregate amount of the subscription proceeds.

Once our transfer agent receives investor funds and subscription documents as set forth above, it will make a determination regarding whether or not the investor's subscription documents are in good order. If the investor's subscription documents are found to be in good order, the proceeds from the investor's check will be deposited in a non-interest bearing account with our transfer agent for no more than one business day and such proceeds will be held for the benefit of CB Richard Ellis Realty Trust until they are transferred to our operating account. Our transfer agent also holds subscription funds relating to CNL sponsored investment vehicles and such funds are held for the benefit of those investment vehicles until they are transferred to their respective operating accounts.

The investment proceeds will be transferred to our operating account with Wells Fargo & Co. no later than the close of business on the first business day following the day the funds were placed into the non-interest bearing account with our transfer agent. Subscriptions are effective only upon our acceptance, and we reserve the right to reject any subscription in whole or in part. We generally admit shareholders on a daily basis but in no event later than the last day of the calendar month following acceptance of a subscription. Subscriptions will be accepted or rejected within 30 days of receipt by our transfer agent and, if rejected, all funds shall be returned to the rejected subscribers within ten business days. We may not accept a subscription for shares until at least five business days after the date you receive the final prospectus. You will receive a confirmation of your purchase.

The proceeds from the sale of common shares to New York residents are held in trust for the benefit of investors and are used only for the purposes set forth in this prospectus. Before they are applied, funds may be placed in short-term interest bearing investments, including obligations of, or obligations guaranteed by, the United States Government or bank money market accounts or certificates of deposit of national or state banks that have deposits insured by the Federal Deposit Insurance Corporation which can be readily sold or otherwise disposed of for cash.

Our sponsor and each participating broker-dealer who sells shares on our behalf has the responsibility to make every reasonable effort to determine that the purchase of shares is appropriate for an investor and that the requisite suitability standards are met. See "Suitability Standards." In making this determination, the participating broker-dealer relies on relevant information provided by the investor, including information as to the investor's age, investment objectives, investment experience, income, net worth, financial situation, other investments, and any other pertinent information. Each investor should be aware that determining suitability is the responsibility of the participating broker-dealer. Each participating broker-dealer is required to maintain, for at least six years, records of the information used to determine that an investment in the shares is suitable and appropriate for an investor.

Investments Through IRA Accounts

We have engaged Community National Bank to act as an IRA custodian for purchasers of our common shares who would like to purchase shares through an IRA account and desire to establish a new IRA account for that purpose. We pay the fees related to the establishment of investor accounts with Community National Bank and the annual IRA maintenance fees for the year during which the accounts were established. Such fees are treated as organization and offering expenses. Thereafter, our Investment Advisor has currently agreed to pay the annual IRA maintenance fees relating to such investor accounts, which are not reimbursable organization and offering expenses. Further information about custodial services is available through your broker or through the Dealer Manager.

Suitability Standards

Those selling shares on our behalf have the responsibility to make every reasonable effort to determine that the purchase of shares in this offering is a suitable and appropriate investment based on information provided by the shareholder regarding the shareholder's financial situation and investment objectives. In making this determination, those selling shares on our behalf have a responsibility to ascertain that the prospective shareholder:

- meets the minimum income and net worth standards set forth under "Suitability Standards" immediately following the cover page of this prospectus;
- can reasonably benefit from an investment in our shares based on the prospective shareholder's overall investment objectives and portfolio structure;

- is able to bear the economic risk of the investment based on the prospective shareholder's overall financial situation; and
- has apparent understanding of the fundamental risks of the investment, the risk that the shareholder may lose the entire investment, the lack of liquidity of the shares, the restrictions on transferability of the shares, the background and qualifications of the Investment Advisor and its affiliates, and the tax consequences of the investment.

Relevant information for this purpose will include at least the age, investment objectives, investment experience, income, net worth, financial situation and other investments of the prospective shareholder, as well as any other pertinent factors. Those selling shares on our behalf must maintain, for a six-year period, records of the information used to determine that an investment in shares is suitable and appropriate for each shareholder.

Supplemental Sales Material

In addition to this prospectus, we may utilize certain sales material in connection with the offering of the shares, although only when accompanied by or preceded by the delivery of this prospectus. This material may include information relating to this offering, the past performance of CBRE Investors, our Investment Advisor, and its affiliates, property brochures and articles and publications concerning real estate. In certain jurisdictions, some or all of our supplemental sales material may not be permitted.

The offering of shares is made only by means of this prospectus. Although the information contained in such sales material will not conflict with any of the information contained in this prospectus, such material does not purport to be complete and should not be considered a part of or as incorporated by reference in this prospectus or the registration statement of which this prospectus is a part or as forming the basis of the offering of the shares.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by our counsel, Clifford Chance US LLP, New York, New York.

EXPERTS

The consolidated financial statements, and the related financial statement schedule of CB Richard Ellis Realty Trust and subsidiaries, or the Company, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K, and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements and financial statement schedule and include an explanatory paragraph relating to the Company's adoption of ASC Topic 805, Business Combinations, as of January 1, 2009 and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting). Such consolidated financial statements and related financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements and related schedule of Duke/Hulfish, LLC and subsidiaries as of December 31, 2010 and 2009, and for the years ended December 31, 2010 and 2009 and for the period from April 29, 2008 (inception) through December 31, 2008, the combined statement of revenue in excess of certain expenses of the Duke Office Portfolio Tranche I for the year ended December 31, 2009 and the combined statement of revenue in excess of certain expenses of the Duke Office Portfolio Tranche II and III for the year ended December 31, 2010 have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein upon the authority of said firm as experts in accounting and auditing.

The combined statement of assets, liabilities and partners' capital and combined schedule of real estate related investments of CB Richard Ellis Strategic Partners Asia II, L.P. and CB Richard Ellis Strategic Partners Asia II-A, L.P., Cayman Islands exempted limited partnerships, as of December 31, 2008 and the related combined statements of operations, partners' capital and cash flows for the year then ended, have been incorporated by reference herein in reliance upon the report of KPMG, independent auditors, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The historical combined statement of revenues and direct operating expenses of the 70 & 90 Hudson properties for the year ended December 31, 2010, appearing in the Current Report on Form 8-K/A filed with the SEC on April 20, 2011, has been audited by Squar, Milner, Peterson, Miranda & Williamson, LLP, an independent registered public accounting firm, as stated in their report which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The historical combined statement of revenues and direct operating expenses for the year ended December 31, 2009, appearing in the Current Report on form 8-K/A filled with the SEC on November 19, 2010, has been audited by Squar, Milner, Peterson, Miranda & Williamson, LLP, an independent registered public accounting firm, as stated in their report which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

This prospectus is part of a registration statement on Form S-11 filed by us with the SEC. This prospectus does not contain all of the information included in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC.

The SEC allows us to "incorporate by reference" certain documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. The following documents filed with the SEC are incorporated by reference into this prospectus:

- Our Annual Report on Form 10-K for the year ended December 31, 2010, filed on March 30, 2011;
- Our Proxy Statement on Schedule 14A for our 2011 Annual Meeting of Shareholders, filed on April 20, 2011;
- Our Current Report on Form 8-K, filed on November 19, 2010;
- Our Current Report on Form 8-K/A, filed on February 11, 2011;
- Our Current Report on Form 8-K/A, filed on March 29, 2011; and
- Our Current Report on From 8-K/A filed on April 20, 2011.

You can obtain any of the documents incorporated by reference in this prospectus from us, or from the SEC through the SEC's website at the address *www.sec.gov*. We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, other than exhibits to such documents. You should direct any written requests for documents to CB Richard Ellis Realty Trust, 47 Hulfish Street, Suite 210, Princeton, New Jersey 08542, or call (609) 683-4900. Such documents may also be accessed on our website at *www.cbrerealtytrust.com*. The information found on, or otherwise accessible through, our website is not incorporated information and does not form a part of this prospectus or any other report or document we file or furnish with the SEC.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC, in Washington, D.C., a registration statement on Form S-11 with respect to the shares offered pursuant to this prospectus. This prospectus, which is part of the registration statement, does not contain all the information set forth in the registration statement and the exhibits related thereto filed with the SEC, reference to which is hereby made. We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended, and are required to file reports, proxy statements and other information with the SEC. For further information regarding us and the common shares offered by this prospectus, you may review the full registration statement, including its exhibits and schedules, filed under the Securities Act of 1933, as amended, on the SEC's website at *www.sec.go*v. The registration statement of which this prospectus forms a part, including its exhibits and schedules, may be inspected and copied at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of the materials may also be obtained from the SEC at prescribed rates by writing to the public reference room maintained by the SEC. You may obtain information on the operation of this public reference room by calling the SEC at 1-800-SEC-0330.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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* See the "Incorporation of Certain Information by Reference" section of this prospectus.

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CB Richard Ellis Realty Trust

Return via Standard Mail
CB Richard Ellis Realty Trust
c/o Boston Financial Data Services
P.O. Box 8562
Boston, MA 02266-8562

Return via Overnight Delivery
CB Richard Ellis Realty Trust
c/o Boston Financial Data Services
30 Dan Road, Suite 8562
Canton, MA 02021-2809

CNL Client Services
Toll-Free 866 650-0650
Fax 877 694-1116

Appendix A—Subscription Agreement
Second Offering

one — Investment

Select One.

☐ Initial Investment *($5,000 minimum)* ☐ Additional Purchase

☐ Net-of-Commission Purchase* *($9.20 per share)*

Enter Amounts.

Amount of Subscription $

*** Investor Representative is required to complete, sign and attach a Net-of-Commissions affirmation letter.**

Attach a check.
Cash, money orders, starter or counter checks, third-party checks and traveler's checks will not be accepted.

Make check payable to CB Richard Ellis Realty Trust or the **custodian** if purchasing for a Qualified Plan account. If a check received from an investor is returned for insufficient funds or otherwise not honored, CB Richard Ellis Realty Trust or its agent (collectively, the "REIT") may return the check with no attempt to redeposit. In such event, any issuance of the shares or declaration of distributions on shares may be rescinded by the REIT. The REIT may reject any subscription, in whole or in part, in its sole discretion.

Wire transfers should be made to State Street Bank & Trust Co., ABA Routing #011000028, CB Richard Ellis Realty Trust, Account # A/C 9905-737-4 FBO (Investor's Name).

two — Investor Information

Print name(s) and address exactly as they are to be registered on the account.

Name of Investor/Trustee	Social Security or Tax ID Number	
Name of Co-Investor *(if applicable)*	Social Security or Tax ID Number	
Street Address *(required)*	Email Address	
City	State	Zip Code
Daytime Phone Number	Evening Phone Number	
Optional Mailing Address		
City	State	Zip Code

Select One. **Citizenship** ☐ U.S. citizen ☐ U.S. citizen residing outside the U.S.
☐ Foreign Resident* Country ______ ☐ Resident Alien

Select One. **Backup Withholding:** Subject to backup withholding? ☐ YES ☐ NO

Required for Foreign Investors.

Foreign Person TIN Certification

* For CB Richard Ellis Realty Trust to process an investment for a foreign person(s), it must receive a properly certified taxpayer identification number from the foreign investor in the form of a Form W-8BEN (available at http://www.irs.gov/pub/irs-pdf/fw8ben.pdf with instructions at http://www.irs.gov/pub/irs-pdf/iw8ben.pdf) when submitting this subscription agreement.

Custodian Information *(if applicable)*

Name	Tax ID Number	
Address	Custodian/Brokerage Acct. Number	
City	State	Zip Code

three Form of Ownership

Select One.

Non-Custodial Accounts *($5,000 minimum investment):*

Single Owner

☐ Individual ☐ Individual with *Transfer on Death**

Multiple Owners

☐ Joint Tenant with Rights of Survivorship ☐ Joint Tenants with *Transfer on Death** ☐ Community Property

*Requires *Transfer on Death* form that can be found at www.CBRichardEllisRealtyTrust.com.

Trust

☐ Taxable Trust ☐ Tax Exempt Trust

Name of Trust	Tax ID Number

Custodial Accounts:
Qualified *($5,000 minimum investment):*

☐ Traditional IRA ☐ ROTH IRA ☐ SEP IRA ☐ Rollover IRA ☐ Beneficial IRA*

*Beneficial IRA Decedent Name ____________

Non-Qualified *($5,000 minimum investment):*

☐ Uniform Gift to Minors Act State of ____________ ☐ Uniform Transfers to Minors Act State of ____________

DOB Of Minor ____________ DOB of Minor ____________

Other Accounts *($5,000 minimum investment):*

☐ C Corporation ☐ S Corporation ☐ Non-Profit Organization ☐ Partnership

☐ Pension Plan ☐ Profit Sharing Plan ☐ Other

Name of Corporation/Plan Name/Other ____________

This information should be compliant with the IRS Form W-9 requirements. Please refer to instructions for Form W-9 at IRS.gov.

four Distributions Instructions

Custodians must approve directed distributions for Qualified Plan accounts.

Select one.

☐ Send a check to Investor/Trustee address entered in Section Two

☐ Reinvest in CB Richard Ellis Realty Trust shares
(Refer to the prospectus for the terms of the distribution reinvestment plan)

☐ Direct Deposit
(Account information must be entered below. This option is not available to Qualified Plan accounts.)

The REIT is authorized to deposit distributions to the checking, savings or brokerage account indicated below. This authority will remain in force until the REIT is notified otherwise in writing. If the REIT erroneously deposits funds into the account, the REIT is authorized to debit the account for an amount not to exceed the amount of the erroneous deposit.

Name of Financial Institution ____________

Address ____________

City	State	Zip Code

Select One.
Attach a Voided Check.

☐ Checking ☐ Savings ☐ Brokerage or other

Account Number	ABA Routing Number

Account Name ____________

Name of Investor/Trustee	SSN/TIN

five Subscriber Signatures

In order to induce CB Richard Ellis Realty Trust to accept this subscription, I hereby represent and warrant as follows:
(A power of attorney may not be granted to any person to make such representations on behalf of Investor(s).) Only fiduciaries such as trustees, guardians, conservators, custodians and personal representatives may make such representations on behalf of an Investor.

Each investor must initial each representation.

		Investor	Co-Investor
a)	I have received the final Prospectus (as amended or supplemented as of the date hereof) for CB Richard Ellis Realty Trust.	Initials	Initials
b)	I have (i) a net worth of at least $250,000 or (ii) a net worth of at least $70,000 and a gross annual income of at least $70,000 or I meet the higher suitability requirements of my state of primary residence as set forth in the prospectus under "Suitability Standards." *(Net worth does not include home, furnishings and personal automobiles.)* **If applicable**, I meet the suitability requirements imposed by the state of **Alabama**, my primary residence. I am investing no more than 10% of my net worth (exclusive of home, furnishings and automobiles) in CB Richard Ellis Realty Trust. **If applicable**, I acknowledge the recommendation by the state of **Kansas**, my primary residence, that I limit my aggregate investment in CB Richard Ellis Realty Trust and other non-exchange traded REITs to not more than 10% of my "liquid net worth," which for these purposes is defined as that portion of net worth (total assets minus total liabilities) that is comprised of cash, cash equivalents and readily marketable securities.	Initials	Initials
c)	I acknowledge that there is no public market for the shares and thus my investment in the shares is not liquid.	Initials	Initials
d)	I am purchasing the shares for my own account. (Fiduciaries should make the representation if purchasing for the fiduciary account.)	Initials	Initials
e)	I understand that CB Richard Ellis Realty Trust, or an agent of CB Richard Ellis Realty Trust, will provide financial information pertaining to this investment to the clearing, servicing, or record agent/provider, as instructed by the Broker-Dealer identified on this subscription agreement, for the purpose of providing this investment information on a consolidated statement.	Initials	Initials

If you participate in the Distribution Reinvestment Plan and you no longer satisfy the suitability requirements for making an investment in the shares or can no longer make the representations set forth above in this section five, you are expected to promptly notify CB Richard Ellis Realty Trust at 30 Dan Road, Suite 8562, Canton, MA 02021-2809 c/o Boston Financial Services or by telephone at (877) 694-1116 and your Broker-Dealer at the address or telephone number set forth in section seven below.

Substitute IRS Form W-9 Certification *(Required for U.S. Investors Only)*:

The investor signing below, under penalties of perjury, certifies that (i) the number shown on this subscription agreement is its correct taxpayer identification number (or it is waiting for a number to be issued to it) and (ii) it is not subject to backup withholding either because (A) it is exempt from backup withholding, (B) it has not been notified by the Internal Revenue Service ("IRS") that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (C) the IRS has notified it that it is no longer subject to backup withholding, and (iii) it is a U.S. person for federal tax purposes (including a U.S. resident alien).

YOU MUST CROSS OUT CLAUSE (ii) IN THIS CERTIFICATION AND THE "SUBJECT TO BACKUP WITHHOLDING" BOX SHOULD BE CHECKED IN SECTION TWO IF THE INVESTOR HAS BEEN NOTIFIED BY THE IRS THAT IT IS CURRENTLY SUBJECT TO BACKUP WITHHOLDING BECAUSE IT HAS FAILED TO REPORT ALL INTEREST AND DIVIDENDS ON ITS TAX RETURN.

The Internal Revenue Service does not require your consent to any provision of this document other than this certification, which is required to avoid backup withholding.

Each investor must sign.	Signature of Investor - OR - Beneficial Owner	Date
Custodian must sign on a custodial account.	Signature of Co-Investor - OR - Custodian	Date

Name of Investor/Trustee	SSN/TIN

six Investor Representative (Broker, Financial Advisor or other Investor Representative) Information & Signatures

The broker, financial advisor or other investor representative signing below hereby warrants that it is duly licensed and may lawfully sell shares in the state designated as the investor's legal residence or is exempt from such licensing.

Name of Participating Broker-Dealer or Financial Institution ☐ Check if recently employed by new Broker-Dealer

Name of Broker/Financial Advisor/Other Investor Representative	Advisor Number

Mailing Address ☐ Check if updated address

City	State	Zip Code

Telephone	Fax

Email Address

The undersigned confirms by its signature that it (i) has reasonable grounds to believe that the information and representations concerning the investor identified herein are true, correct and complete in all respects; (ii) has verified that the form of ownership selected is accurate and, if other than individual ownership, has verified that the individual executing on behalf of the investor is properly authorized and identified; (iii) has discussed such investor's prospective purchase of shares with such investor; (iv) has advised such investor of all pertinent facts with regard to the liquidity and marketability of the shares; (v) has delivered a current prospectus and related supplements, if any, to such investor; (vi) no sale of shares shall be completed until at least five business days after the date the subscriber receives a copy of the final Prospectus (as defined herein); and (vii) has reasonable grounds to believe that the purchase of shares is a suitable investment for such investor, that such investor meets the suitability standards applicable to such investor set forth in the prospectus and related supplements, if any, and that such investor is in a financial position to enable such investor to realize the benefits of such an investment and to suffer any loss that may occur with respect thereto. The above-identified entity, acting in its capacity as agent, Advisor and/or financial institution, has performed functions required by applicable federal and state securities laws and FINRA rules and regulations, including, but not limited to Know Your Customer, Suitability and PATRIOT Act (AML, Customer Identification) as required by their relationship with the subscriber(s) identified on this document.

In the event the investor is not a permanent resident of the United States (a "foreign investor"), then the undersigned also confirms by its signature that (i) the sale of shares to the foreign investor was made within the United States, (ii) the undersigned has informed the foreign investor that the shares have only been registered for sale under the federal and state securities laws of the United States and (iii) the sale of shares to the foreign investor has been approved by the compliance department of the undersigned's firm.

THIS SUBSCRIPTION AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY, AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND.

Signature of Broker/Financial Advisor/Other Investor Representative	Date

Signature of Branch Manager	Date

seven Delivery Instructions

All items on the Subscription Agreement must be completed in order for a subscription to be processed. Subscribers should read the Prospectus (as defined herein) in its entirety. Each subscription will be accepted or rejected by CB Richard Ellis Realty Trust (the "REIT") within 30 days after its receipt. Subscribers will receive a confirmation of their purchase.

Return via
Standard Mail
CB Richard Ellis Realty Trust
P.O. Box 8562
Boston, MA 02266-8562

Return via
Overnight Delivery
CB Richard Ellis Realty Trust
c/o Boston Financial Data Services
30 Dan Road, Suite 8562
Canton, MA 02021-2809

CNL Client Services
Toll-Free 866 650-0650
Fax 877 694-1116

To receive your statements, tax forms and/or proxy materials and annual reports electronically, we invite you to visit www.CBRERealtyTrust.com/gopaperless.

Name of Investor/Trustee	SSN/TIN

CB RICHARD ELLIS REALTY TRUST

DIVIDEND REINVESTMENT PLAN

CB Richard Ellis Realty Trust, a Maryland real estate investment trust (the "Company"), has adopted a dividend reinvestment program (the "Plan"), the terms and conditions of which are set forth below. Capitalized terms shall have the same meaning as set forth in the Company's Declaration of Trust unless otherwise defined herein.

1. *Participants*. "Participants" are our existing shareholders, persons who receive our shares upon conversion of OP units of CBRE OP and purchasers of Common Shares issued in the offering covered by the Company's initial public offering (the "Initial Offering") or any future offering of the Company (the "Future Offering" and, together with the Initial Offering, the "Offering"), who elect to participate in the Plan.

2. *Dividend Reinvestment*. The Company will apply all of the dividends and other distributions ("Distributions") declared and paid in respect of a Participant's Common Shares to the purchase of additional Common Shares for such Participant. Such shares will be sold through a broker-dealer through whom the Company sold the underlying shares to which the Distributions relate in the Offering unless the Participant makes a new election through a different distribution channel. No sales commissions will be paid in connection with purchases under the Plan.

3. *Administrator*. Boston Financial Data Services, Inc. will serve as the plan administrator. The plan administrator will administer the plan, keep records and will provide each participant with purchase confirmations.

4. *Procedure for Participation*. Qualifying shareholders may elect to become a Participant by completing and executing a subscription agreement, an enrollment form or any other Company-approved authorization form as may be available from the plan administrator. Participation in the Plan will begin with the next Distribution payable after receipt of a Participant's subscription, enrollment or authorization provided such notice is received more than 30 days prior to the last day of the fiscal quarter. Shares will be purchased under the Plan on the date that the Company makes a Distribution. Distributions will be paid quarterly.

5. *Purchase of Shares*. Participants will acquire Common Shares at a price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by CBRE Advisors LLC, the Investment Advisor, or another firm that the company chooses for that purpose. The purchase of fractional shares is a permissible, and likely, result of the reinvestment of Distributions under the Plan. Shares may be issued under the Plan until all shares registered as part of the Initial Offering have been sold. After that time, we may purchase shares either through purchases on the open market, if a market then exists, or through an additional issuance of shares. In either case, the price per share will be equal to the then-prevailing market price, which shall equal the price on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market on which such shares are listed on the dividend reinvestment date if such shares are then listed.

6. *Investment of Distribution*. Our plan administrator will use the aggregate amount of distributions to all participants for each fiscal quarter to purchase shares (including fractional shares) for the participants. If the aggregate amount of distributions to participants exceeds the amount necessary to purchase all shares then available for purchase, the plan administrator will purchase all available shares and will return all remaining distributions to the participants within 30 days after the date such distributions are made. Any distributions not so invested will be returned to participants. At this time, participants will not have the option to make voluntary contributions to the dividend reinvestment plan to purchase shares in excess of the amount of shares that can be purchased with their distributions. Our board of trustees reserves the right, however, to amend the dividend reinvestment plan in the future to permit voluntary contributions to the dividend reinvestment plan by participants, to the extent consistent with our objective of qualifying as a REIT.

7. *Taxation of Distributions*. The reinvestment of Distributions in the Plan does not relieve Participants of any taxes which may be payable as a result of those Distributions and their reinvestment pursuant to the terms of this Plan. Participants should be aware that, because shares purchased with reinvested dividends may be purchased at up to a 5% discount, the taxable income received by a Participant may be greater than the taxable income that would have resulted from the receipt of the dividend in cash.

8. *Share Certificates*. The shares issuable under the Plan shall be uncertificated until the board of trustees determines otherwise.

9. *Voting of Plan Shares*. In connection with any matter requiring the vote of the Company's shareholders, each Participant will be entitled to vote all of the whole shares acquired by the Participant through the Plan. Fractional shares will not be voted.

10. *Purchase Confirmations*. Within 30 days after the end of each quarter, the plan administrator shall provide each Participant (or his or her designee) with (i) an individualized report on the Participant's investment, including each dividend reinvested during the quarter, the reinvestment date(s), purchase price and number of shares purchased during the quarter and the total number of shares owned; and (ii) all material information regarding the Plan and the effect of reinvesting dividends, including the tax consequences thereof. The Company shall provide such information reasonably requested by a broker-dealer in the Offering in order for such broker-dealer to meet its obligation to deliver written notification to Participants of the information required by Rule 10b-10(b) promulgated under the Securities Exchange Act of 1934.

11. *Fees and Commissions*. The Company shall not pay selling commissions, the dealer manager fee or the marketing support fee on shares sold under the Plan and shall not receive a fee for selling shares under the Plan. The Company will be responsible for all administrative charges and expenses charged by the plan administrator. Any interest earned on such distributions will be paid to the Company to defray certain costs relating to the Plan. The administrative charge for each fiscal quarter will be the lesser of 5% of the amount reinvested for the participant or $2.50, with a minimum charge of $0.50.

12. *Termination by Participant*. A Participant may terminate participation (in whole and not in part) in the Plan at any time, without penalty, by delivering to the Company a written notice. To be effective for any Distribution, such notice must be received by the Company at least ten (10) business days prior to the last day of the fiscal period to which the Distribution relates. Any transfer of shares by a Participant will terminate participation in the Plan with respect to the transferred shares. Upon termination of Plan participation, Distributions will be distributed to the shareholder in cash.

13. *Amendment or Termination of Plan by the Company*. The board of trustees of the Company may amend or terminate the Plan for any reason upon ten (10) days' written notice to the Participants.

14. *Liability of the Company*. The Company shall not be liable for any act done in good faith, or for any good faith omission to act. To the extent that indemnification may apply to liabilities arising under the Securities Act of 1933, as amended, or the securities act of a state, the Company has been advised that, in the opinion of the Securities and Exchange Commission and certain state securities commissioners, such indemnification is contrary to public policy and, therefore, unenforceable.

15. *Governing Law*. This Plan shall be governed by the laws of the State of Maryland.

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No dealer, salesperson or other individual has been authorized to give any information or to make any representations that are not contained in this prospectus. If any such information or statements are given or made, you should not rely upon such information or representation. This prospectus does not constitute an offer to sell any securities other than those to which this prospectus relates, or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. This prospectus speaks as of the date set forth below. You should not assume that the delivery of this prospectus or that any sale made pursuant to this prospectus implies that the information contained in this prospectus will remain fully accurate and correct as of any time subsequent to the date of this prospectus.

Up to $3,000,000,000 in Common Shares

CB Richard Ellis Realty Trust

CB RICHARD ELLIS REALTY TRUST

PROSPECTUS

May 2, 2011

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

Supplement No. 7 dated September 1, 2011
to the Prospectus dated May 2, 2011

This Supplement No. 7 supersedes and replaces the following prior supplements to our prospectus dated May 2, 2011: Supplement No. 1 dated May 19, 2011, Supplement No. 2 dated June 9, 2011, Supplement No. 3 dated July 6, 2011, Supplement No. 4 dated July 15, 2011, Supplement No. 5 dated July 19, 2011 and Supplement No. 6 dated August 16, 2011. This Supplement No. 7 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus and the additional information incorporated by reference herein and described under the heading "Incorporation by Reference" in this Supplement No. 7. Capitalized terms used in this Supplement No. 7 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our," "us" and CBRE REIT include CB Richard Ellis Realty Trust and its subsidiaries.

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Status of Our Current Offering

Our registration statement on Form S-11 relating to this public offering was declared effective by the Securities and Exchange Commission, or the SEC, on January 30, 2009. From January 30, 2009 through June 30, 2011, we have accepted subscriptions from 33,339 investors and issued 128,587,241 common shares pursuant to this public offering, which includes 6,979,802 common shares issued pursuant to our dividend reinvestment plan, and received gross offering proceeds of approximately $1,282,382,506. As of June 30, 2011, approximately $1,717,617,494 in common shares were available to be offered and sold in this public offering. As of August 18, 2011, 200,435,196 common shares were issued and outstanding. Our board of trustees has confirmed that our current primary offering will close on January 30, 2012. The special committee of our board of trustees continues to explore and review strategic alternatives and liquidity events in accordance with our investment objectives. However, there can be no assurance that the exploration of strategic alternatives will result in any particular outcome. We expect to offer common shares through our DRIP beyond January 30, 2012. We may amend or terminate the DRIP offering at any time.

Fees Paid in Connection with Our Offerings

For the six months ended June 30, 2011 and the year ended December 31, 2010, our Dealer Manager earned the following fees:

	Six Months Ended June 30, 2011		Year Ended December 31, 2010	
	Earned[(1)]	Payable[(2)]	Earned[(1)]	Payable[(2)]
Selling commissions	$17,465,000	$712,000	$29,388,000	$347,000
Dealer manager fees	$ 5,027,000	$204,000	$13,179,000	$ 99,000
Marketing support fees	$ 2,497,000	$102,000	$ 4,523,000	$ 50,000

(1) Earned represents the amount expensed on an accrual basis for services provided by the Dealer Manager during the period.

(2) Payable represents the total unpaid amount due on an accrual basis to the Dealer Manager for services provided as of the balance sheet date specified.

For the six months ended June 30, 2011 and the year ended December 31, 2010, our Dealer Manager and our Investment Advisor and/or its affiliates earned the following other offering costs:

	Six Months Ended June 30, 2011		Year Ended December 31, 2010	
	Earned[1]	Payable[2]	Earned[3]	Payable[4]
Other Offering Costs	$1,279,000	$721,000	$4,633,000	$422,000

(1) Included in the other offering costs earned is $1,078,000 and $201,000 for the Dealer Manager and the Investment Advisor, respectively.

(2) Included in the payable amount is $721,000 due to the Dealer Manager as of the balance sheet date specified.

(3) Included in the other offering costs earned is $4,412,000 and $221,000 for the Dealer Manager and the Investment Advisor, respectively.

(4) Included in the payable amount is $407,000 and $15,000 due to the Dealer Manager and our Investment Advisor, respectively, as of the balance sheet date specified.

Fees Paid in Connection with Our Operations

For the six months ended June 30, 2011 and the year ended December 31, 2010, our Investment Advisor and/or its affiliates earned the following fees:

	Six Months Ended June 30, 2011		Year Ended December 31, 2010	
	Earned[1]	Payable[2]	Earned[1]	Payable[2]
Acquisition fees and expenses[3]	$10,000,000	$ —	$13,056,000	$ —
Investment management fees[4]	$ 9,570,000	$1,692,000	$11,611,000	$1,330,000
Property management fees	$ 585,000	$ 191,000	$ 955,000	$ 191,000

(1) Earned represents the amount expensed on an accrual basis for services provided by the Investment Advisor during the period.

(2) Payable represents the unpaid amount due on an accrual basis to the Investment Advisor for services provided.

(3) In connection with services provided to the Investment Advisor, the Sub-Advisor, pursuant to a sub-advisory agreement, was paid $1,753,000 and $2,216,000 by the Investment Advisor for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively.

(4) The Investment Advisor did not waive any investment management fees for the six months ended June 30, 2011 or the year ended December 31, 2010. In connection with services provided to the Investment Advisor, the Sub-Advisor, pursuant to a sub-advisory agreement, was paid $1,321,000 and $1,604,000 by the Investment Advisor for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively.

The Investment Advisor earned a construction supervision fee of $212,000 for the three and six months ended June 30, 2011. There were no construction supervision fees earned in 2010.

CBRE Capital Markets, an affiliate of the Investment Advisor, received $751,000 and $1,217,000 in mortgage banking fees for the six months ended June 30, 2011 and for the year ended December 31, 2010, respectively. Leasing and brokerage fees aggregating $1,035,000 and $895,000 were paid to the Investment Advisor or its affiliates for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively. Construction management fees of $19,000 and $20,700 were paid to affiliates of the Investment Advisor for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively.

Our share of investment management and acquisition fees paid to CB Richard Ellis Investors SP Asia II, LLC in connection with our investment in CBRE Strategic Partners Asia were approximately $137,000 and $0, respectively, for the six months ended June 30, 2011. Through June 30, 2011, we had paid no fees to our Investment Advisor relating to this investment.

Real Estate Investments

This section contains certain information that supplements and updates the information under the section "Real Estate Investments," which begins on page 57 of our prospectus.

Properties

As of June 30, 2011, we owned, on a consolidated basis, 75 office, retail, and industrial (primarily warehouse/distribution) properties located in 15 states (Arizona, California, Florida, Georgia, Illinois, Kentucky, Massachusetts, Minnesota, New Jersey, North Carolina, Ohio, South Carolina, Texas, Utah and Virginia) and in the United Kingdom, encompassing approximately 14,614,000 rentable square feet, in the aggregate. Our consolidated properties were approximately 90.77% leased (based upon square feet) as of June 30, 2011. As of June 30, 2011, certain of our consolidated properties were subject to mortgage debt, a description of which is set forth in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, which is incorporated herein by reference.

In addition, we have ownership interests in five unconsolidated entities that, as of June 30, 2011, owned interests in 51 properties. Excluding those properties owned through our investment in CBRE Strategic Partners Asia, we owned, on an unconsolidated basis, 43 industrial, office and retail properties located in 10 states (Arizona, Florida, Illinois, Indiana, Minnesota, Missouri, North Carolina, Ohio, Tennessee and Texas) and in the United Kingdom and Europe encompassing approximately 2,356,000 rentable square feet. Our unconsolidated properties were approximately 98.11% leased (based upon square feet) as of June 30, 2011. As of June 30, 2011, certain of our unconsolidated properties were subject to mortgage debt, a description of which is set forth in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, which is incorporated herein by reference.

As of June 30, 2011, our portfolio was 94.13% leased. The total effective annual rents for our industrial properties, office properties and retail properties were approximately $61,550,000, $139,129,000 and $8,493,000, as of June 30, 2011, respectively (net of any rent concessions). The average effective annual rent per square foot for our industrial properties, office properties and retail properties was approximately $3.68, $19.19 and $17.82 as of June 30, 2011, respectively (net of any rent concessions).

The following table provides information relating to our properties, excluding those owned through our investment in CBRE Strategic Partners Asia, as of June 30, 2011. These properties consisted of 62 industrial properties, encompassing 18,511,000 rentable square feet, 53 office properties, encompassing 7,963,000 rentable square feet and 3 retail properties, encompassing 496,000 rentable square feet.

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Domestic Consolidated Properties:							
REMEC Corporate Campus 1 San Diego, CA	9/15/2004	1983	Office	100.00%	34	100.00%	$ 6,833
REMEC Corporate Campus 2 San Diego, CA	9/15/2004	1983	Office	100.00%	30	100.00%	6,125
REMEC Corporate Campus 3 San Diego, CA	9/15/2004	1983	Office	100.00%	37	100.00%	7,523
REMEC Corporate Campus 4 San Diego, CA	9/15/2004	1983	Office	100.00%	31	100.00%	6,186
300 Constitution Drive Boston, MA	11/3/2004	1998	Warehouse/ Distribution	100.00%	330	100.00%	19,805
Deerfield Commons[2] Atlanta, GA	6/21/2005	2000	Office	100.00%	122	100.00%	21,834
505 Century[3] Dallas, TX	1/9/2006	1997	Warehouse/ Distribution	100.00%	100	100.00%	6,095
631 International[3] Dallas, TX	1/9/2006	1998	Warehouse/ Distribution	100.00%	73	100.00%	5,407
660 North Dorothy[3] Dallas, TX	1/9/2006	1997	Warehouse/ Distribution	100.00%	120	87.50%	6,836
Bolingbrook Point III Chicago, IL	8/29/2007	2006	Warehouse/ Distribution	100.00%	185	53.18%	18,170
Cherokee Corporate Park[3] Spartanburg, SC	8/30/2007	2000	Warehouse/ Distribution	100.00%	60	0.00%	3,775
Community Cash Complex 1[3] Spartanburg, SC	8/30/2007	1960	Warehouse/ Distribution	100.00%	205	34.79%	2,690
Community Cash Complex 2[3] Spartanburg, SC	8/30/2007	1978	Warehouse/ Distribution	100.00%	145	83.50%	2,225
Community Cash Complex 3[3] Spartanburg, SC	8/30/2007	1981	Warehouse/ Distribution	100.00%	116	100.00%	1,701
Community Cash Complex 4[3] Spartanburg, SC	8/30/2007	1984	Warehouse/ Distribution	100.00%	33	100.00%	547
Community Cash Complex 5[3] Spartanburg, SC	8/30/2007	1984	Warehouse/ Distribution	100.00%	53	100.00%	824
Fairforest Building 1[3] Spartanburg, SC	8/30/2007	2000	Warehouse/ Distribution	100.00%	51	100.00%	2,974
Fairforest Building 2[3] Spartanburg, SC	8/30/2007	1999	Warehouse/ Distribution	100.00%	104	100.00%	5,379
Fairforest Building 3[3] Spartanburg, SC	8/30/2007	2000	Warehouse/ Distribution	100.00%	100	100.00%	5,760
Fairforest Building 4[3] Spartanburg, SC	8/30/2007	2001	Warehouse/ Distribution	100.00%	101	100.00%	5,640
Fairforest Building 5 Spartanburg, SC	8/30/2007	2006	Warehouse/ Distribution	100.00%	316	100.00%	16,968
Fairforest Building 6 Spartanburg, SC	8/30/2007	2005	Warehouse/ Distribution	100.00%	101	100.00%	7,469
Fairforest Building 7[3] Spartanburg, SC	8/30/2007	2006	Warehouse/ Distribution	100.00%	101	83.78%	5,626

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Greenville/Spartanburg Industrial Park[3] Spartanburg, SC	8/30/2007	1990	Warehouse/ Distribution	100.00%	67	100.00%	3,388
Highway 290 Commerce Park Building 1[3] Spartanburg, SC	8/30/2007	1995	Warehouse/ Distribution	100.00%	150	100.00%	5,388
Highway 290 Commerce Park Building 5[3] Spartanburg, SC	8/30/2007	1993	Warehouse/ Distribution	100.00%	30	100.00%	1,420
Highway 290 Commerce Park Building 7[3] Spartanburg, SC	8/30/2007	1994	Warehouse/ Distribution	100.00%	88	0.00%	4,889
HJ Park Building 1 Spartanburg, SC	8/30/2007	2003	Warehouse/ Distribution	100.00%	70	100.00%	4,216
Jedburg Commerce Park[3] Charleston, SC	8/30/2007	2007	Warehouse/ Distribution	100.00%	513	100.00%	41,991
Kings Mountain I Charlotte, NC	8/30/2007	1998	Warehouse/ Distribution	100.00%	100	100.00%	5,497
Kings Mountain II Charlotte, NC	8/30/2007	2002	Warehouse/ Distribution	100.00%	301	100.00%	11,311
Mount Holly Building Charleston, SC	8/30/2007	2003	Warehouse/ Distribution	100.00%	101	100.00%	6,208
North Rhett I Charleston, SC	8/30/2007	1973	Warehouse/ Distribution	100.00%	285	100.00%	10,302
North Rhett II Charleston, SC	8/30/2007	2001	Warehouse/ Distribution	100.00%	102	100.00%	7,073
North Rhett III Charleston, SC	8/30/2007	2002	Warehouse/ Distribution	100.00%	80	100.00%	4,812
North Rhett IV Charleston, SC	8/30/2007	2005	Warehouse/ Distribution	100.00%	316	100.00%	17,060
Orangeburg Park Building Charleston, SC	8/30/2007	2003	Warehouse/ Distribution	100.00%	101	100.00%	5,474
Orchard Business Park 2[3] Spartanburg, SC	8/30/2007	1993	Warehouse/ Distribution	100.00%	18	100.00%	761
Union Cross Building I Winston-Salem, NC	8/30/2007	2005	Warehouse/ Distribution	100.00%	101	100.00%	6,585
Union Cross Building II Winston-Salem, NC	8/30/2007	2005	Warehouse/ Distribution	100.00%	316	0.00%	17,216
Highway 290 Commerce Park Building 2[3] Spartanburg, SC	9/24/2007	1995	Warehouse/ Distribution	100.00%	100	100.00%	4,626
Highway 290 Commerce Park Building 6[3] Spartanburg, SC	11/1/2007	1996	Warehouse/ Distribution	100.00%	105	42.86%	3,760
Lakeside Office Center Dallas, TX	3/5/2008	2006	Office	100.00%	99	95.35%	17,994
Kings Mountain III Charlotte, NC	3/14/2008	2007	Warehouse/ Distribution	100.00%	542	100.00%	25,728
Enclave on the Lake[3] Houston, TX	7/1/2008	1999	Office	100.00%	171	100.00%	37,827
Avion Midrise III Washington, DC	11/18/2008	2002	Office	100.00%	71	100.00%	21,111
Avion Midrise IV Washington, DC	11/18/2008	2002	Office	100.00%	72	100.00%	21,112
13201 Wilfred Lane Minneapolis, MN	6/29/2009	1999	Warehouse/ Distribution	100.00%	335	100.00%	15,340
3011, 3055 & 3077 Comcast Place East Bay, CA	7/1/2009	1988	Office	100.00%	220	100.00%	49,000
140 Depot Street Boston, MA	7/31/2009	2009	Warehouse/ Distribution	100.00%	238	100.00%	18,950
12650 Ingenuity Drive Orlando, FL	8/5/2009	1999	Office	100.00%	125	100.00%	25,350
Crest Ridge Corporate Center I Minneapolis, MN	8/17/2009	2009	Office	100.00%	116	100.00%	28,419
West Point Trade Center Jacksonville, FL	12/30/2009	2009	Warehouse/ Distribution	100.00%	602	100.00%	29,000
5160 Hacienda Drive East Bay, CA	4/8/2010	1988	Office	100.00%	202	100.00%	38,500
10450 Pacific Center Court San Diego, CA	5/7/2010	1985	Office	100.00%	134	100.00%	32,750
225 Summit Ave Northern NJ	6/21/2010	1966	Office	100.00%	143	100.00%	40,600

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
One Wayside Road Boston, MA	6/24/2010	1998	Office	100.00%	200	100.00%	55,525
100 Tice Blvd. Northern NJ	9/28/2010	2007	Office	100.00%	209	100.00%	67,600
Ten Parkway North Chicago, IL	10/12/2010	1999	Office	100.00%	100	100.00%	25,000
4701 Gold Spike Drive Dallas, TX	10/27/2010	2002	Warehouse/ Distribution	100.00%	420	100.00%	20,300
1985 International Way Cincinnati, OH	10/27/2010	1998	Warehouse/ Distribution	100.00%	189	100.00%	14,800
Rickenbacker II[3][4] Columbus, OH	10/27/2010	1999	Warehouse/ Distribution	100.00%	434	47.37%	8,600
Summit Distribution Center Salt Lake City, UT	10/27/2010	2001	Warehouse/ Distribution	100.00%	275	100.00%	13,400
3660 Deerpark Boulevard Jacksonville, FL	10/27/2010	2002	Warehouse/ Distribution	100.00%	322	100.00%	15,300
Tolleson Commerce Park II Phoenix, AZ	10/27/2010	1999	Warehouse/ Distribution	100.00%	217	100.00%	9,200
Pacific Corporate Park[2] Washington, DC	11/15/2010	2002	Office	100.00%	696	100.00%	144,500
100 Kimball Drive Northern NJ	12/10/2010	2007	Office	100.00%	175	100.00%	60,250
Rickenbacker III[3][4] Columbus, OH	12/17/2010	2001	Warehouse/ Distribution	100.00%	676	60.71%	13,400
70 Hudson[5] New York City Metro, NJ	4/11/2011	2000	Office	100.00%	409	100.00%	155,000
90 Hudson[5] New York City Metro, NJ	4/11/2011	2000	Office	100.00%	418	100.00%	155,000
Millers Ferry Road[3][5] Dallas, TX	6/2/2011	2011	Warehouse/ Distribution	100.00%	1,020	100.00%	40,784
Total Domestic Consolidated Properties					**14,324**	**90.93%**	**1,528,709**
International Consolidated Properties:							
602 Central Blvd.[3] Coventry, UK	4/27/2007	2001	Office	100.00%	50	0.00%	23,847
Thames Valley Five Reading, UK	3/20/2008	1998	Office	100.00%	40	100.00%	29,572
Albion Mills Retail Park Wakefield, UK	7/11/2008	2000	Retail	100.00%	55	100.00%	22,098
Maskew Retail Park Peterborough, UK	10/23/2008	2007	Retail	100.00%	145	100.00%	53,740
Total International Consolidated Properties					**290**	**82.77%**	**129,257**
Total Consolidated Properties					**14,614**	**90.77%**	**1,657,966**
Domestic Unconsolidated Properties[6]:							
Buckeye Logistics Center[7] Phoenix, AZ	6/12/2008	2008	Warehouse/ Distribution	80.00%	605	100.00%	35,573
Afton Ridge Shopping Center[8] Charlotte, NC	9/18/2008	2007	Retail	90.00%	296	96.35%	44,530
AllPoints at Anson Bldg. 1[7] Indianapolis, IN	9/30/2008	2008	Warehouse/ Distribution	80.00%	1,037	100.00%	41,305
12200 President's Court[7] Jacksonville, FL	9/30/2008	2008	Warehouse/ Distribution	80.00%	772	100.00%	29,995
201 Sunridge Blvd.[7] Dallas, TX	9/30/2008	2008	Warehouse/ Distribution	80.00%	823	100.00%	25,690
Aspen Corporate Center 500[7] Nashville, TN	9/30/2008	2008	Office	80.00%	180	100.00%	29,936
125 Enterprise Parkway[7] Columbus, OH	12/10/2008	2008	Warehouse/ Distribution	80.00%	1,142	100.00%	38,088
AllPoints Midwest Bldg. I[7] Indianapolis, IN	12/10/2008	2008	Warehouse/ Distribution	80.00%	1,200	100.00%	41,428
Celebration Office Center[7] Orlando, FL	5/13/2009	2009	Office	80.00%	101	100.00%	13,640
22535 Colonial Pkwy[3][7] Houston, TX	5/13/2009	2009	Office	80.00%	90	100.00%	11,596
Fairfield Distribution Ctr. IX[7] Tampa, FL	5/13/2009	2008	Warehouse/ Distribution	80.00%	136	100.00%	7,151

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Northpoint III[7] Orlando, FL	10/15/2009	2001	Office	80.00%	108	100.00%	14,592
Goodyear Crossing Ind. Park II[7] Phoenix, AZ	12/07/2009	2009	Warehouse/ Distribution	80.00%	820	100.00%	36,516
3900 North Paramount Parkway[7] Raleigh, NC	3/31/2010	1999	Office	80.00%	101	100.00%	11,176
3900 South Paramount Parkway[7] Raleigh, NC	3/31/2010	1999	Office	80.00%	119	100.00%	13,055
1400 Perimeter Park Drive[7] Raleigh, NC	3/31/2010	1991	Office	80.00%	45	100.00%	3,970
Miramar I[7][9] Fort Lauderdale, FL	3/31/2010	2001	Office	80.00%	94	100.00%	13,645
Miramar II[7][9] Fort Lauderdale, FL	3/31/2010	2001	Office	80.00%	129	100.00%	20,899
McAuley Place[3][7] Cincinnati, OH	12/21/2010	2001	Office	80.00%	191	98.57%	28,000
Point West I[3][7] Dallas, TX	12/21/2010	2008	Office	80.00%	183	100.00%	23,600
Sam Houston Crossing I[3][7] Houston, TX	12/21/2010	2007	Office	80.00%	160	100.00%	20,400
Regency Creek[3][7] Raleigh, NC	12/21/2010	2008	Office	80.00%	122	100.00%	18,000
Easton III[3][7] Columbus, OH	12/21/2010	1999	Office	80.00%	135	100.00%	14,400
533 Maryville Centre[3][7] St. Louis, MD	12/21/2010	2000	Office	80.00%	125	100.00%	19,102
555 Maryville Centre[3][7] St. Louis, MD	12/21/2010	1999	Office	80.00%	127	67.84%	15,578
Norman Point I[3][5][7] Minneapolis, MN	3/24/2011	2000	Office	80.00%	213	100.00%	34,080
Norman Point II[3][5][7] Minneapolis, MN	3/24/2011	2007	Office	80.00%	324	100.00%	37,520
One Conway Park[3][5][7] Chicago, IL	3/24/2011	1989	Office	80.00%	105	71.07%	12,320
West Lake at Conway[3][5][7] Chicago, IL	3/24/2011	2008	Office	80.00%	99	67.83%	14,060
The Landings I[3][5][7] Cincinnati, OH	3/24/2011	2006	Office	80.00%	176	100.00%	23,728
The Landings II[3][5][7] Cincinnati, OH	3/24/2011	2007	Office	80.00%	175	96.06%	20,928
One Easton Oval[3][5][7] Columbus, OH	3/24/2011	1997	Office	80.00%	125	55.30%	9,529
Two Easton Oval[3][5][7] Columbus, OH	3/24/2011	1995	Office	80.00%	129	74.57%	10,195
Atrium I[3][5][7] Columbus, OH	3/24/2011	1996	Office	80.00%	315	100.00%	36,200
Weston Pointe I[3][5][7] Ft Lauderdale, FL	3/24/2011	1999	Office	80.00%	98	82.08%	15,507
Weston Pointe II[3][5][7] Ft Lauderdale, FL	3/24/2011	2000	Office	80.00%	97	96.29%	18,701
Weston Pointe III[3][5][7] Ft Lauderdale, FL	3/24/2011	2003	Office	80.00%	97	100.00%	18,867
Weston Pointe IV[3][5][7] Ft Lauderdale, FL	3/24/2011	2006	Office	80.00%	96	100.00%	22,605
Total Domestic Unconsolidated Properties					**10,890**	**97.86%**	**846,105**
International Unconsolidated Properties							
Amber Park[3][10] Nottingham, UK	6/10/2010	1997	Warehouse/ Distribution	80.00%	208	100.00%	12,514
Brackmills[3][10] Northampton, UK	6/10/2010	1984	Warehouse/ Distribution	80.00%	187	100.00%	13,407
Düren[3][11] Rhine-Ruhr, Germany	6/10/2010	2008	Warehouse/ Distribution	80.00%	392	100.00%	13,148
Schönberg[3][11] Hamburg, Germany	6/10/2010	2009	Warehouse/ Distribution	80.00%	454	100.00%	13,819
Langenbach[3][11] Munich, Germany	10/28/2010	2010	Warehouse/ Distribution	80.00%	225	100.00%	18,573
Total International Unconsolidated Properties					**1,466**	**100.00%**	**71,461**
Total Unconsolidated Properties[6]					**12,356**	**98.11%**	**917,566**
Total Properties[6]					**26,970**	**94.13%**	**$2,575,532**

(1) Approximate total acquisition cost represents the pro rata purchase price inclusive of customary closing costs and acquisition fees/ acquisition expenses.

(2) Includes undeveloped land zoned for future use.

(3) This property was not encumbered by mortgage debt as of June 30, 2011.

(4) Real estate held for sale as of June 30, 2011.

(5) The estimated acquisition cap rates for 70 & 90 Hudson (in the aggregate), Millers Ferry Road, Norman Point I, Norman Point II, One Conway Park, West Lake at Conway, The Landings, The Landings II, One Easton Oval, Two Easton Oval, Atrium I, Weston Pointe I, Weston Pointe II, Weston Pointe III and Weston Pointe IV were 7.9%, 7.8%, 8.4%, 7.7%, 7.7%, 7.6%, 8.0%, 8.1%, 4.2%, 7.2%, 8.2%, 8.5%, 9.9%, 8.0% and 10.1%, respectively. Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

(6) Does not include CBRE Strategic Partners Asia properties.

(7) This property is held through the Duke joint venture.

(8) This property is held through the Afton Ridge joint venture.

(9) Consolidated properties acquired on December 31, 2009 and contributed to the Duke joint venture during March 2010.

(10) This property is held through the UK JV.

(11) This property is held through the European JV.

Property Type Concentration

Our property type concentrations as of June 30, 2011 are as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties (1)			Consolidated & Unconsolidated Properties (1)		
Property Type	**Properties**	**Net Rentable Square Feet**	**Approximate Total Acquisition Cost**	**Properties**	**Net Rentable Square Feet**	**Approximate Total Acquisition Cost**	**Properties**	**Net Rentable Square Feet**	**Approximate Total Acquisition Cost**
Office	24	3,904	$1,077,458	29	4,059	$545,829	53	7,963	$1,623,287
Warehouse/Distribution	49	10,510	504,670	13	8,001	327,207	62	18,511	831,877
Retail	2	200	75,838	1	296	44,530	3	496	120,368
Total	75	14,614	$1,657,966	43	12,356	$917,566	118	26,970	$2,575,532

(1) Number of Properties and Net Rentable Square Feet for Unconsolidated Properties are at 100%. Approximate Total Acquisition Cost for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Geographic Concentration

Our geographic concentrations as of June 30, 2011 are as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties (1)			Consolidated & Unconsolidated Properties (1)		
Domestic	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
New Jersey	5	1,353	$ 478,450	—	—	$ —	5	1,353	$ 478,450
Florida	3	1,048	69,650	10	1,728	175,602	13	2,776	245,252
Texas	7	2,003	135,243	4	1,255	81,286	11	3,258	216,529
Ohio	2	1,110	22,000	8	2,388	181,068	10	3,498	203,068
Virginia	3	839	186,723	—	—	—	3	839	186,723
South Carolina	28	3,614	182,946	—	—	—	28	3,614	182,946
North Carolina	5	1,360	66,337	5	683	90,731	10	2,043	157,068
California	7	688	146,917	—	—	—	7	688	146,917
Minnesota	2	452	43,759	2	537	71,600	4	989	115,359
Massachusetts	3	769	94,280	—	—	—	3	769	94,280
Indiana	—	—	—	2	2,237	82,733	2	2,237	82,733
Arizona	1	217	9,200	2	1,425	72,089	3	1,642	81,289
Illinois	2	285	43,170	2	205	26,380	4	490	69,550
Missouri	—	—	—	2	252	34,680	2	252	34,680
Tennessee	—	—	—	1	180	29,936	1	180	29,936
Georgia	1	122	21,834	—	—	—	1	122	21,834
Kentucky	1	189	14,800	—	—	—	1	189	14,800
Utah	1	275	13,400	—	—	—	1	275	13,400
Total Domestic	71	14,324	1,528,709	38	10,890	846,105	109	25,214	2,374,814
International									
United Kingdom	4	290	129,257	2	395	25,921	6	685	155,178
Germany	—	—	—	3	1,071	45,540	3	1,071	45,540
Total International	4	290	129,257	5	1,466	71,461	9	1,756	200,718
Total	75	14,614	$1,657,966	43	12,356	$917,566	118	26,970	$2,575,532

(1) Number of Properties and Net Rentable Square Feet for Unconsolidated Properties are at 100%. Approximate Total Acquisition Cost for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Significant Tenants

The following table details our largest tenants as of June 30, 2011 (in thousands):

	Tenant	Primary Industry	Consolidated Properties		Unconsolidated Properties[1]		Consolidated & Unconsolidated Properties[1]	
			Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent
1	Barclay's Capital	Financial Services	409	$ 12,278	—	$ —	409	$ 12,278
2	General Services Administration	Government	71	2,263	378	8,391	449	10,654
3	Raytheon Company	Defense and Aerospace	666	9,495	—	—	666	9,495
4	Amazon.com, Inc[2]	Internet Retail	—	—	2,462	8,964	2,462	8,964
5	National Union Fire Insurance Company	Insurance	172	6,010			172	6,010
6	Nuance Communications	Software	201	5,535	—	—	201	5,535
7	Lord Abbett & Co	Financial Services	149	5,211			149	5,211
8	Eisai	Pharmaceutical and Health Care Related	209	4,772	—	—	209	4,772
9	Comcast	Telecommunications	220	4,697	—	—	220	4,697
10	Deloitte	Professional Services	175	4,390	—	—	175	4,390
11	Barr Laboratories	Pharmaceutical and Health Care Related	143	4,061	—	—	143	4,061
12	Unilever[3]	Consumer Products	—	—	1,595	3,864	1,595	3,864
13	PPD Development	Pharmaceutical and Health Care Related	—	—	251	3,688	251	3,688
14	Eveready Battery Company	Consumer Products	—	—	168	3,568	168	3,568
15	NDB Capital Markets	Financial Services	97	3,400	—	—	97	3,400
16	Carl Zeiss	Pharmaceutical and Health Care Related	202	3,336	—	—	202	3,336
17	Whirlpool Corporation	Consumer Products	1,020	3,212			1,020	3,212
18	ConAgra Foods	Food Service and Retail	742	3,028	—	—	742	3,028
19	American LaFrance	Vehicle Related Manufacturing	513	2,979	—	—	513	2,979
20	Prime Distribution Services	Logistics and Distribution	—	—	1,200	2,958	1,200	2,958
21	Nationwide Mutual Insurance Co	Insurance	—	—	315	2,869	315	2,869
22	Kellogg's	Consumer Products	—	—	1,142	2,817	1,142	2,817
23	Time Warner	Telecommunications	134	2,814	—	—	134	2,814
24	B&Q	Home Furnishings/Home Improvement	104	2,685	—	—	104	2,685
25	Syngenta Seeds	Agriculture	116	2,472	—	—	116	2,472
26	Dr. Pepper Snapple	Food Service and Retail	601	2,460	—	—	601	2,460
27	REMEC	Defense and Aerospace	133	2,431	—	—	133	2,431
28	Verizon Wireless[4]	Telecommunications	—	—	180	2,246	180	2,246
29	Royal Caribbean Cruises	Travel/Leisure	—	—	129	2,182	129	2,182
30	Iowa College Acquisition Corp[5]	Education	124	2,179	—	—	124	2,179
31	Citicorp North America, Inc.	Financial Services	—	—	194	2,081	194	2,081
32	American Home Mortgage	Financial Services	—	—	183	2,024	183	2,024
33	Best Buy	Specialty Retail	238	1,657	30	317	268	1,974
34	NCS Pearson, Inc.	Education	—	—	153	1,963	153	1,963
35	Markel Midwest, Inc.	Insurance	100	1,892	—	—	100	1,892
36	Disney	Travel/Leisure	—	—	101	1,855	101	1,855
37	Lockheed Martin	Defense and Aerospace	71	1,847	—	—	71	1,847
38	Mercy Health Partners of SW Ohio	Pharmaceutical and Health Care Related	—	—	113	1,795	113	1,795
39	ABB, Inc.	Other Manufacturing	—	—	91	1,641	91	1,641
40	Regus	Executive Office Suites	86	1,602	—	—	86	1,602
	Other (221 tenants)		6,569	28,309	3,438	30,934	10,007	59,243
			13,265	$125,015	12,123	$84,157	25,388	$209,172

(1) Net Rentable Square Feet for Unconsolidated Properties is at 100%. Annualized Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

(2) Our tenants are Amazon.com.azdc, Inc., in our Buckeye Logistics Center and Goodyear Crossing Park II properties, and Amazon.com.indc, LLC, in our AllPoints at Anson Bldg. 1 property, which are all wholly-owned subsidiaries of Amazon.com.

(3) Our tenant is CONOPCO, Inc., a wholly-owned subsidiary of Unilever.

(4) Verizon Wireless is the d/b/a for Cellco Partnership.

(5) Our tenant is Iowa College Acquisitions Corp., an operating subsidiary of Kaplan, Inc. The lease is guaranteed by Kaplan Inc.

Tenant Industries

Our tenants operate across a wide range of industries. The following table details our tenant-industry concentrations as of June 30, 2011 (in thousands):

Primary Tenant Industry Category	Consolidated Properties		Unconsolidated Properties(1)		Consolidated & Unconsolidated Properties(1)	
	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent
Financial Services	837	$ 22,471	489	$ 5,783	1,326	$ 28,254
Pharmaceutical and Health Care Related	905	13,778	681	8,086	1,586	21,864
Defense and Aerospace	901	14,504	7	121	908	14,625
Consumer Products	1,184	4,139	3,337	9,757	4,521	13,896
Logistics and Distribution	1,772	6,272	2,023	6,718	3,795	12,990
Insurance	271	7,902	434	4,496	705	12,398
Telecommunications	687	9,082	195	2,444	882	11,526
Government	72	2,263	378	8,391	450	10,654
Internet Retail	330	1,425	2,462	8,964	2,792	10,389
Other Manufacturing	909	3,158	319	5,795	1,228	8,953
Food Service and Retail	2,017	7,477	37	467	2,054	7,944
Professional Services	243	5,134	178	2,355	421	7,489
Education	124	2,179	364	5,216	488	7,395
Business Services	736	2,874	308	3,708	1,044	6,582
Software	201	5,535	22	357	223	5,892
Home Furnishings/Home Improvement	462	4,598	73	1,173	535	5,771
Vehicle Related Manufacturing	828	4,537	—	—	828	4,537
Specialty Retail	391	3,191	111	1,178	502	4,369
Travel and Leisure	—	—	240	4,217	240	4,217
Agriculture	116	2,472	9	95	125	2,567
Apparel Retail	—	—	227	2,012	227	2,012
Executive Office Suites	86	1,602	—	—	86	1,602
Utilities	—	—	127	1,516	127	1,516
Petroleum and Mining	171	299	55	646	226	945
Other Retail	22	123	47	662	69	785
Total	13,265	$125,015	12,123	$84,157	25,388	$209,172

(1) Net Rentable Square Feet for Unconsolidated Properties is at 100%. Annualized Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

Tenant Lease Expirations

The following table sets forth a schedule of expiring leases for our consolidated and unconsolidated properties as of June 30, 2011 (Expiring Net Rentable Square Feet and Expiring Base Rent in thousands):

	Consolidated Properties		Unconsolidated Properties(1)		Consolidated & Unconsolidated Properties(1)			
	Expiring Net Rentable Square Feet	Expiring Base Rent	Expiring Net Rentable Square Feet	Expiring Base Rent	Number of Expiring Leases	Expiring Net Rentable Square Feet	Expiring Base Rent	Percentage of Expiring Base Rent
2011 (Six months ending December 31, 2011)	555	$ 1,806	69	$ 979	20	624	$ 2,785	1.21%
2012	824	12,385	186	2,585	38	1,010	14,970	6.48%
2013	1,605	8,599	641	5,247	41	2,246	13,846	5.99%
2014	697	4,247	147	1,976	26	844	6,223	2.69%
2015	1,396	7,919	389	4,053	29	1,785	11,972	5.18%
2016	818	14,398	746	11,638	20	1,564	26,036	11.27%
2017	267	3,832	1,373	12,082	21	1,640	15,914	6.89%
2018	743	8,518	2,784	14,875	18	3,527	23,393	10.12%
2019	1,697	13,239	3,725	18,337	15	5,422	31,576	13.67%
2020	601	12,973	16	162	8	617	13,135	5.68%
2021	2,562	26,341	1,353	9,766	10	3,915	36,107	15.63%
Thereafter	1,500	24,855	694	10,233	15	2,194	35,088	15.19%
Total	13,265	$139,112	12,123	$91,933	261	25,388	$231,045	100.00%
Weighted Average Expiration (years)		7.93		7.44				7.74

(1) Expiring Net Rentable Square Feet for Unconsolidated Properties is at 100%. Expiring Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

Property Portfolio Size

Our portfolio size at the end of each quarter since commencement of our initial public offering through June 30, 2011 is as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties[1]			Consolidated & Unconsolidated Properties[1]		
Cumulative Property Portfolio as of:	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
9/30/2006	9	878	$ 86,644	—	—	$ —	9	878	$ 86,644
12/31/2006	9	878	86,644	—	—	—	9	878	86,644
3/31/2007	9	878	86,644	—	—	—	9	878	86,644
6/30/2007	10	928	110,491	—	—	—	10	928	110,491
9/30/2007	42	5,439	348,456	—	—	—	42	5,439	348,456
12/31/2007	44	5,576	353,594	—	—	—	44	5,576	353,594
3/31/2008	47	6,257	426,856	—	—	—	47	6,257	426,856
6/30/2008	47	6,257	426,856	1	605	35,636	48	6,862	462,492
9/30/2008	49	6,483	486,777	6	3,307	193,773	55	9,790	680,550
12/31/2008	52	6,771	582,682	8	5,649	273,205	60	12,420	855,887
3/31/2009	52	6,771	582,717	8	5,649	273,130	60	12,420	855,847
6/30/2009	53	7,106	598,103	11	5,976	305,308	64	13,082	903,411
9/30/2009	57	7,805	719,822	11	5,976	305,202	68	13,781	1,025,024
12/31/2009	60	8,630	791,314	13	6,904	356,158	73	15,534	1,147,472
3/31/2010	58	8,407	748,835	18	7,392	418,818	76	15,799	1,167,653
6/30/2010	62	9,086	916,210	22	8,633	471,615	84	17,719	1,387,825
9/30/2010	63	9,295	983,810	22	8,633	471,615	85	17,928	1,455,425
12/31/2010	73	12,800	1,308,560	30	9,901	629,268	103	22,701	1,937,828
3/31/2011	73	12,800	1,308,560	43	11,950	903,508	116	24,750	2,212,068
6/30/2011	75	14,614	1,657,966	43	12,356	917,566	118	26,970	2,575,532

(1) Net Rentable Square Feet for unconsolidated properties is at 100%. Approximate Total Acquisition Cost is at our pro rata share of effective ownership and does not include our investment in CBRE Strategic Partners Asia.

Rental Operations

Our reportable segments consist of three types of commercial real estate properties for which our management internally evaluates operating performance and financial results: the Domestic Industrial Properties, Domestic Office Properties and International Office/Retail Properties. All periods presented have been revised to report our segment results under our new reportable segment structure. We evaluate the performance of our segments based on net operating income, defined as: rental income and tenant reimbursements less property and related expenses (operating and maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization, and our company-level general and administrative expenses. The following tables compare the net operating income for the three and six months ended June 30, 2011 and 2010 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Domestic Industrial Properties				
Revenues:				
Rental	$ 7,182	$ 5,487	$ 14,110	$11,300
Tenant Reimbursements	1,678	1,295	3,342	2,553
Total Revenues	8,860	6,782	17,452	13,853
Property and Related Expenses:				
Operating and Maintenance	495	395	943	733
General and Administrative	216	116	337	162
Property Management Fee to Related Party	53	77	136	138
Property Taxes	1,583	1,455	3,211	2,886
Total Expenses	2,347	2,043	4,627	3,919
Net Operating Income	6,513	4,739	12,825	9,934
Domestic Office Properties				
Revenues:				
Rental	20,886	7,612	37,052	14,861
Tenant Reimbursements	5,662	1,467	9,533	3,046
Total Revenues	26,548	9,079	46,585	17,907
Property and Related Expenses:				
Operating and Maintenance	3,490	957	6,216	2,114
General and Administrative	166	84	296	171
Property Management Fee to Related Party	47	27	303	60
Property Taxes	3,076	1,096	5,523	2,286
Total Expenses	6,779	2,164	12,338	4,631
Net Operating Income	19,769	6,915	34,247	13,276
International Office/Retail Properties				
Revenues:				
Rental	1,537	1,535	3,135	3,475
Tenant Reimbursements	92	55	135	136
Total Revenues	1,629	1,590	3,270	3,611
Property and Related Expenses:				
Operating and Maintenance	119	59	358	139
General and Administrative	(78)	86	75	121
Property Management Fee to Related Party	75	72	146	142
Total Expenses	116	217	579	402
Net Operating Income	1,513	1,373	2,691	3,209
Reconciliation to Consolidated Net Loss				
Total Segment Net Operating Income	27,795	13,027	49,763	26,419
Interest Expense	9,385	3,238	15,395	6,333
General and Administrative	1,071	1,553	2,213	2,224
Investment Management Fee to Related Party	5,235	2,687	9,493	5,118
Acquisition Expenses	6,852	4,841	11,493	5,219
Depreciation and Amortization	14,972	6,717	27,245	13,960
	(9,720)	(6,009)	(16,076)	(6,435)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Other Income and Expenses				
Interest and Other Income	435	91	811	689
Net Settlement Payments on Interest Rate Swaps	(180)	(230)	(354)	(444)
(Loss) Gain on Interest Rate Swaps	(108)	(115)	145	(503)
Loss on Note Payable at Fair Value	(8)	(5)	(34)	(78)
Loss on Early Extinguishment of Debt	0	0	0	(73)
Loss from Continuing Operations Before Provision for Income Taxes and Equity in Income of Unconsolidated Entities	(9,581)	(6,268)	(15,508)	(6,844)
Provision for Income Taxes	(230)	(70)	(300)	(85)
Equity in Income of Unconsolidated Entities	341	2,109	3,551	2,846
Net Loss from Continuing Operations	(9,470)	(4,229)	(12,257)	(4,083)
Discontinued Operations				
Income from Discontinued Operations	220	0	395	0
Realized Loss from Sale	(126)	0	(126)	0
Income From Discontinued Operations	94	0	269	0
Net Loss	(9,376)	(4,229)	(11,988)	(4,083)
Net Loss Attributable to Non-Controlling Operating Partnership Units	13	8	16	7
Net Loss Income Attributable to CB Richard Ellis Realty Trust Shareholders	$(9,363)	$(4,221)	$(11,972)	$(4,076)

(1) Total Segment Net Operating Income is a Non-GAAP financial measure which may be useful as a supplemental measure for evaluating the relationship of each reporting segment to the combined total. This measure should not be viewed as an alternative measure of operating performance to our U.S. GAAP presentations provided. Segment "Net Operating Income" is defined as operating revenues (rental income, tenant reimbursements and other property income) less property and related expenses (property expenses, including real estate taxes) before depreciation and amortization expense. The Net Operating Income segment information presented consists of the same Net Operating Income segment information disclosed in Note 10 to our consolidated financial statements in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011.

Tax Basis and Real Estate Tax

The following table provides information regarding our tax basis and real estate taxes at each of our consolidated properties as of June 30, 2011:

Location	Property	Original Income Tax Basis	2011 Real Estate Annual Taxes
San Diego, CA	REMEC Corporate Campus	$ 26,667,000	$ 316,000
Boston, MA	300 Constitution Drive	19,805,000	306,000
Atlanta, GA	Deerfield Commons I	19,572,000	291,000
Atlanta, GA	Deerfield Commons II	2,262,000	52,000
Dallas, TX	505 Century	6,095,000	102,000
Dallas, TX	631 International	5,407,000	95,000
Dallas, TX	660 North Dorothy	6,836,000	99,000
Chicago, IL	Bolingbrook Point III	18,170,000	218,000
Spartanburg, SC	Cherokee Corporate Park	3,775,000	38,000
Spartanburg, SC	Community Cash Complex 1-5	7,987,000	147,000
Spartanburg, SC	Fairforest Building 1-4	19,753,000	363,000
Spartanburg, SC	Fairforest Building 5	16,968,000	267,000
Spartanburg, SC	Fairforest Building 6(4)	7,469,000	163,000
Spartanburg, SC	Fairforest Building 7	5,626,000	123,000
Spartanburg, SC	Greenville/Spartanburg Industrial Park	3,388,000	70,000
Spartanburg, SC	Highway 290 Commerce Park Buildings	20,083,000	323,000
Spartanburg, SC	HJ Park Building 1	4,216,000	107,000
Charleston, SC	Jedburg Commerce Park	41,991,000	634,000
Charlotte, NC	Kings Mountain I	5,497,000	35,000
Charlotte, NC	Kings Mountain II	11,311,000	55,000
Charleston, SC	Mount Holly Building	6,208,000	54,000
Charleston, SC	North Rhett I	10,302,000	140,000
Charleston, SC	North Rhett II	7,073,000	67,000
Charleston, SC	North Rhett III(4)	4,812,000	55,000
Charleston, SC	North Rhett IV	17,060,000	226,000
Charleston, SC	Orangeburg Park Building	5,474,000	128,000
Spartanburg, SC	Orchard Business Park 2	761,000	14,000
Winston-Salem, NC	Union Cross Building I	6,585,000	179,000
Winston-Salem, NC	Union Cross Building II	17,216,000	173,000
Dallas, TX	Lakeside Office Center	17,994,000	277,000
Charlotte, NC	Kings Mountain III	25,728,000	73,000
Houston, TX	Enclave on the Lake	37,827,000	577,000
Washington, DC	Avion Midrise III	21,111,000	217,000
Washington, DC	Avion Midrise IV	21,112,000	217,000
Minneapolis, MN	13201 Wilfred Lane	15,340,000	530,000
East Bay, CA	3011, 3055 & 3077 Comcast Place	49,000,000	775,000
Boston, MA	140 Depot Street	18,950,000	254,000
Orlando, FL	12650 Ingenuity Drive	25,350,000	349,000
Minneapolis, MN	Crest Ridge Corporate Center I	28,419,000	285,000
Jacksonville, FL	West Point Trade Center	29,000,000	483,000
East Bay, CA	5160 Hacienda Dr	38,500,000	464,000
San Diego, CA	10450 Pacific Center Ct	32,750,000	315,000
Northern NJ	225 Summit Ave	40,600,000	457,000
Boston, MA	One Wayside Road	55,525,000	544,000
Northern NJ	100 Tice Blvd.	67,600,000	609,000
Chicago, IL	Ten Parkway North	25,000,000	140,000
Washington, DC	Pacific Corporate Park	144,500,000	1,675,000
Northern NJ	100 Kimball Drive	60,250,000	777,000
Dallas, TX	4701 Gold Spike Drive	20,300,000	315,000
Cincinnati, OH	1985 International Way	14,800,000	130,000
Columbus, OH	Rickenbacker II	8,600,000	56,000
Columbus, OH	Rickenbacker III	13,400,000	90,000
Salt Lake City, UT	Summit Distribution Center	13,400,000	147,000
Jacksonville, FL	3660 Deerpark Boulevard	15,300,000	170,000
Phoenix, AZ	Tolleson Commerce Park II	9,200,000	235,000
New York City Metro, NJ	70 Hudson	155,000,000	1,275,000
New York City Metro, NJ	90 Hudson	155,000,000	1,364,000
Dallas, TX	Millers Ferry Road	40,784,000	156,000
Coventry, UK	602 Central Boulevard	23,847,000	N/A
Reading, UK	Thames Valley Five	29,572,000	N/A
Wakefield, UK	Albion Mills	22,098,000	N/A
Peterborough, UK	Maskew Retail Park	53,740,000	N/A
Total		$1,657,966,000	$17,796,000

Recent Developments

We previously disclosed that, in connection with the acquisition of the 70 & 90 Hudson properties on April 11, 2011, we assumed approximately $238,419,000 in two existing mortgage loans. On July 14, 2011, we and Teachers Insurance and Annuity Association of America, or the Lender, agreed to modify the $117,562,000 existing mortgage loan assumed by us in connection with the acquisition of the 90 Hudson, or the Assumed Loan. The Assumed Loan was modified to extend its maturity by three years, from May 1, 2016 to May 1, 2019. The Assumed Loan's 5.66% annual interest rate was unchanged but is subject to a new 30 year amortization schedule. We pre-paid approximately $8,600,000 of the Assumed Loan's balance (with no pre-payment penalty) in connection with the modification, resulting in a balance of $108,500,000. A $167,000 fee was paid to CBRE Capital Markets, an affiliate of the Investment Advisor, in connection with modification of the Assumed Loan. The agreements pertaining to the modification of the Assumed Loan contain customary provisions, including representations, warranties, covenants and indemnifications.

On August 8, 2011, the Duke joint venture closed on two loans with Woodman of the World Life Insurance Society totaling $14,425,000. The loans are secured by the Fairfield Distribution Center IX, $4,675,000, and West Lake at Conway, $9,750,000, properties. Net proceeds from the financing totaling approximately $13,818,000 was used to pay down the Wells Fargo unsecured term loan. Upon closing the Duke joint venture paid down approximately $52,818,000 of the $275,000,000 Wells Fargo unsecured term reducing the outstanding balance as of August 8, 2011 to approximately $222,182,000. Our 80% share of the outstanding balance was $177,746,000.

On August 12, 2011, we sold the Rickenbacker II and Rickenbacker III properties located in Groveport, OH, which were previously held for sale, to an unrelated third-party. The aggregate sales proceeds after customary closing costs was approximately $22,432,000.

On August 16, 2011, the Duke joint venture closed on three loans with Wells Fargo Bank, N.A., or Wells Fargo, totaling $43,400,000. The three loans are individually secured by the Easton III, Point West I and Atrium I properties. Upon closing the $6,900,000 loan secured by the Easton III property, the Duke joint venture entered into an interest rate swap agreement with Wells Fargo to effectively fix the annual interest rate on this loan at 4.95% for its entire term until this loan's scheduled maturity on January 31, 2019. Upon closing the $11,800,000 loan secured by the Point West I property, the Duke joint venture entered into an interest rate swap agreement with Wells Fargo to effectively fix the annual interest rate on this loan to 3.41% for its entire term until this loan's scheduled maturity on December 6, 2016. Upon closing the $24,700,000 loan secured by the Atrium I property, the Duke joint venture entered into an interest rate swap agreement with Wells Fargo to effectively fix the annual interest rate on this loan to 3.775% for its entire term until this loan's scheduled maturity on May 31, 2018. Principal and interest payments are due monthly on the three loans. The Duke joint venture incurred financing costs of approximately $700,000 in conjunction with obtaining the three loans. Upon closing, the Duke joint venture paid down approximately $42,700,000 of the $222,182,000 remaining balance of the Wells Fargo unsecured term loan reducing the outstanding balance as of August 16, 2011 to approximately $179,482,000. Our 80% share of the outstanding balance is $143,586,000.

The Investment Advisor

The table below updates the ages of certain of the officers of our Investment Advisor included under the section "The Investment Advisor," which begins on page 83 of our prospectus.

The officers of the Investment Advisor are as follows:

Name	Age	Position
Jack A. Cuneo	63	President and Chief Executive Officer
Laurie E. Romanak	51	Managing Director
Douglas J. Herzbrun	56	Managing Director/Global Head of Research
Philip L. Kianka	54	Director of Operations
Christopher B. Allen	44	Director of Finance
Nickolai S. Dolya	34	Director of Capital Markets
Charles W. Hessel	40	Director of Investments
Hugh S. O'Beirne	40	Senior Counsel
Brian D. Welcker	62	Director of Asset Management
G. Eric Fraser	61	Director of Accounting
Dennis Keyes	51	Director of Asset Management
Gregory L. Vinson	39	Senior Associate

The disclosure below updates the information under the following sections of our prospectus: "Summary," "The Investment Advisor—The Sub-Advisory Agreement," "Certain Relationships of the Dealer Manager and the Sub-Advisor," as well as the definition of "Sub-Advisor" first defined on page 2 of our prospectus and used throughout our prospectus (all such references to "Sub-Advisor" shall mean "CFG VIII, Inc.").

On July 7, 2011, our Investment Advisor and CNL Fund Management Company agreed to terminate the existing sub-advisory agreement and our Investment Advisor entered into a new sub-advisory agreement with CFG VIII, Inc., a wholly-owned subsidiary of CNL Financial Group, LLC. The terms of the new sub-advisory agreement provide for a change in the scope of marketing related services to be provided as well as a change in the CNL affiliated entity. CFG VIII, Inc. will also hold the interest previously held by CNL Fund Management Company in our Investment Advisor and CBRE REIT Holdings LLC.

Distribution Policy

This section contains certain information that supplements and updates the information under the section "Distribution Policy," which begins on page 39 of our prospectus.

The following table presents total distributions declared and paid and distributions per share:

2011 Quarters	First	Second
Total distributions declared and paid	$25,306,000	$27,125,000
Distributions per share	$ 0.15	$ 0.15
Amount of distributions per share funded by cash flows provided by operating entities	$ 0.0758	$ 0.0707
Amount of distributions per share funded by uninvested proceeds from financings of our properties	$ 0.0742	$ 0.0793

2010 Quarters	First	Second	Third	Fourth
Total distributions declared and paid	$16,841,000	$19,266,000	$21,623,000	$24,053,000
Distributions per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Amount of distributions per share funded by cash flows provided by operating entities	$ 0.1212	$ 0.0540	$ 0.0826	$ 0.0444
Amount of distributions per share funded by uninvested proceeds from financings of our properties	$ 0.0288	$ 0.0960	$ 0.0674	$ 0.1056

Our board of trustees has approved a quarterly distribution to shareholders of $0.15 per common share for the third quarter of 2011. The distribution will be calculated on a daily basis and paid on October 14, 2011 to shareholders of record during the period from July 1, 2011 through and including September 30, 2011.

For the quarter ended June 30, 2011, distributions were funded 47.10% by cash flows provided by operating activities and 52.90% from uninvested proceeds from financings of our properties. In addition, distributions totaling $11,806,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during the quarter ended June 30, 2011.

For the quarter ended March 31, 2011, distributions were funded 50.51% by cash flows provided by operating activities and 49.49% from uninvested proceeds from financings of our properties. In addition, distributions totaling $10,861,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during the quarter ended March 31, 2011.

Our 2010 distributions were funded 48.38% by cash flows provided by operating activities and 51.62% from uninvested proceeds from financings of our properties. In addition, 2010 distributions totaling $35,317,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during 2010.

Total distributions declared and paid for the period from inception (July 1, 2004) through June 30, 2011 were $227,476,000 and total Funds from Operations for the period from inception (July 1, 2004) through June 30, 2011 were $126,851,000. For a discussion of our supplemental financial measures, see "—Non-GAAP Supplemental Financial Measure: Funds from Operations."

Summary Selected Financial Data

This section supersedes the information under the section "Summary Selected Financial Data," which begins on page 42 of our prospectus.

Summary Selected Financial and Operating Data

The following table sets forth summary selected financial and operating data on a consolidated basis for our company. You should read the following summary selected financial data in conjunction with our consolidated historical financial statements and the related notes and with "Management Discussion and Analysis of Financial Conditions and Results of Operations," which are included in our incorporated documents.

The summary historical consolidated balance sheet information as of June 30, 2011 and 2010, December 31, 2010, 2009, 2008, 2007 and 2006 as well as the summary historical consolidated statement of operations information for the six months ended June 30, 2011 and June 30, 2010 and for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 have been derived from our historical consolidated financial statements.

Our unaudited summary selected pro forma consolidated financial data is presented for the six months ended June 30, 2011 and for the year ended December 31, 2010. Our unaudited summary selected pro forma consolidated statements of operations data for the six months ended June 30, 2011 and for the year ended December 31, 2010 are based on our historical consolidated statements of operations and gives effect to the acquisitions of the following properties as if they were acquired on January 1, 2010, (i) the 3900 North Paramount Parkway, 3900 South Paramount Parkway and 1400 Perimeter Park Drive properties, a Duke joint venture interest which was acquired on March 31, 2010, (ii) the 5160 Hacienda Drive property which was acquired on April 8, 2010, (iii) the 10450 Pacific Court Center property which was acquired on May 7, 2010, (iv) the Amber Park and Brackmills properties, UK JV interests which were acquired on June 10, 2010, (v) the Düren and Schönberg properties, European JV interests which were acquired on June 10, 2010, (vi) the 225 Summit Avenue property which was acquired on June 21, 2010, (vii) the One Wayside Road property which was acquired on June 24, 2010, (viii) the 100 Tice Blvd. property which was acquired on September 28, 2010, (ix) the National Industrial Portfolio which was acquired on October 27, 2010, (x) the Duke joint venture Office Portfolio tranche I which was acquired on December 21, 2010, (xi) the Duke joint venture Office Portfolio tranches II and III which were acquired on March 24, 2011 and the 70 & 90 Hudson properties which were acquired April 11, 2011.

The unaudited pro forma consolidated statements of operations do not purport to represent our results of operations that would actually have occurred assuming the acquisitions of 3900 North Paramount Parkway, 3900 South Paramount Parkway, 1400 Perimeter Park Drive, 5160 Hacienda Drive, 10450 Pacific Court Center, Amber Park, Brackmills, Düren, Schönberg, 225 Summit Avenue, One Wayside Road, 100 Tice Blvd., the National Industrial Portfolio, the Duke joint venture Office Portfolio tranches I, II and III and the 70 & 90 Hudson properties had occurred on January 1, 2010, nor do they purport to project our results of operations as of any future date or for any future period.

Our unaudited pro-forma financial information is not necessarily indicative of what our results of operations would have been for the periods indicated, nor does it purport to represent our future results of operations. The unaudited pro forma condensed consolidated balance sheet as of June 30, 2011 has not been included in the presentation of these unaudited pro forma financial statements due to the fact that all properties acquired and investments in unconsolidated joint venture investments are already reflected in the June 30, 2011 consolidated balance sheet included in our Quarterly Report on Form 10-Q, filed with the SEC on August 15, 2011.

	Pro Forma Consolidated	Historical Consolidated		Pro Forma Consolidated	Historical Consolidated				
	Six Months Ended June 30,	Six Months Ended June 30,		Year Ended December 31,	Year Ended December 31,				
	2011	2011	2010	2010	2010	2009	2008	2007	2006
					(in thousands, except share data)				
Statement of Operations Data:									
Revenues									
Rental	$ 61,305	$ 54,297	$ 29,636	$ 112,441	$ 69,373	$ 47,023	$ 33,396	$ 14,028	$ 6,630
Tenant Reimbursements	14,371	13,010	5,735	20,448	14,166	9,301	6,753	2,633	1,830
Total Revenue	75,676	67,307	35,371	132,889	83,539	56,324	40,149	16,661	8,460
Expenses									
Operating and Maintenance	8,399	7,517	2,986	13,461	8,618	4,974	3,248	1,057	860
Property Taxes	9,463	8,734	5,172	15,537	10,965	7,624	5,479	1,778	1,103
Interest	19,189	15,395	6,333	31,346	14,881	11,378	10,323	5,049	1,784
General and Administrative Expense	2,921	2,921	2,678	5,650	5,526	4,246	3,320	1,853	851
Property Management Fee to Related Party	696	585	340	2,107	948	656	491	160	41
Investment Management Fee to Related Party	10,371	9,493	5,118	15,903	11,595	7,803	3,964	1,547	739
Class C Fee to Related Party	—	—	—	—	—	—	—	—	145
Acquisition Expenses	5,530	11,493	5,219	23,494	17,531	5,832	—	—	—
Depreciation and Amortization	31,458	27,245	13,960	51,937	32,125	25,093	17,171	8,050	4,618
Loss on Impairment	—	—	—	—	—	9,160	—	—	—
Total Expenses	88,027	83,383	41,806	159,435	102,189	76,766	43,996	19,494	10,141
Other Income and Expenses									
Interest and Other Income	811	811	689	1,260	1,260	344	2,039	2,855	255
Net Settlement (Payments) Receipts on Interest Rate Swaps	(354)	(354)	(444)	(1,096)	(1,096)	(660)	65	—	—
Gain (Loss) on Interest Rate Swaps and Cap	145	145	(503)	23	23	89	(1,496)	—	—
(Loss) Gain on Note Payable at Fair Value	(34)	(34)	(78)	(118)	(118)	(807)	1,168	—	—
Loss on Early Extinguishment of Debt	—	—	(73)	(72)	(72)	—	—	—	—
Loss on Transfer of Real Estate Held for Sale to Continuing Operations	—	—	—	—	—	—	(3,451)	—	—
Total Other Income and (Expenses)	568	568	(409)	(3)	(3)	(1,034)	(1,675)	2,855	255
(Loss) Income Before (Provision) Benefit for Income Taxes and Equity in Income (Loss) of Unconsolidated Entities	(11,783)	(15,508)	(6,844)	(26,549)	(18,653)	(21,476)	(5,522)	22	(1,426)
(Provision) Benefit for Income Taxes	(300)	(300)	(85)	(296)	(296)	(169)	82	(279)	—
Equity in Income (Loss) of Unconsolidated Entities	1,921	3,551	2,846	6,007	8,838	2,743	(1,242)	(150)	—
Net Loss From Continuing Operations	(10,162)	(12,257)	(4,083)	(20,838)	(10,111)	(18,902)	(6,682)	(407)	(1,426)
Discontinued Operations									
Income (Loss) from Discontinued Operations		395	—		(507)	—	—	—	—
Realized Loss from Sale		(126)	—		—	—	—	—	—
Income (Loss) from Discontinued Operations		269	—		(507)	—	—	—	—
Net Loss		(11,988)	(4,083)		(10,618)	(18,902)	(6,682)	(407)	(1,426)
Net Loss (Income) Attributable to Non-Controlling Operating Partnership Units	14	16	7	38	18	54	26	4	(1,058)
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$ (10,148)	$ (11,972)	$ (4,076)	$ (20,800)	$ (10,600)	$ (18,848)	$ (6,656)	$ (403)	$ (2,484)
Per Share Data:									
Basic and Diluted Net Loss Per Share from Continuing Operations	$ (0.06)	$ (0.07)	$ (0.03)	$ (0.15)	$ (0.08)	$ (0.23)	$ (0.14)	$ (0.02)	$ (0.35)
Basic and Diluted Net Loss Per Share from Discontinued Operations	$	$ —	$ —	$	$ —	$ —	$ —	$ —	$ —
Weighted Average Common Shares Outstanding—Basic and Diluted	174,813,725	174,813,725	120,399,165	136,456,565	136,456,565	81,367,593	46,089,680	18,545,418	7,010,722
Dividends Declared Per Share	$ 0.30	$ 0.30	$ 0.30	$ 0.60	$ 0.60	$ 0.60	$ 0.59	$ 0.54	$ 0.50

	Historical Consolidated		Historical Consolidated				
	June 30,		December 31,				
	2011	2010	2010	2009	2008	2007	2006
				(in thousands)			
Balance Sheet Data:							
Investments in Real Estate, Less Accumulated Depreciation and Amortization	$1,349,335	$ 732,992	$1,055,975	$ 639,573	$484,827	$309,805	$70,650
Investments in Unconsolidated Entities	462,414	316,485	410,062	214,097	131,703	101	—
Real Estate and Other Assets Held for Sale	22,085	—	22,056	—	—	—	—
Total Assets	2,168,912	1,324,842	1,716,720	1,059,019	709,920	435,751	97,807
Notes Payable	667,965	225,673	365,592	212,425	177,161	116,876	34,975
Loan Payable	25,000	15,000	60,000	—	—	45,000	—
Liabilities Related to Real Estate and other Assets Held for Sale	255	—	441	—	—	—	—
Total Liabilities	776,535	291,713	491,954	256,556	220,249	189,224	44,834
Non-Controlling Interest	2,464	2,464	2,464	2,464	2,464	2,464	2,464
Shareholders' Equity	1,389,913	1,030,665	1,222,302	799,999	487,207	244,063	50,509
Total Liabilities, Shareholders' Equity and Non-Controlling Interest	2,168,912	1,324,842	1,716,720	1,059,019	709,920	435,751	97,807

Non-GAAP Supplemental Financial Measure: Funds from Operations

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors consider presentations of operating results for REITs that use historical cost accounting to be insufficient by themselves. Consequently, the National Association of Real Estate Investment Trusts, or NAREIT, created Funds from Operations, or FFO, as a supplemental measure of REIT operating performance.

FFO is a non-GAAP measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net income. FFO, as we define it, is presented as a supplemental financial measure. Management believes that FFO is a useful supplemental measure of REIT performance. FFO does not present, nor do we intend for it to present, a complete picture of our financial condition and/or operating performance. We believe that net income, as computed under GAAP, appropriately remains the primary measure of our performance and that FFO, when considered in conjunction with net income, improves the investing public's understanding of the operating results of REITs and makes comparisons of REIT operating results more meaningful.

We compute FFO in accordance with standards established by NAREIT. Modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business and provide greater transparency to the investing public as to how our management team considers our results of operations. As a result, our FFO may not be comparable to FFO as reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do. The revised NAREIT White Paper on FFO defines FFO as net income or loss computed in accordance with GAAP, excluding extraordinary items, as defined by GAAP, and gains and losses from sales of depreciable operating property, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), and after adjustment for unconsolidated partnerships and joint ventures.

Management believes that NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time, and that depreciation charges required by GAAP do not always reflect the underlying economic realities. Likewise, the exclusion from NAREIT's definition of FFO of gains and losses from the sales of previously depreciated operating real estate assets, allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. Thus, FFO provides a performance measure that, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates and operating costs. Management also believes that FFO provides useful information to the investment community about our financial performance when compared to other REITs, since FFO is generally recognized as the industry standard for reporting the operations of REITs.

However, changes in the accounting and reporting rules under GAAP (for acquisition fees and expenses from a capitalization/depreciation model to an expensed-as-incurred model) that have been put into effect since the establishment of NAREIT's definition of FFO have prompted an increase in the non-cash and non-operating items included in FFO. In addition, we view impairment charges as an item which is typically adjusted when assessing operating performance. Furthermore, publicly registered, non-traded REITs typically have a significant amount of acquisition activity during their initial years of investment and operation and therefore we believe require additional adjustments to FFO in evaluating performance. As a result, in addition to presenting FFO in accordance with the NAREIT definition, we also disclose FFO, as adjusted, which excludes the effects of acquisition costs and non-cash impairment charges.

FFO, as adjusted, is a useful measure to management's decision-making process. As discussed below, period to period fluctuations in the excluded items can be driven by short-term factors that are not particularly relevant to our long-term investment decisions, long-term capital structures or long-term tax planning and tax structuring decisions. We believe that adjusting FFO to exclude these acquisition costs and impairment charges more appropriately presents our results of operations on a comparative basis. The items that we exclude from net income are subject to significant fluctuations from period to period that cause both positive and negative effects on our results of operations, often in inconsistent and unpredictable directions. For example, our acquisition costs are primarily the result of the volume of our acquisitions completed during each period, and therefore we believe such acquisition costs are not reflective of our operating results during each period. Similarly, unrealized gains or non-cash impairment charges that we have recognized during a given period are based primarily upon changes in the estimated fair market value of certain of our investments due to deterioration in market conditions and do not necessarily reflect the operating performance of these properties during the corresponding period.

We believe that FFO, as adjusted, is useful to investors as a supplemental measure of operating performance. We believe that adjusting FFO to exclude acquisition costs provides investors a view of the performance of our portfolio over time, including after we cease to acquire properties on a frequent and regular basis and allows for a comparison of the performance of our portfolio with other REITs that are not currently engaging in acquisitions. In addition, as many other non-traded REITs adjust FFO to exclude acquisition costs and impairment charges, we believe that our calculation and reporting of FFO, as adjusted, will assist investors and analysts in comparing our performance with that of other non-traded REITs. We also believe that FFO, as adjusted, may provide investors with a useful indication of our future performance, particularly after our acquisition stage, and of the sustainability of our current distribution policy. However, because FFO, as adjusted, excludes acquisition costs, which are an important component in an analysis of our historical performance, such supplemental measure should not be construed as a historical performance measure and may not be as useful a measure for estimating the value of our common shares. In addition, the impairment charges that we exclude from FFO, as adjusted, may be realized as a loss in the future upon the ultimate disposition of the related properties or other assets through the form of lower cash proceeds.

Not all REITs calculate FFO and FFO, as adjusted (or an equivalent measure), in the same manner and therefore comparisons with other REITs may not be meaningful. Neither FFO, nor FFO as adjusted, represents cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to (i) net income (determined in accordance with GAAP), as indications of our financial performance, or (ii) to cash flow from operating activities (determined in accordance with GAAP) as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make cash distributions. We believe that to further understand our performance, each of FFO and FFO, as adjusted, should be compared with our reported net income and considered in addition to cash flows in accordance with GAAP, as presented in our Consolidated Financial Statements.

The following table presents our FFO and FFO, as adjusted for the three months ended June 30, 2011, March 31, 2011, December 31, 2011 and September 30, 2010 (in thousands, except per share data):

	Three Months Ended			
	June 30, 2011	**March 31, 2011**	**December 31, 2010**	**September 30, 2010**
Reconciliation of net loss to funds from operations:				
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$ (9,363)	$ (2,609)	$ (5,318)	$ (1,206)
Adjustments:				
Non-controlling interest	(13)	(4)	(9)	(2)
Real estate depreciation and amortization	14,972	12,274	10,224	7,941
Realized loss from sale of discontinued operations	126	—	—	—
Net effect of FFO adjustment from unconsolidated entities[(1)]	13,356	7,564	4,451	4,661
FFO	$19,078	$17,225	$ 9,348	$11,394
Other Adjustments:				
Acquisition expenses/Organization expenses[(2)]	6,852	4,654	10,303	2,592
Unrealized gain/impairment loss in unconsolidated entity	192	35	1,277	115
FFO, as adjusted	$26,122	$21,902	$20,928	$14,101
Net loss per share (basic and diluted)	$ (0.05)	$ (0.02)	$ (0.03)	$ (0.01)
FFO per share (basic and diluted)	$ 0.11	$ 0.10	$ 0.06	$ 0.08
FFO, as adjusted, per share (basic and diluted)	$ 0.14	$ 0.13	$ 0.13	$ 0.10

(1) Represents our share of the FFO adjustments allowable under the NAREIT definition (primarily depreciation) for each of our unconsolidated entities.

(2) In addition to organization and acquisition costs incurred in our consolidated results, this adjustment also includes our portion of acquisition costs incurred within our unconsolidated entities.

Description of Shares

This section contains certain information that supplements the description of our Share Redemption Program following the caption "Description of Shares—Share Redemption Program," which begins on page 96 of our prospectus.

For the three and six months ended June 30, 2011, we received requests to redeem 1,199,264 and 1,790,615 common shares pursuant to our share redemption program. We redeemed 100% and 100% of the redemption requests for the three and six months ended June 30, 2011, respectively, at an average price per share of $9.00 and $9.06, respectively. We funded share redemptions for the periods noted above from the cumulative proceeds of the sale of our common shares pursuant to our dividend reinvestment plan.

Certain U.S. Federal Income Tax Considerations

The following should be read in conjunction with the section "Risk Factors—U.S. Federal Income Tax Risks," which begins on page 32 of our prospectus and the section "Certain U.S. Federal Income Tax Consequences," which begins on page 109 of our prospectus.

As previously disclosed, we submitted a request to the IRS for a closing agreement under which the IRS would grant us relief with respect to payments we made to shareholders under our DRIP and in respect of certain custodial fees we paid on behalf of some of our IRA shareholders, in each case, which payments could be treated as preferential dividends under the rules applicable to REITs, or collectively, the Tax Matters. On July 8, 2011, we and our Investment Advisor entered into a closing agreement with the IRS, pursuant to which (i) the IRS agreed not to challenge our dividends as preferential as a result of the Tax Matters and (ii) our Investment Advisor paid a compliance fee of approximately $135,000 to the IRS. We will not reimburse our Investment Advisor for its payment of the compliance fee. As a result of our entering into the closing agreement with the IRS, we believe that we have fully resolved the Tax Matters.

Experts

This section contains certain information that supplements and updates the information under the section "Experts," which begins on page 134 of our prospectus.

The consolidated financial statements, and the related financial statement schedule of CB Richard Ellis Realty Trust and subsidiaries, or the Company, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K, and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements and financial statement schedule and include an explanatory paragraph relating to the Company's adoption of ASC Topic 805, Business Combinations, as of January 1, 2009 and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting). Such consolidated financial statements and related financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements and related schedule of Duke/Hulfish, LLC and subsidiaries as of December 31, 2010 and 2009, and for the years ended December 31, 2010 and 2009 and for the period from April 29, 2008 (inception) through December 31, 2008, the combined statement of revenue in excess of certain expenses of the Duke Office Portfolio Tranche I for the year ended December 31, 2009 and the combined statement of revenue in excess of certain expenses of the Duke Office Portfolio Tranche II and III for the year ended December 31, 2010 have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein upon the authority of said firm as experts in accounting and auditing.

The combined statement of assets, liabilities and partners' capital and combined schedule of real estate related investments of CB Richard Ellis Strategic Partners Asia II, L.P. and CB Richard Ellis Strategic Partners Asia II-A, L.P., Cayman Islands exempted limited partnerships, as of December 31, 2008 and the related combined statements of operations, partners' capital and cash flows for the year then ended, have been incorporated by reference herein in reliance upon the report of KPMG, independent auditors, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The historical combined statement of revenues and direct operating expenses of the 70 & 90 Hudson properties for the year ended December 31, 2010, appearing in the Current Report on Form 8-K/A filed with the SEC on April 20, 2011, has been audited by Squar, Milner, Peterson, Miranda & Williamson, LLP, an independent registered public accounting firm, as stated in their report which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The historical combined statement of revenues and direct operating expenses for the year ended December 31, 2009, appearing in the Current Report on form 8-K/A filled with the SEC on November 19, 2010, has been audited by Squar, Milner, Peterson, Miranda & Williamson, LLP, an independent registered public accounting firm, as stated in their report which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

Incorporation of Certain Information by Reference

This Supplement No. 7 to our prospectus dated May 2, 2011 "incorporates by reference" certain information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. The following documents filed with the SEC are incorporated by reference into this Supplement No. 7:

- Our Annual Report on Form 10-K for the year ended December 31, 2010, filed on March 30, 2011;
- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed on May 16, 2011;
- Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed August 15, 2011;
- Our Proxy Statement on Schedule 14A for our 2011 Annual Meeting of Shareholders, filed on April 20, 2011;
- Our Current Report on Form 8-K, filed on November 19, 2010;
- Our Current Report on Form 8-K/A, filed on February 11, 2011;
- Our Current Report on Form 8-K/A, filed on March 29, 2011;
- Our Current Report on From 8-K/A filed on April 20, 2011; and
- Our Current Report on Form 8-K filed June 22, 2011.

You can obtain any of the documents incorporated by reference in this Supplement No. 7 from us, or from the SEC through the SEC's website at the address *www.sec.gov*. We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, other than exhibits to such documents. You should direct any written requests for documents to CB Richard Ellis Realty Trust, 47 Hulfish Street, Suite 210, Princeton, New Jersey 08542, or call (609) 683-4900. Such documents may also be accessed on our website at *www.cbrerealtytrust.com*. The information found on, or otherwise accessible through, our website is not incorporated information and does not form a part of this prospectus or any other report or document we file or furnish with the SEC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

* See "Incorporation of Certain Information by Reference."

Pro Forma Consolidated Financial Statements (unaudited)

The following unaudited pro forma consolidated statements of operations of CB Richard Ellis Realty Trust (the "Company") including its consolidated subsidiaries, for the six months ended June 30, 2011 and for the year ended December 31, 2010 are based on the historical consolidated statements of operations of CB Richard Ellis Realty Trust and gives effect to the acquisitions of the following properties as if they were acquired on January 1, 2010, (i) the 3900 North Paramount Parkway, 3900 South Paramount Parkway and 1400 Perimeter Park Drive properties (collectively the "Duke North Carolina Portfolio"), a Duke joint venture interest which was acquired on March 31, 2010, (ii) the 5160 Hacienda Drive property which was acquired on April 8, 2010, (iii) the 10450 Pacific Court Center property which was acquired on May 7, 2010, (iv) the Amber Park and Brackmills properties, UK JV interests which were acquired on June 10, 2010, (v) the Düren and Schönberg properties, European JV interests which were acquired on June 10, 2010, (vi) the 225 Summit Avenue property which was acquired on June 21, 2010, (vii) the One Wayside Road property which was acquired on June 24, 2010, (viii) the 100 Tice Blvd. property which was acquired on September 28, 2010, (ix) the National Industrial Portfolio ("NIP") which was acquired on October 27, 2010, (x) the Duke Office Portfolio Tranche I ("Duke Tranche I") which was acquired on December 21, 2010, (xi) the Duke Office Portfolio Tranche II and III ("Duke Tranche II and III") which were acquired on March 24, 2011 and the 70 Hudson St and 90 Hudson St properties, including the finalization of purchase price allocations effected in June 2011, (collectively "70 & 90 Hudson") which were acquired April 11, 2011.

The unaudited pro forma consolidated statements of operations do not purport to represent our results of operations that would actually have occurred assuming the acquisitions of the Duke North Carolina Portfolio, 5160 Hacienda Drive, 10450 Pacific Court Center, the UK JV interests, the European JV interests, 225 Summit Avenue, One Wayside Road, 100 Tice Blvd., NIP, Duke Tranche I, Duke Tranche II and III and 70 & 90 Hudson had occurred on January 1, 2010, nor do they purport to project our results of operations as of any future date or for any future period.

In management's opinion, all adjustments necessary to reflect the effects of these transactions have been made. The unaudited pro forma financial information and accompanying notes should be read in conjunction with the Company's financial statements included on Form 10-K for the year ended December 31, 2010 and on Form 10-Q for the six months ended June 30, 2011.

CB RICHARD ELLIS REALTY TRUST

Pro Forma Condensed Consolidated Statements of Operations
For the Six Months Ended June 30, 2011 (unaudited)
(In Thousands, Except Share Data)

	CB Richard Ellis Realty Trust Historical	Duke Tranche II/III	70 & 90 Hudson	Consolidated Company Pro Forma
	A	B	C	
REVENUES				
Rental	$ 54,297	$ —	$ 7,008	$ 61,305
Tenant Reimbursements	13,010	—	1,361	14,371
Total Revenues	67,307	—	8,369	75,676
EXPENSES				
Operating and Maintenance	7,517	—	882	8,399
Property Taxes	8,734	—	729	9,463
Interest	15,395	—	3,794	19,189
General and Administrative	2,921	—	—	2,921
Property Management Fees to Related Party	585	—	111	696
Investment Management Fees to Related Party	9,493		878	10,371
Acquisition Expenses	11,493	—	(5,963)	5,530
Depreciation and Amortization	27,245	—	4,213	31,458
Total Expenses	83,383	—	4,644	88,027
OTHER INCOME AND EXPENSES				
Interest and Other Income	811	—	—	811
Net Settlement Payments on Interest Rate Swaps	(354)	—	—	(354)
Gain on Interest Rate Swaps and Cap	145	—	—	145
Loss on Note Payable at Fair Value	(34)	—	—	(34)
Total Other Income and (Expenses)	568	—	—	568
Loss Before Provision for Income Taxes and Equity in Income (Loss) of Unconsolidated Entities	(15,508)	—	3,725	(11,783)
PROVISION FOR INCOME TAXES	(300)	—	—	(300)
EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED ENTITIES	3,551	(1,630)	—	1,921
NET LOSS FROM CONTINUING OPERATIONS	(12,257)	(1,630)	3,725	(10,162)
Net Loss from Continuing Operations Attributable to Non-Controlling Operating Partnership Units	16	2	(5)	14
Net Loss from Continuing Operations Attributable to CB Richard Ellis Realty Trust Shareholders	$ (12,241)	$(1,628)	$ 3,720	$ (10,148)
Basic and Diluted Net Loss from Continuing Operations per Share	$ (0.07)			$ (0.06)
Weighted Average Common Shares Outstanding—Basic and Diluted	174,813,725			174,813,725

CB RICHARD ELLIS REALTY TRUST

Pro Forma Consolidated Statements of Operations
For the Year Ended December 31, 2010 (unaudited)
(In Thousands, Except Share Data)

	CB Richard Ellis Realty Trust Historical	NIP	Duke Tranche I	Duke Tranche II and III	70 & 90 Hudson	Duke NC Portfolio Pro Forma Adjust-ments	5160 Hacienda Dr. Pro Forma Adjust-ments	10450 Pacific Ctr.Court Pro Forma Adjust-ments	UK JV Pro Forma Adjust-ments	European JV Pro Forma Adjust-ments	225 Summit Ave. Pro Forma Adjust-ments	One Wayside Dr. Pro Forma Adjust-ments	100 Tice Blvd. Pro Forma Adjust-ments	NIP Pro Forma Adjust-ments	Duke Tranche I Pro Forma Adjust-ments	Duke Tranche II and III Pro Forma Adjust-ments	70 & 90 Hudson Pro Forma Adjust-ments	Consoli-dated Company Pro Forma
	AA	BB	CC	DD	EE	FF	GG	HH	II	JJ	KK	LL	MM	NN	OO	PP	QQ	
REVENUES																		
Rental	$ 69,373	$5,720	$ —	$ —	$26,758	$—	$ 942	$ 951	$—	$—	$2,054	$2,680	$3,963	$ —	$ —	$ —	$ —	$ 112,441
Tenant Reimbursements	14,166	1,256	—	—	3,504	—	144	136	—	—	49	211	981	—	—	—	—	20,448
Total Revenues	83,539	6,976	—	—	30,262	—	1,086	1,087	—	—	2,103	2,891	4,944	—	—	—	—	132,889
EXPENSES																		
Operating and Maintenance	8,618	364	—	—	3,617	—	22	22	—	—	103	91	624	—	—	—	—	13,461
Property Taxes	10,965	868	—	—	2,536	—	123	126	—	—	208	250	461	—	—	—	—	15,537
Interest	14,881	—	—	—	13,727	—	—	—	—	—	—	838	1,900	—	—	—	—	31,346
General and Administrative	5,526	71	—	—	53	—	—	—	—	—	—	—	—	—	—	—	—	5,650
Property Management Fee to Related Party	948	186	—	—	587	—	18	—	—	—	99	132	137	—	—	—	—	2,107
Investment Management Fee to Related Party	11,595	—	—	—	—	69	94	97	103	104	180	250	450	613	—	—	2,347	15,903
Acquisition Expenses	17,531	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,963	23,494
Depreciation and Amortization	32,125	—	—	—	—	—	132	237	—	—	763	1,113	1,184	1,215	—	—	15,167	51,937
Total Expenses	102,189	1,489	—	—	20,520	69	389	482	103	104	1,353	2,674	4,755	1,828	—	—	23,477	159,435
INTEREST AND OTHER INCOME	1,260	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,260
Net Settlement Payments on Interest Rate Swaps	(1,096)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,096)
Gain on Interest Rate Swaps	23	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23
Loss on Note Payable at Fair Value	(118)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(118)
Loss on Early Extinguishment of Debt	(72)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(72)
Total Other Income and (Expenses)	(3)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(3)
(Loss) Income Before Provision for Income Taxes and Equity in (Loss) Income of Unconsolidated Entities	(18,653)	5,487	—	—	9,742	(69)	697	605	(103)	(104)	750	217	189	(1,828)	—	—	(23,477)	(26,549)
PROVISION FOR INCOME TAXES	(296)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(296)
EQUITY IN INCOME OF UNCONSOLIDATED ENTITIES	8,838	—	8,591	18,472	—	524	—	—	648	141	—	—	—	—	(7,020)	(24,187)	—	6,007
NET (LOSS) INCOME FROM CONTINUING OPERATIONS	(10,111)	5,487	8,591	18,472	9,742	455	697	605	545	37	750	217	189	(1,828)	(7,020)	(24,187)	(23,477)	(20,838)
Net Loss (Income) from Continuing Operations Attributable to Non-Controlling Operating Partnership Units	18	—	—	—	—	(1)	(1)	(1)	(1)	—	(1)	(0)	(1)	(6)	(3)	10	25	38
Net (Loss) Income from Continuing Operations Attributable to CB Richard Ellis Realty Trust Shareholders	$ (10,093)	$5,487	$8,591	$18,472	$ 9,742	$454	$ 696	$ 604	$ 544	$ 37	$ 749	$ 216	$ 188	$(1,834)	$(7,023)	$(24,176)	$(23,452)	$ (20,800)
Basic and Diluted Net (Loss) Income per Share	$ (0.07)																	$ (0.15)
Weighted Average Common Shares Outstanding—Basic and Diluted	136,456,565																	136,456,565

See accompanying notes to the pro forma condensed consolidated financial statements.

Notes to Pro Forma Condensed Consolidated Financial Statements (unaudited)

The adjustments to the pro forma consolidated statement of operations of the Company for the six months ended June 30, 2011 are as follows:

(A) Reflects the historical consolidated statement of operations of the Company for the six months ended June 30, 2011.

(B) Reflects the pro forma adjustment for Duke Tranche II and III in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired Duke Tranche II and III on March 24, 2011. The underlying pro forma adjustment includes revenues and direct operating expenses, depreciation and amortization expense, and an increase in the investment management fee for the period January 1, 2011 through March 23, 2011 (the data prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of Duke Tranche II and III.

(C) Reflects the pro forma adjustment for 70 & 90 Hudson in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired 70 & 90 Hudson on April 11, 2011. The pro forma adjustment includes revenues, direct operating expenses, interest, depreciation and amortization expense, and an increase in the investment management fee for the period January 1, 2011 through April 10, 2011 (the data prior to acquisition).

Net loss attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of 70 & 90 Hudson.

The adjustments to the pro forma consolidated statement of operations of the Company for the year ended December 31, 2010 are as follows:

(AA) Reflects the historical consolidated statement of operations of the Company for the year ended December 31, 2010.

(BB) Reflects the historical statement of operations for the nine months ended September 30, 2010 for NIP in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired NIP on October 27, 2010. Revenues and direct operations expenses are presented on an accrual basis of accounting. Rental revenues are recorded on a straight line basis. Depreciation and amortization and an increase in the investment management fee are included in the pro forma adjustments reflected in (NN).

(CC) Reflects the historical equity in income of unconsolidated interest in the Duke Tranche I for the nine months ended September 30, 2010 as if the properties were acquired on January 1, 2010. The properties were acquired by the Duke joint venture on December 21, 2010. The underlying revenues and direct operations expenses are presented on an accrual basis of accounting. Rental revenues are recorded on a straight line basis. Depreciation and amortization and an increase in the investment management fee are included in the pro forma adjustments reflected in (OO).

(DD) Reflects the historical equity in income of unconsolidated interest in the Duke Tranche II and III properties for the year ended December 31, 2010 as if the properties were acquired on January 1, 2010. The properties were acquired by the Duke joint venture on March 24, 2011. The underlying revenues and direct operations expenses are presented on an accrual basis of accounting. Rental revenues are recorded on a straight line basis. Depreciation and amortization and an increase in the investment management fee are included in the pro forma adjustments reflected in (PP).

(EE) Reflects the historical statement of revenues and direct operating expenses for the year ended December 31, 2010 for 70 & 90 Hudson in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired 70 & 90 Hudson on April 11, 2011. Revenues and direct operations expenses are presented on an accrual basis of accounting. Rental revenues are recorded on a straight line basis. Depreciation and amortization and an increase in the investment management fee are included in the pro forma adjustments reflected in (QQ).

(FF) Reflects the pro forma adjustment of equity in income of unconsolidated interest in the Duke North Carolina Portfolio as if the properties were acquired on January 1, 2010. The properties were acquired by the Duke joint venture on March 31, 2010. The pro forma adjustments included in equity in income of unconsolidated entities is presented to include revenues, direct operating expenses, depreciation and amortization expense and an increase in the investment management fee through March 30, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the Duke North Carolina Portfolio.

(GG) Reflects the pro forma adjustment for 5160 Hacienda Drive in order to present the operations as if the property was acquired on January 1, 2010. The Company acquired 5160 Hacienda Drive on April 8, 2010. The pro forma adjustment recognizes revenues and operating expenses, depreciation and amortization expense and an increase in the investment management fee through April 7, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the 5160 Hacienda Drive property.

(HH) Reflects the pro forma adjustment for 10450 Pacific Center Court in order to present the operations as if the property was acquired on January 1, 2010. The Company acquired 10450 Pacific Center Court on May 7, 2010. The pro forma adjustment recognizes revenues and operating expenses, depreciation and amortization expense and an increase in the investment management fee through May 6, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the 10450 Pacific Center Court property.

(II) Reflects the pro forma adjustment of equity in income of unconsolidated interest in the UK JV as if the properties were acquired on January 1, 2010. The properties were acquired by the UK JV on June 10, 2010. The pro forma adjustments included in equity in income of unconsolidated entities is presented to include revenues, direct operating expenses, depreciation and amortization expense and an increase in the investment management fee through June 9, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the UK JV.

(JJ) Reflects the pro forma adjustment of equity in income of unconsolidated interest in the European JV as if the properties were acquired on January 1, 2010. The properties were acquired by the European JV on June 10, 2010. The pro forma adjustments included in equity in income of unconsolidated entities is presented to include revenues, direct operating expenses, depreciation and amortization expense and an increase in the investment management fee through June 9, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the European JV.

(KK) Reflects the pro forma adjustment for 225 Summit Avenue in order to present the operations as if the property was acquired on January 1, 2010. The Company acquired 225 Summit Avenue on June 21, 2010. The pro forma adjustment recognizes revenues and operating expenses, depreciation and amortization expense and an increase in the investment management fee through June 20, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the European JV.

(LL) Reflects the pro forma adjustment for One Wayside Road in order to present the operations as if the property was acquired on January 1, 2010. The Company acquired One Wayside Road on June 24, 2010. The pro forma adjustment recognizes revenues and operating expenses, depreciation and amortization expense and an increase in the investment management fee through June 23, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the One Wayside Road property.

(MM) Reflects the pro forma adjustment for 100 Tice Blvd. in order to present the operations as if the property was acquired on January 1, 2010. The Company acquired 100 Tice Blvd. on September 28, 2010. The pro forma adjustment recognizes revenues and operating expenses, depreciation and amortization expense and an increase in the investment management fee through September 27, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of the 100 Tice Blvd. property.

(NN) Reflects the pro forma adjustment for NIP in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired NIP on October 27, 2010. The pro forma adjustment recognizes revenues and direct operating expenses from October 1, 2010 through October 26, 2010, as well as depreciation and amortization expense, and an increase in the investment management fee from January 1, 2010 through October 26, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of NIP.

(OO) Reflects the pro forma adjustment for Duke Tranche I in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired Duke Tranche I on December 21, 2010. The underlying pro forma adjustment includes revenue and direct operating expenses for the period October 1, 2010 through December 20, 2010 as well as depreciation and amortization expense and an increase in the investment management fee from January 1, 2010 through December 20, 2010 (the date prior to acquisition).

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of Duke Tranche I.

(PP) Reflects the pro forma adjustment for Duke Tranche II and III in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired Duke Tranche II and III on March 24, 2011. The underlying pro forma adjustment includes depreciation and amortization expense, acquisition expenses and an increase in the investment management fee through December 31, 2010.

Net (income) attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of Duke Tranche II and III.

(QQ) Reflects the pro forma adjustment for 70 & 90 Hudson in order to present the operations as if the properties were acquired on January 1, 2010. The Company acquired 70 & 90 Hudson on April 11, 2011. The pro forma adjustment includes depreciation and amortization expense, acquisition expenses and an increase in the investment management fee through December 31, 2010.

Net loss attributable to non-controlling operating partnership units reflects an adjustment for the allocable portion of the pro forma income of 70 & 90 Hudson.

CB Richard Ellis
RealtyTrust

Supplement No. 8 dated September 20, 2011

to the Prospectus dated May 2, 2011

We are providing this Supplement No. 8 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 8 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011. Capitalized terms used in this Supplement No. 8 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Duke joint venture Loans

On August 25, 2011, the Duke joint venture closed on two loans with Principal Life Insurance Company totaling approximately $25,000,000 ($20,000,000 at our 80% pro rata share of the Duke joint venture). The loans are secured by the Sam Houston Crossing I and McAuley Place properties. The loans represent a 41.3% loan-to-cost on the $60,500,000 total allocated acquisition costs of the properties. The loan secured by the Sam Houston Crossing I property has an interest rate of 4.42%, a 10-year term and a 30-year amortization schedule. The loan secured by the McAuley Place property has an interest rate of 3.98%, a 7-year term and a 25-year amortization schedule. Principal and interest payments are due monthly on the loans. The Duke joint venture paid CBRE Capital Markets, LLC, an affiliate of the Investment Advisor, aggregate mortgage broker fees of approximately $125,000 in connection with the loans. Upon closing, the Duke joint venture paid down approximately $25,000,000 of the $179,482,000 remaining balance of the Wells Fargo unsecured term loan reducing its outstanding balance as of August 25, 2011 to approximately $154,482,000. Our 80% share of this outstanding balance was approximately $123,586,000.

On September 12, 2011, the Duke joint venture closed on five loans with John Hancock Life Insurance Company (U.S.A.) totaling approximately $156,250,000 ($125,000,000 at our 80% pro rata share of the Duke joint venture). The loans are secured by the 533 Maryville Centre, 555 Maryville Centre, The Landings I, The Landings II, Norman Pointe I, Norman Pointe II, Weston Pointe I, Weston Pointe II, Weston Pointe III, Weston Pointe IV and Regency Creek properties, or collectively, the Properties. The loans represent a 51.1% loan-to-cost on the $305,770,000 total allocated acquisition costs of the Properties and each loan has a fixed interest rate of 5.24%, a 10-year term and a 30-year amortization schedule. The loans may not be prepaid during the first two years of their terms, but thereafter may be fully prepaid subject to yield maintenance. Principal and interest payments are due monthly on the loans. The Duke joint venture paid CBRE Capital Markets, LLC, an affiliate of the Investment Advisor, aggregate mortgage broker fees of approximately $781,250 in connection with the five loans. Upon closing, the Duke joint venture paid down the remaining approximate $154,482,000 balance of the Wells Fargo unsecured term loan.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

Supplement No. 9 dated October 4, 2011

to the Prospectus dated May 2, 2011

We are providing this Supplement No. 9 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 9 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011 and Supplement No. 8 dated September 20, 2011. Capitalized terms used in this Supplement No. 9 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Fourth Quarter Distribution

Our board of trustees has approved a quarterly distribution to shareholders of $0.15 per common share for the fourth quarter of 2011. The distribution will be calculated on a daily basis and paid on January 14, 2012, to shareholders of record during the period from October 1, 2011 through and including December 31, 2011.

Acquisition of the Sky Harbor Operations Center

On September 30, 2011, we acquired Sky Harbor Operations Center, located at 1820 E. Sky Harbor Circle South, Phoenix, Arizona, for approximately $53,500,000, exclusive of customary closing costs, that we funded using the net proceeds from this offering. Upon closing, we paid the Investment Advisor a $802,500 acquisition fee. Sky Harbor Operations Center is a two-story, 396,179 square foot office building constructed in 2003 and is 100% net-leased to JPMorgan Chase Bank, National Association, or JPMorgan, through September 2027. JPMorgan is a subsidiary of JP Morgan Chase & Co. (NYSE: JPM) and provides commercial banking and retail financial services. The office building is located on land owned by the City of Phoenix and is subject to a ground lease expiring in November 2032, which may be extended by us to 2067. The estimated acquisition cap rate for Sky Harbor Operations Center is 7.4%.[1]

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1 Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

Supplement No. 10 dated November 4, 2011
to the Prospectus dated May 2, 2011

We are providing this Supplement No. 10 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 10 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011, Supplement No. 8 dated September 20, 2011 and Supplement No. 9 dated October 4, 2011. Capitalized terms used in this Supplement No. 10 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Sabal Pavilion

On October 24, 2011, we entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Sabal Pavilion, located in the Sabal Park development in Tampa Bay, Florida, for approximately $21,500,000, exclusive of customary closing costs. We will assume a interest-only mortgage loan in connection with the acquisition of Sabal Pavilion that will have a principal balance at closing of $14,700,000, maturing on August 1, 2013 and with an interest rate of 6.38%. We anticipate that the balance of the acquisition amount will be funded using the net proceeds from this offering. Sabal Pavilion is a 120,500 square foot, four-story office building constructed in 1998 that is 100% leased to Ford Motor Credit Company through March 2021 and is used as a regional call center. Ford Motor Credit Company is a subsidiary of Ford Motor Company (NYSE: F), and provides consumer auto financing through dealers of Ford, Lincoln and Mercury brand vehicles. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

Graben Distribution Center I

On October 27, 2011, the European JV entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Graben Distribution Center I, located in Graben, Bavaria, Germany, outside of Munich. The European JV will acquire Graben Distribution Center I for approximately €54,700,000 (approximately $75,486,000 assuming an exchange rate of €1.00:$1.38, or $60,388,800 at our 80% pro rate share), exclusive of customary closing costs. We expect that our 80% pro rata share of the acquisition will be funded using the net proceeds from this offering. Graben Distribution Center I is a 1,017,868 square foot warehouse/distribution building that will be completed in the fourth quarter of 2011 and will be 100% leased to Amazon Fulfillment GmbH through April 2022. Amazon Fulfillment GmbH will use Graben Distribution Center I as a regional fulfillment center. Amazon Fulfillment GmbH lease will be guaranteed by Amazon EU S.a.r.l., Amazon.com's primary European operating subsidiary. Amazon Fulfillment GmbH and Amazon EU S.a.r.l. are subsidiaries of Amazon.com, one of the world's largest internet retailers. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

Graben Distribution Center II

On October 27, 2011, the European JV entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Graben Distribution Center II, located in Graben, Bavaria, Germany, outside of Munich. The European JV will acquire Graben Distribution Center II for approximately €6,860,000 (approximately $9,466,800 assuming an exchange rate of €1.00:$1.38, or $7,573,440 at our 80% pro rata share), exclusive of customary closing costs. We expect that our 80% pro rata share of the acquisition will be funded using the net proceeds from this offering. Graben Distribution Center II is a 73,367 square foot warehouse/distribution building that we expect will be completed in the fourth quarter of 2011. Graben Distribution Center II will be adjacent to and linked, via a connector bridge, with Graben Distribution Center I. Graben Distribution Center II will be 100% leased to Deutsche Post Immobilien GmbH, conducting business under the DHL brand, through November 2021. DHL will use Graben Distribution Center II as a distribution center for goods coming from Graben Distribution Center I. Deutsche Post Immobilien GmbH is a subsidiary of Deutsche

Post AG, one of the world's leading suppliers of mail and logistics services. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

1400 Atwater Drive

On October 28, 2011, we entered into a joint venture with a subsidiary of the Trammell Crow Company, or TCC, a subsidiary of CBRE Group, Inc., (NYSE: CBG) and an affiliate of the Investment Advisor, to develop 1400 Atwater Drive, located in the Atwater Business Park development in East Whiteland Township, Pennsylvania, a suburb of Philadelphia. The joint venture will develop 1400 Atwater Drive for approximately $66,422,520. We anticipate that the development will be funded using the net proceeds from this offering, but the joint venture may also fund a portion of the development from financing provided by a third party. The joint venture will pay TCC a customary fee for developing 1400 Atwater Drive equal to a percentage of the total development cost, excluding certain costs associated with the acquisition of the land for the development, construction interest and financing fees. CBRE Group, Inc. will provide a guarantee for certain of TCC's obligations under the joint venture. We will own 95% of the joint venture through the development period and upon completion of the development, subject to certain conditions, we may purchase TCC's 5% interest in the joint venture at which point we would own 100% of 1400 Atwater Drive.

We anticipate that 1400 Atwater Drive will consist of two, 150,000 square foot, five-story office buildings, connected by a common lobby. Upon completion, 1400 Atwater Drive will be 100% leased to Endo Pharmaceuticals, Inc. through October 2025, for use as its headquarters. Endo Pharmaceuticals, Inc. is a subsidiary of Endo Pharmaceuticals Holdings Inc. (NASDAQ: ENDP), which is a specialty healthcare solutions company focused on branded products, generic pharmaceuticals and medical devices and services. Endo Pharmaceuticals, Inc.'s lease will be guaranteed by Endo Pharmaceuticals Holdings, Inc. While 1400 Atwater Drive is expected to be completed during the first quarter of 2013, the joint venture development is subject to a number of contingencies and there can be no assurance that the development will be completed.

Aurora Commerce Center Bldg. C

On November 3, 2011, we entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Aurora Commerce Center Bldg. C, located at 22100 E. 26th Avenue in Aurora, Colorado, a suburb of Denver. We will acquire Aurora Commerce Center Bldg. C for approximately $24,500,000, exclusive of customary closing costs. We anticipate that the acquisition will be funded using the net proceeds from this offering. Aurora Commerce Center Bldg. C is a 406,959 square foot, multi-tenant warehouse/distribution building constructed in 2007 that is 100% leased. 79% of Aurora Commerce Center Bldg. C is leased to Subaru of America, Inc., a subsidiary of Fuji Heavy Industries, Ltd., through September 2019. Subaru of America, Inc. uses Aurora Commerce Center Bldg. C as its Western regional headquarters and automotive parts distribution center. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

Name Changes of CBRE Investors and CB Richard Ellis

The below language should be read in conjunction with your reading of our entire prospectus, with particular reference to the definitions of (i) our sponsor "CBRE Investors" first defined on page 1 of our prospectus and used throughout our prospectus (all such references to "CBRE Investors" shall mean "CBRE Global Investors, LLC") and (ii) "CB Richard Ellis" first defined on page 2 of our prospectus and used throughout our prospectus (all such references to "CB Richard Ellis" shall mean "CBRE Group, Inc.") .

On October 3, 2011, CB Richard Ellis Group, Inc. (NYSE: CBG) announced that it had changed its corporate name to CBRE Group, Inc., in order to align its corporate name with its industry-leading CBRE brand. On November 1, 2011, CB Richard Ellis Investors, L.L.C., our sponsor and an indirect wholly-owned subsidiary of CBRE Group, Inc., announced that it had changed its corporate name to CBRE Global Investors, Inc. in order to align its corporate name with its parent company brand.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

Supplement No. 11 dated November 15, 2011
to the Prospectus dated May 2, 2011

We are providing this Supplement No. 11 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 11 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011, Supplement No. 8 dated September 20, 2011, Supplement No. 9 dated October 4, 2011 and Supplement No. 10 dated November 4, 2011. Capitalized terms used in this Supplement No. 11 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our," "us" and CBRE REIT include CB Richard Ellis Realty Trust and its subsidiaries.

Recent Developments

Form 10-Q Filing

On November 14, 2011, we filed with the Securities and Exchange Commission our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011. This Quarterly Report (excluding the exhibits thereto) is attached as Annex A to this Supplement No. 11.

Status of Our Current Offering

This section contains certain information that supplements and updates the description of the status of our current offering following the caption "The Company—CB Richard Ellis Realty Trust," which begins on page 47 of our prospectus.

Our registration statement on Form S-11 relating to this public offering was declared effective by the Securities and Exchange Commission on January 30, 2009. From January 30, 2009 through September 30, 2011, we have accepted subscriptions from 38,691 investors and issued 148,029,604 common shares pursuant to this public offering, which includes 8,222,592 common shares issued pursuant to our dividend reinvestment plan, and received gross offering proceeds of approximately $1,476,184,746. As of September 30, 2011, approximately $1,523,815,254 in common shares were available to be offered and sold in this public offering. As of November 4, 2011, 216,865,692 common shares were issued and outstanding. Our board of trustees has confirmed that our current primary offering will close on January 30, 2012. The special committee of our board of trustees continues to explore and review strategic alternatives and liquidity events in accordance with our investment objectives. However, there can be no assurance that the exploration of strategic alternatives will result in any particular outcome. We expect to offer common shares through our DRIP beyond January 30, 2012. We may amend or terminate the DRIP offering at any time.

Fees Paid in Connection with Our Offerings

This section contains certain information that supplements and updates the description of our fees paid in connection with our offering following the caption "Certain Relationships and Related Party Transactions—Fees Paid in Connection with Our Offerings," which begins on page 92 of our prospectus.

For the nine months ended September 30, 2011 and the year ended December 31, 2010, our Dealer Manager earned the following fees:

	Nine Months Ended September 30, 2011		Year Ended December 31, 2010	
	Earned(1)	Payable(2)	Earned(1)	Payable(2)
Selling commissions	$30,064,000	$812,500	$29,388,000	$347,000
Dealer manager fees	$ 8,664,000	$233,000	$13,179,000	$ 99,000
Marketing support fees	$ 4,298,000	$116,000	$ 4,523,000	$ 50,000

(1) Earned represents the amount expensed on an accrual basis for services provided by the Dealer Manager during the period.

(2) Payable represents the total unpaid amount due on an accrual basis to the Dealer Manager for services provided.

For the nine months ended September 30, 2011 and the year ended December 31, 2010, our Dealer Manager and our Investment Advisor and/or its affiliates earned the following other offering costs:

	Nine Months Ended September 30, 2011		Year Ended December 31, 2010	
	Earned[(1)]	Payable[(2)]	Earned[(3)]	Payable[(4)]
Other Offering Costs	$1,830,000	$249,000	$4,633,000	$422,000

(1) Included in the other offering costs earned is $1,557,000 and $273,000 for the Dealer Manager and the Investment Advisor, respectively.

(2) Included in the payable amount is $236,000 and $13,000 due to the Dealer Manager and our Investment Advisor, respectively, as of the balance sheet date specified.

(3) Included in the other offering costs earned is $4,412,000 and $221,000 for the Dealer Manager and our Investment Advisor, respectively.

(4) Included in the payable amount is $407,000 and $15,000 due to the Dealer Manager and our Investment Advisor, respectively, as of the balance sheet date specified.

Fees Paid in Connection with Our Operations

This section contains certain information that supplements and updates the description of our fees paid in connection with our operations following the caption "Certain Relationships and Related Party Transactions—Fees Paid in Connection with Our Operations," which begins on page 93 of our prospectus.

For the nine months ended September 30, 2011 and the year ended December 31, 2010, our Investment Advisor and/or its affiliates earned the following fees:

	Nine Months Ended September 30, 2011		Year Ended December 31, 2010	
	Earned[(1)]	Payable[(2)]	Earned[(3)]	Payable[(4)]
Acquisition fees and expenses[(3)]	$10,858,000	$ 53,000	$13,056,000	$ —
Investment management fees[(4)]	$15,196,000	$1,887,000	$11,611,000	$1,330,000
Property management fees	$ 1,096,000	$ 297,000	$ 955,000	$ 191,000

(1) Earned represents the amount expensed on an accrual basis for services provided by our Investment Advisor during the period.

(2) Payable represents the unpaid amount due on an accrual basis to the Investment Advisor for services provided.

(3) In connection with services provided to the Investment Advisor, the Sub-Advisor, pursuant to a sub-advisory agreement, was paid $1,903,000 and $2,216,000 by the Investment Advisor for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively.

(4) Our Investment Advisor did not waive any investment management fees for the nine months ended September 30, 2011 or the year ended December 31, 2010. In connection with services provided to the Investment Advisor, the Sub-Advisor, pursuant to a sub-advisory agreement, was paid $2,098,000 and $1,604,000 by the Investment Advisor for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively.

$2,113,000 and $1,217,000 in mortgage banking fees were paid to CBRE Capital Markets, an affiliate of the Investment Advisor, for the nine months ended September 30, 2011 and for the year ended December 31, 2010, respectively. Leasing and brokerage fees aggregating to $1,377,000 and $895,000 were paid to the Investment Advisor or its affiliates for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively. Construction management fees of $24,000 and $15,000 were paid to affiliates of the Investment Advisor for the nine months ended September 30, 2011 and the year ended December 31, 2010, respectively.

Our share of investment management and acquisition fees paid to CB Richard Ellis Investors SP Asia II, LLC in connection with our investment in CBRE Strategic Partners Asia were approximately $165,000 and none, respectively, for the nine months ended September 30, 2011 and the year ended December 31, 2010. Through September 30, 2011, we had paid no fees to our Investment Advisor relating to this investment.

Non-GAAP Supplemental Financial Measure: Funds from Operations

This section contains certain information that supplements the description of our supplemental financial measures following the caption "Summary Selected Financial Data—Non-GAAP Supplemental Financial Measure: Funds from Operations," which begins on page 44 of our prospectus.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors consider presentations of operating results for REITs that use historical cost accounting to be insufficient by themselves. Consequently, the National Association of Real Estate Investment Trusts, or NAREIT, created Funds from Operations, or FFO, as a supplemental measure of REIT operating performance.

FFO is a non-GAAP measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net income. FFO, as we define it, is presented as a supplemental financial measure. Management believes that FFO is a useful supplemental measure of REIT performance. FFO does not present, nor do we intend for it to present, a complete picture of our financial condition and/or operating performance. We believe that net income, as computed under GAAP, appropriately remains the primary measure of our performance and that FFO, when considered in conjunction with net income, improves the investing public's understanding of the operating results of REITs and makes comparisons of REIT operating results more meaningful.

We compute FFO in accordance with standards established by NAREIT. Modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business and provide greater transparency to the investing public as to how our management team considers our results of operations. As a result, our FFO may not be comparable to FFO as reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do. The revised NAREIT White Paper on FFO defines FFO as net income or loss computed in accordance with GAAP, excluding extraordinary items, as defined by GAAP, and gains and losses from sales of depreciable operating property, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), and after adjustment for unconsolidated partnerships and joint ventures.

Management believes that NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time, and that depreciation charges required by GAAP do not always reflect the underlying economic realities. Likewise, the exclusion from NAREIT's definition of FFO of gains and losses from the sales of previously depreciated operating real estate assets, allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. Thus, FFO provides a performance measure that, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates and operating costs. Management also believes that FFO provides useful information to the investment community about our financial performance when compared to other REITs, since FFO is generally recognized as the industry standard for reporting the operations of REITs.

However, changes in the accounting and reporting rules under GAAP (for acquisition fees and expenses from a capitalization/depreciation model to an expensed-as-incurred model) that have been put into effect since the establishment of NAREIT's definition of FFO have prompted an increase in the non-cash and non-operating items included in FFO. In addition, we view impairment charges as an item which is typically adjusted when assessing operating performance. Furthermore, publicly registered, non-traded REITs typically have a significant amount of acquisition activity during their initial years of investment and operation and therefore we believe require additional adjustments to FFO in evaluating performance. As a result, in addition to presenting FFO in accordance with the NAREIT definition, we also disclose FFO, as adjusted, which excludes the effects of acquisition costs and non-cash impairment charges.

FFO, as adjusted, is a useful measure to management's decision-making process. As discussed below, period to period fluctuations in the excluded items can be driven by short-term factors that are not particularly relevant to our long-term investment decisions, long-term capital structures or long-term tax planning and tax structuring decisions. We believe that adjusting FFO to exclude these acquisition costs and impairment charges more appropriately presents our results of operations on a comparative basis. The items that we exclude from net income are subject to significant fluctuations from period to period that cause both positive and negative effects on our results of operations, often in inconsistent and unpredictable directions. For example, our acquisition costs are primarily the result of the volume of our acquisitions completed during each period, and therefore we believe such acquisition costs are not reflective of our operating results during each period. Similarly, unrealized gains or non-cash impairment charges that we have recognized during a given period are based primarily upon changes in the estimated fair market value of certain of our investments due to deterioration in market conditions and do not necessarily reflect the operating performance of these properties during the corresponding period.

We believe that FFO, as adjusted, is useful to investors as a supplemental measure of operating performance. We believe that adjusting FFO to exclude acquisition costs provides investors a view of the performance of our portfolio over time, including after we cease to acquire properties on a frequent and regular basis and allows for a comparison of the performance of our portfolio with other REITs that are not currently engaging in acquisitions. In addition, as many other non-traded REITs adjust FFO to exclude acquisition costs and impairment charges, we believe that our calculation and reporting of FFO, as adjusted, will assist investors and analysts in comparing our performance with that of other non-traded REITs. We also believe that FFO, as adjusted, may provide investors with a useful indication of our future performance, particularly after our acquisition stage, and of the sustainability of our current distribution policy. However, because FFO, as adjusted, excludes acquisition costs, which are an important component in an analysis of our historical performance, such supplemental measure should not be construed as a historical performance measure and may not be as useful a measure for estimating the value of our common shares. In addition, the impairment charges that we exclude from FFO, as adjusted, may be realized as a loss in the future upon the ultimate disposition of the related properties or other assets through the form of lower cash proceeds.

Not all REITs calculate FFO and FFO, as adjusted (or an equivalent measure), in the same manner and therefore comparisons with other REITs may not be meaningful. Neither FFO, nor FFO as adjusted, represents cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to (i) net income (determined in accordance with GAAP), as indications of our financial performance, or (ii) to cash flow from operating activities (determined in accordance with GAAP) as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make cash distributions. We believe that to further understand our performance, each of FFO and FFO, as adjusted, should be compared with our reported net income and considered in addition to cash flows in accordance with GAAP, as presented in our Consolidated Financial Statements.

The following table presents our FFO and FFO, as adjusted for the three months ended September 30, 2011, June 30, 2011, March 31, 2011 and December 31, 2010 (in thousands):

	Three Months Ended			
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Reconciliation of net loss to funds from operations:				
Net (Loss) Income Attributable to CB Richard Ellis Realty Trust Shareholders	$ (2,442)	$ (9,363)	$ (2,609)	$ (5,318)
Adjustments:				
Non-controlling interest	(4)	(13)	(4)	(9)
Real estate depreciation and amortization	16,656	14,972	12,274	10,224
Realized gain from transfer of real estate to unconsolidated entities	0	126	—	—
Net effect of FFO adjustment from unconsolidated entities(1)	12,830	13,356	7,564	4,451
FFO	$26,614	$19,078	$17,225	$ 9,348
Other Adjustments:				
Acquisition expenses	1,044	6,852	4,642	10,303
Unrealized gain/impairment loss in unconsolidated entity	369	192	35	1,277
FFO, as adjusted	$28,027	$26,122	$21,902	$20,928
Net (loss) income per share (basic and diluted)	$ (0.01)	$ (0.05)	$ (0.02)	$ (0.03)
FFO per share (basic and diluted)	$ 0.13	$ 0.11	$ 0.10	$ 0.06
FFO, as adjusted, per share (basic and diluted)	$ 0.14	$ 0.14	$ 0.13	$ 0.13

(1) Represents our share of the FFO adjustments allowable under the NAREIT definition (primarily depreciation) for each of our unconsolidated entities.

Description of Shares

This section contains certain information that supplements the description of our Share Redemption Program following the caption "Description of Shares—Share Redemption Program," which begins on page 99 of our prospectus.

For the three and nine months ended September 30, 2011, we received requests to redeem 996,002 and 2,786,617 common shares, respectively, pursuant to our share redemption program. We redeemed 100% and 100% of the redemption requests for the three and nine months ended September 30, 2011, at an average price per share of $9.29 and $9.14, respectively. We funded share redemptions for the periods noted above from the cumulative proceeds of the sale of our common shares pursuant to our dividend reinvestment plan.

ANNEX A

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2011

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number: 000-53200

CB RICHARD ELLIS REALTY TRUST
(Exact name of registrant as specified in its charter)

Maryland	**56-2466617**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

47 Hulfish Street, Suite 210, Princeton, New Jersey 08542
(Address of principal executive offices) (Zip Code)

(609) 683-4900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer" "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares outstanding of the registrant's common shares, $0.01 par value, was 216,865,692 as of November 4, 2011.

CB RICHARD ELLIS REALTY TRUST
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PART I.
FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

CB RICHARD ELLIS REALTY TRUST

Condensed Consolidated Balance Sheets
as of September 30, 2011 and December 31, 2010 (unaudited)
(In Thousands, Except Share Data)

	September 30, 2011	December 31, 2010
ASSETS		
Investments in Real Estate:		
Land	$ 330,074	$ 212,858
Site Improvements	147,830	94,545
Buildings and Improvements	916,551	744,058
Tenant Improvements	72,015	55,834
	1,466,470	1,107,295
Less: Accumulated Depreciation and Amortization	(77,719)	(51,320)
Net Investments in Real Estate	1,388,751	1,055,975
Investments in Unconsolidated Entities	483,791	410,062
Real Estate and Other Assets Held for Sale	0	22,056
Cash and Cash Equivalents	178,799	48,218
Restricted Cash	6,010	2,058
Accounts and Other Receivables, Net of Allowance of $766 and $83, respectively	6,281	5,677
Deferred Rent	15,875	8,605
Acquired Above-Market Leases, Net of Accumulated Amortization of $13,884 and $9,345, respectively	32,849	22,867
Acquired In-Place Lease Value, Net of Accumulated Amortization of $53,953 and $36,931, respectively	152,546	111,005
Deferred Financing Costs, Net of Accumulated Amortization of $3,743 and $2,513, respectively	7,421	6,444
Lease Commissions, Net of Accumulated Amortization of $845 and $528, respectively	3,454	1,643
Other Assets	2,153	22,110
Total Assets	$2,277,930	$1,716,720
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Notes Payable, Less Discount of $3,070 and $3,700, Plus Premium of $9,247 and $4,155, respectively	$ 632,377	$ 356,823
Note Payable at Fair Value	8,740	8,769
Loan Payable	25,000	60,000
Liabilities Related to Real Estate and Other Assets Held for Sale	0	441
Security Deposits	693	899
Accounts Payable and Accrued Expenses	22,155	15,934
Accrued Offering Costs Payable to Related Parties	1,411	917
Acquired Below-Market Leases, Net of Accumulated Amortization of $12,677 and $9,626, respectively	30,260	19,323
Above-Market Ground Lease Obligation	1,500	0
Property Management Fee Payable to Related Party	297	184
Investment Management Fee Payable to Related Party	1,882	1,330
Distributions Payable	29,911	24,053
Interest Rate Swaps at Fair Value—Non-Qualifying Hedges	1,179	1,349
Interest Rate Swaps at Fair Value—Qualifying Hedges	12,107	1,932
Total Liabilities	767,512	491,954
COMMITMENTS AND CONTINGENCIES (NOTE 18)		
NON-CONTROLLING INTEREST		
Operating Partnership Units	2,464	2,464
SHAREHOLDERS' EQUITY		
Common Shares of Beneficial Interest, $0.01 par value, 990,000,000 shares authorized; 208,511,761 and 164,511,252 issued and outstanding as of September 30, 2011 and December 31, 2010, respectively	2,085	1,645
Additional Paid-in-Capital	1,838,399	1,446,559
Accumulated Deficit	(310,973)	(214,216)
Accumulated Other Comprehensive Loss	(21,557)	(11,686)
Total Shareholders' Equity	1,507,954	1,222,302
Total Liabilities, Shareholders' Equity and Non-Controlling Interest	$2,277,930	$1,716,720

See accompanying notes to condensed consolidated financial statements.

CB RICHARD ELLIS REALTY TRUST

Condensed Consolidated Statements of Operations
For the Three and Nine Months Ended September 30, 2011 and 2010 (unaudited)
(In Thousands, Except Share Data)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
REVENUES				
Rental	$ 32,476	$ 16,893	$ 87,167	$ 46,529
Tenant Reimbursements	7,313	3,211	19,929	8,947
Total Revenues	39,789	20,104	107,096	55,476
EXPENSES				
Operating and Maintenance	4,311	2,144	11,959	5,130
Property Taxes	4,624	2,664	13,359	7,836
Interest	9,329	3,898	24,724	10,232
General and Administrative	1,474	1,566	4,264	4,243
Property Management Fee to Related Party	511	266	1,096	607
Investment Management Fee to Related Party	5,607	2,933	15,100	8,050
Acquisition Expenses	1,044	2,195	12,537	7,414
Depreciation and Amortization	16,656	7,941	43,901	21,902
Total Expenses	43,556	23,607	126,940	65,414
OTHER INCOME AND EXPENSES				
Interest and Other Income	460	245	1,271	931
Net Settlement Payments on Interest Rate Swaps	(178)	(568)	(532)	(1,012)
Gain (Loss) on Interest Rate Swaps	32	263	177	(239)
Gain (Loss) on Note Payable at Fair Value	75	(21)	41	(98)
Loss on Early Extinguishment of Debt	0	0	0	(72)
Total Other Income and (Expenses)	389	(81)	957	(490)
LOSS FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES AND EQUITY IN INCOME OF UNCONSOLIDATED ENTITIES	(3,378)	(3,584)	(18,887)	(10,428)
PROVISION FOR INCOME TAXES	(85)	(163)	(385)	(248)
EQUITY IN INCOME OF UNCONSOLIDATED ENTITIES	609	2,539	4,160	5,385
NET LOSS FROM CONTINUING OPERATIONS	(2,854)	(1,208)	(15,112)	(5,291)
DISCONTINUED OPERATIONS				
(Loss) Income from Discontinued Operations	(18)	0	377	0
Realized Gain from Sales	426	0	301	0
INCOME FROM DISCONTINUED OPERATIONS	408	0	678	0
NET LOSS	(2,446)	(1,208)	(14,434)	(5,291)
Net Loss Attributable to Non-Controlling Operating Partnership Units	4	2	20	9
NET LOSS ATTRIBUTABLE TO CB RICHARD ELLIS REALTY TRUST SHAREHOLDERS	$ (2,442)	$ (1,206)	$ (14,414)	$ (5,282)
Basic and Diluted Net Loss Per Share from Continuing Operations Attributable to CB Richard Ellis Realty Trust Shareholders	$ (0.01)	$ (0.01)	$ (0.08)	$ (0.04)
Basic and Diluted Net Loss Per Share from Discontinued Operations Attributable to CB Richard Ellis Realty Trust Shareholders	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Weighted Average Common Shares Outstanding—Basic and Diluted	199,398,630	144,158,081	183,098,748	128,405,833
Dividends Declared Per Share	$ 0.15	$ 0.15	$ 0.45	$ 0.45

See accompanying notes to condensed consolidated financial statements.

CB RICHARD ELLIS REALTY TRUST

Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2011 and 2010 (unaudited)
(In Thousands)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (14,434)	$ (5,291)
Adjustments to Reconcile Net Loss to Net Cash Flows Provided by Operating Activities:		
Equity in Income of Unconsolidated Entities	(4,160)	(5,385)
Distributions from Unconsolidated Entities	17,200	13,954
(Gain) Loss on Interest Rate Swaps and Cap	(177)	239
Loss on Note Payable at Fair Value	(41)	98
Loss on Early Extinguishment of Debt	0	53
Net Realized Gain on Sale of Real Property	(301)	0
Gain on Transfer of Real Estate	0	(154)
Depreciation and Amortization of Building and Improvements	26,524	13,756
Amortization of Deferred Financing Costs	1,426	744
Amortization of Acquired In-Place Lease Value	17,055	7,975
Amortization of Above and Below Market Leases	1,487	171
Amortization of Lease Commissions	322	172
Amortization of Discount/Premium on Notes Payable	(219)	657
Share Based Compensation	28	240
Changes in Assets and Liabilities:		
Accounts and Other Receivables	(604)	296
Deferred Rent	(7,270)	(3,048)
Other Assets	7	(796)
Accounts Payable and Accrued Expenses	5,752	2,665
Investment and Property Management Fees Payable to Related Party	665	259
Net Cash Flows Provided By Operating Activities	43,260	26,605
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of Real Property	(152,943)	(165,775)
Proceeds from Sales of Discontinued Operations	23,596	0
Investments in Unconsolidated Entities	(79,073)	(76,119)
Distributions from Unconsolidated Entities	0	5,783
Purchase Deposits	0	(3,000)
Restricted Cash	(3,951)	(567)
Lease Commissions	(2,134)	(864)
Improvements to Investments in Real Estate	(8,222)	(1,671)
Net Cash Flows Used in Investing Activities	(222,727)	(242,213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Common Shares—Public Offering	433	481
Proceeds from Additional Paid-in-Capital—Public Offering	432,455	468,681
Redemption of Common Shares	(25,477)	(11,093)
Payment of Offering Costs	(47,420)	(39,357)
Payment of Distributions	(43,561)	(28,951)
Distribution to Non-Controlling Interest	(111)	(111)
Borrowing on Loan Payable	50,000	25,000
Principal Payment on Loan Payable	(85,000)	0
Proceeds from Notes Payable	81,700	0
Principal Payments on Note Payable	(50,324)	(15,003)
Deferred Financing Costs	(2,188)	(3,557)
Security Deposits	(206)	1,072
Net Cash Flows Provided by Financing Activities	310,301	397,162
EFFECT OF FOREIGN CURRENCY TRANSLATION	(253)	165
Net Increase in Cash and Cash Equivalents	130,581	181,719
Cash and Cash Equivalents, Beginning of the Period	48,218	112,631
Cash and Cash Equivalents, End of the Period	$ 178,799	$ 294,350
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Period for Interest	$ 22,577	$ 8,489
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Distributions Declared and Payable	$ 29,911	$ 21,623
Proceeds from Dividend Reinvestment Program	$ 32,924	$ 21,905
Application of Deposit to Investment in Unconsolidated Entities	$ 7,500	$ 0
Application of Deposit to Investment in Real Estate	$ 12,500	$ 1,500
Accrued Acquisition Costs Related to Real Property	$ 100	$ 17
Duke joint venture Contribution/Distribution—Cash Flow Used to Fund Amazon Expansion	$ 19,605	$ 5,840
Deconsolidation of Real Estate transferred to Duke joint venture	$ 0	$ (41,888)
Notes Payable Assumed on Acquisitions of Real Estate	$ 238,419	$ 69,201
Increase in Investment in Duke joint venture from Transfer of Real Estate	$ 0	$ 42,042
Share Awards Increase in Additional Paid-In-Capital	$ 28	$ 240
Accrued Offering Costs	$ 1,555	$ 1,340

See accompanying notes to condensed consolidated financial statements.

CB RICHARD ELLIS REALTY TRUST

Condensed Consolidated Statements of Shareholders Equity and Non-Controlling Interest
For the Nine Months Ended September 30, 2011 and 2010 (unaudited)
(In Thousands, Except Share Data)

	Common Shares		Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Non-Controlling Interest Operating Partnership Units	Total Shareholders' Equity and Non-Controlling Interest
	Shares	Amount						
Balance at December 31, 2010	164,511,253	$1,645	$1,446,559	$(214,216)	$(11,686)	$1,222,302	$2,464	$1,224,766
Net Loss	0	0	0	(14,414)	0	(14,414)	(20)	(14,434)
Foreign Currency Translation Gains	0	0	0	0	885	885	3	888
Swap Fair Value Adjustment	0	0	0	0	(10,756)	(10,756)	(13)	(10,769)
Total Comprehensive Loss	0	0	0	(14,414)	(9,871)	(24,285)	(30)	(24,315)
Net Contributions From Public Offering of Common Shares, $0.01 Par Value	46,784,125	468	465,345	0	0	465,813	0	465,813
Trustee Common Shares	3,000	0	28	0	0	28	0	28
Costs Associated with Public Offering	0	0	(47,943)	0	0	(47,943)	0	(47,943)
Redemption of Common Shares	(2,786,617)	(28)	(25,449)	0	0	(25,477)	0	(25,477)
Adjustment to Record Non-Controlling Interest at Redemption Value	0	0	(141)	0	0	(141)	141	0
Distributions	0	0	0	(82,343)	0	(82,343)	(111)	(82,454)
Balance at September 30, 2011	208,511,761	$2,085	$1,838,399	$(310,973)	$(21,557)	$1,507,954	$2,464	$1,510,418

	Common Shares		Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity	Non-Controlling Interest Operating Partnership Units	Total Shareholders' Equity and Non-Controlling Interest
	Shares	Amount						
Balance at December 31, 2009	106,465,683	$1,065	$ 933,088	$(121,832)	$12,322	$ 799,999	$2,464	$ 802,463
Net Loss	0	0	0	(5,282)	0	(5,282)	(9)	(5,291)
Foreign Currency Translation Loss	0	0	0	0	4,362	4,362	6	4,368
Swap Fair Value Adjustment	0	0	0	0	(1,787)	(1,787)	(4)	(1,791)
Total Comprehensive(Loss) Income	0	0	0	(5,282)	2,575	2,707	(7)	(2,714
Net Contributions From Public Offering of Common Shares, $0.01 Par Value	50,360,076	504	490,681	0	0	491,185	0	491,185
Trustee Common Shares	24,000	0	240	0	0	240	0	240
Costs Associated with Public Offering	0	0	(40,325)	0	0	(40,325)	0	(40,325)
Redemption of Common Shares	(1,221,867)	(12)	(11,081)	0	0	(11,093)	0	(11,093)
Adjustment to Record Non-Controlling Interest at Redemption Value	0	0	(118)	0	0	(118)	118	0
Distributions	0	0	0	(57,730)	0	(57,730)	(111)	(57,841)
Balance at September 30, 2010	155,627,892	$1,557	$1,372,485	$(184,844)	$ (9,747)	$1,179,451	$2,464	$1,181,915

See accompanying notes to condensed consolidated financial statements.

CB RICHARD ELLIS REALTY TRUST

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended September 30, 2011 and 2010 (unaudited)

1. Organization and Nature of Business

CB Richard Ellis Realty Trust (the "Company") was formed on March 30, 2004 under the laws of the state of Maryland. CBRE Operating Partnership, L.P. ("CBRE OP") was formed in Delaware on March 30, 2004, with the Company as the sole general partner (the "General Partner"). The Company has elected to be taxed as a real estate investment trust ("REIT") under sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), beginning with its taxable period ended December 31, 2004. The Company was formed to raise capital and acquire ownership interests in high quality real estate properties, including office, industrial, retail and multi-family residential properties, as well as other real estate-related assets.

On July 1, 2004, the Company commenced operations and issued 6,844,313 common shares of beneficial interest in connection with the initial capitalization of the Company. For each common share the Company issued, one limited partnership unit in CBRE OP was issued to the Company in exchange for the cash proceeds from the issuance of the common shares. In addition, CBRE REIT Holdings, LLC ("REIT Holdings") an affiliate of CBRE Advisors LLC (the "Investment Advisor"), purchased 29,937 limited partnership units in CBRE OP as a limited partner. During October 2004, the Company issued an additional 123,449 common shares of beneficial interest to an unrelated third-party investor.

On January 5, 2011 and on February 23, 2011, the Company formed taxable REIT subsidiaries (Rickenbacker II, LLC and Rickenbacker III, LLC, respectively) to hold two real estate assets designated by management as held for sale which represent non-qualified REIT assets.

The registration statement relating to our initial public offering was declared effective by the Securities Exchange Commission (the "SEC") on October 24, 2006. CNL Securities Corp. (the "Dealer Manager"), a related party, acted as the dealer manager of this offering. The registration statement covered up to $2,000,000,000 in common shares of beneficial interest, 90% of which were offered at a price of $10.00 per share, and 10% of which were offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor, or another firm we choose for that purpose. During the period October 24, 2006 through January 29, 2009, the Company issued 60,808,967 additional common shares of beneficial interest. We terminated the initial public offering effective as of the close of business on January 29, 2009.

The registration statement relating to our follow-on public offering was declared effective by the SEC on January 30, 2009. CNL Securities Corp. is the dealer manager of this offering. The registration statement covers up to $3,000,000,000 in common shares of beneficial interest, 90% of which will be offered at a price of $10.00 per share, and 10% of which will be offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor, or another firm we choose for that purpose. We reserve the right to reallocate the shares between the primary offering and our dividend reinvestment plan. From January 30, 2009 (effective date) through September 30, 2011, the Company received gross offering proceeds of approximately $1,476,184,746 from the sale of 148,029,604 shares. Our Board of Trustees has confirmed that our follow-on offering will close on January 30, 2012. We expect to offer common shares through our dividend investment plan beyond January 30, 2012.

The Company operates in an umbrella partnership REIT structure in which its majority-owned subsidiary, CBRE OP, owns, directly or indirectly, substantially all of the properties acquired on behalf of the Company. The Company, as the sole general partner of CBRE OP, owns approximately 99.88% of the common partnership units therein. REIT Holdings, an affiliate of the Investment Advisor, holds the remaining interest through 246,361 limited partnership units representing approximately a 0.12% ownership interest in the total limited partnership units. In exchange for services provided to the Company relating to its formation and future services, REIT Holdings also owns a Class B limited partnership interest ("Class B interest"). The Investment Advisor is affiliated with the Company in that the two entities have common officers and trustees, some of whom also own equity interests in the Investment Advisor and the Company. All business activities of the Company are managed by the Investment Advisor.

Unless the context otherwise requires or indicates, references to "CBRE REIT," "we," "the Company" "our," and "us" refer to the activities of and the assets and liabilities of the business and operations of CB Richard Ellis Realty Trust and its subsidiaries.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("U.S. GAAP") and the rules applicable to Form 10-Q and reflect all adjustments, which are, in our opinion, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim period. Certain information and footnotes required for annual financial statement presentation have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, our interim financial statements do not include all of the information and disclosures required under U.S. GAAP for complete financial statements. The condensed consolidated financial statements and notes thereto should be read in conjunction with our current Annual Report on Form 10-K, which contains the latest available audited consolidated financial statements and notes thereto, which are as of and for the year ended December 31, 2010.

In the opinion of management, all adjustments of a normal recurring nature considered necessary in all material respects to present fairly our financial position, results of our operations and cash flows as of and for the three and nine months ended September 30, 2011 have been made. The results of operations for the three and nine months ended September 30, 2011 are not necessarily indicative of the results of operations to be expected for the entire year.

Principles of Consolidation

Because we are the sole general partner and majority owner of CBRE OP and have majority control over their management and major operating decisions, the accounts of CBRE OP are consolidated in our financial statements. The interests of REIT Holdings are reflected in non-controlling interest in the accompanying consolidated financial statements. All significant inter-company accounts and transactions are eliminated in consolidation. CB Richard Ellis Investors, LLC ("CBRE Investors"), an affiliate of the Investment Advisor, also owns an interest in us through its ownership of 243,229 common shares of beneficial interest at September 30, 2011 and December 31, 2010.

Investment in Unconsolidated Entities

We determine if an entity is a VIE based on several factors, including whether the entity's total equity investment at risk upon inception is sufficient to finance the entity's activities without additional subordinated financial support. We make judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, then a quantitative analysis, if necessary. In a quantitative analysis, we incorporate various estimates, including estimated future cash flows, asset hold periods and discount rates, as well as estimates of the probabilities of various scenarios occurring. If the entity is a VIE, we then determine whether we consolidate the entity as the primary beneficiary. We determine whether an entity is a VIE and, if so, whether it should be consolidated by utilizing judgments and estimates that are inherently subjective. If we made different judgments or utilized different estimates in these evaluations, it could result in differing conclusions as to whether or not an entity is a VIE and whether or not we consolidate such entity.

Our determination of the appropriate accounting method with respect to our investment in CB Richard Ellis Strategic Partners Asia II-A, L.P. ("CBRE Strategic Partners Asia"), which is not considered a Variable Interest Entity ("VIE"), is partially based on CBRE Strategic Partners Asia's sufficiency of equity investment at risk which was triggered by a substantial paydown during 2009 of its subscription line of credit backed by investor capital commitments to fund its operations. The subscription line of credit was paid in full on March 28, 2011. We account for this investment under the equity method of accounting.

With respect to our majority limited membership interest in the Duke/Hulfish, LLC joint venture (the "Duke joint venture"), the Afton Ridge Joint Venture, LLC ("Afton Ridge"), the Goodman Princeton Holdings (Jersey) Limited joint venture (the "UK JV") and the Goodman Princeton Holdings (LUX) SARL joint venture (the "European JV"), we considered the Accounting Standards Codification ("ASC") Topic "*Consolidation*" ("FASB ASC 810") in determining that we did not have control over the financial and operating decisions of such entities due to the existence of substantive participating rights held by the minority limited members who are also the managing members of the Duke joint venture and Afton Ridge, and the investment advisors/managers of the UK JV and the European JV, respectively.

We carry our investments in CBRE Strategic Partners Asia, the Duke joint venture, Afton Ridge, the UK JV and the European JV on the equity method of accounting because we have the ability to exercise significant influence (but not control) over operating and financial policies of each such entity.

We eliminate transactions with such equity method entities to the extent of our ownership in each such entity. Accordingly, our share of net income (loss) of these equity method entities is included in consolidated net income (loss). CBRE Strategic Partners Asia is a limited partnership that qualifies for specialized industry accounting for investment companies. On the basis of the guidance in ASC 970-323, the Company accounts for its investment in CBRE Strategic Partners Asia under the equity method. Specialized industry accounting allows investment companies to carry their investments at fair value, with changes in the fair value of the investments recorded in the statement of operations. As a result, and in accordance with ASC 810-10-25-15 the specialized accounting treatment, principally the fair value basis applied by CBRE Strategic Partners Asia under the investment company guide, is retained in the recognition of equity method earnings in the statement of operations of the Company. See Note 17 "Fair Value of Financial Instruments and Investments" for further discussion of the application of the fair value accounting to our investment in CBRE Strategic Partners Asia.

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Segment Information

We currently operate our consolidated properties in two geographic areas, the United States and the United Kingdom. We view our consolidated property operations as three reportable segments, a Domestic Industrial segment, a Domestic Office segment and an International Office/Retail segment, which participate in the acquisition, development, ownership, and operation of high quality real estate in their respective segments.

Cash Equivalents

We consider short-term investments with maturities of three months or less when purchased to be cash equivalents. As of September 30, 2011 and December 31, 2010, cash equivalents consisted primarily of investments in money market funds.

Restricted Cash

Restricted cash represents those cash accounts for which the use of funds is restricted by loan covenants. As of September 30, 2011 and December 31, 2010, our restricted cash balance was $6,010,000 and $2,058,000, respectively, which represents amounts set aside as impounds for future property tax payments, property insurance payments and tenant improvement payments as required by our agreements with our lenders.

Discontinued Operations and Real Estate Held for Sale

In a period in which a property has been disposed of or is classified as held for sale, the statements of operations for current and prior periods report the results of operations of the property as discontinued operations.

At such time as a property is deemed held for sale, such property is carried at the lower of: (1) its carrying amount or (2) fair value less costs to sell. In addition, a property being held for sale ceases to be depreciated. We classify operating properties as property held for sale in the period in which all of the following criteria are met:

- management, having the authority to approve the action, commits to a plan to sell the asset;
- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- an active program to locate a buyer and other actions required to complete the plan to sell the asset has been initiated;
- the sale of the asset is probable and the transfer of the asset is expected to qualify for recognition as a completed sale within one year;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- given the actions required to complete the plan to sell the asset, it is unlikely that significant changes to the plan would be made or that the plan would be withdrawn.

As of December 31, 2010, we had two properties, Rickenbacker II and Rickenbacker III, held for sale. The Rickenbacker II and Rickenbacker III properties were sold on August 12, 2011.

Accounting for Derivative Financial Instruments and Hedging Activities

All of our derivative instruments are carried at fair value on the balance sheet. Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking each hedge transaction. We periodically review the effectiveness of each hedging transaction, which involves estimating future cash flows. Cash flow hedges are accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or liability, with a corresponding amount recorded in other comprehensive income within shareholders' equity. Calculation of the fair value of derivative instruments also requires management to use estimates. Amounts will be reclassified from other comprehensive income to the income statement in the period or periods the hedged forecasted transaction affects earnings

Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The changes in fair value hedges are accounted for by recording the fair value of the derivative instruments on the balance sheet as either assets or liabilities, with the corresponding amount recorded in current period earnings. We have certain interest rate swap derivatives that are designated as qualifying cash flow hedges and follow the accounting treatment discussed above. We also have certain interest rate swap derivatives that do not qualify for hedge accounting, and accordingly, changes in fair values are recognized in current earnings.

We disclose the fair values of derivative instruments and their gains and losses in a tabular format. We also provide more information about our liquidity by disclosing derivative features that are credit risk-related. Finally, we cross-reference within these footnotes to enable financial statement users to locate important information about derivative instruments. See Note 15 "Derivative Instruments" and Note 17 "Fair Value of Financial Instruments and Investments" for a further discussion of our derivative financial instruments.

Investments in Real Estate and Related Long Lived Assets (Impairment Evaluation)

Our investments in real estate are stated at depreciated cost. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives as follows:

Buildings and Improvements	39 years
Site Improvements	15 and 25 years
Tenant Improvements	Shorter of the useful lives or the terms of the related leases

Improvements and replacements are capitalized when they extend the useful life, increase capacity, or improve the efficiency of the asset. Repairs and maintenance are charged to expense as incurred. As of September 30, 2011 and December 31, 2010, we owned, on a consolidated basis 74 and 71 real estate investments, respectively.

On April 11, 2011, we acquired two office buildings, 70 Hudson Street ("70 Hudson") and 90 Hudson Street ("90 Hudson"), located in Jersey City, NJ. The purchase price was $310,000,000.

On June 2, 2011, we acquired Millers Ferry Road, a single tenant warehouse/distribution building located in Wilmer, TX, a suburb of Dallas. The purchase price was approximately $40,366,000.

On September 30, 2011, we acquired Sky Harbor Operations Center, a single tenant office building located in Phoenix, AZ. The purchase price was $53,500,000.

On April 5, 2011, we sold Orchard Business Park I, a vacant warehouse/distribution building, located in Spartanburg, SC. The sales price was $1,275,000.

On August 12, 2011, we sold Rickenbacker II and Rickenbacker III, two warehouse/distribution buildings located in Groveport, OH, a suburb of Columbus, OH. The sales price was approximately $22,639,000.

We assess whether there has been impairment in the value of our long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. The estimated fair value of the asset group indentified for step two testing is based on either the income approach with market discount rate, terminal capitalization rate and rental rate assumptions being most critical, or on the sales comparison approach to similar properties. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

No impairment of long-lived assets was recognized during the nine months ended September 30, 2011 and 2010.

Other Assets

Other assets include the following as of September 30, 2011 and December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Purchase deposits	$ 0	$20,005
Loan commitment fee	0	740
Prepaid insurance	828	308
Prepaid real estate taxes	119	—
Other	1,206	1,057
Total	$2,153	$22,110

Concentration of Credit Risk

Our consolidated properties are located throughout the United States and in the United Kingdom. The ability of the tenants to honor the terms of their respective leases is dependent upon the economic, regulatory, and social factors affecting the communities in which the tenants operate. Our credit risk relates primarily to cash, restricted cash, and interest rate swap and cap agreements. Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000 through December 31, 2013.

We have not experienced any losses to date on our invested cash and restricted cash. The interest rate cap and swap agreements create credit risk. Credit risk arises from the potential failure of counterparties to perform in accordance with the terms of their contracts. Our risk management policies define parameters of acceptable market risk and limit exposure to credit risk. Credit exposure resulting from derivative financial instruments is represented by their fair value amounts, increased by an estimate of potential adverse position exposure arising from changes over time in interest rates, maturities, and other relevant factors. We do not anticipate nonperformance by any of our counterparties.

Non-Controlling Interest

We owned a 99.88%, 99.85% and 99.84% partnership interest in CBRE OP as of September 30, 2011, December 31, 2010 and September 30, 2010, respectively. The remaining 0.12%, 0.15% and 0.16% partnership interest as of September 30, 2011, December 31, 2010 and September 30, 2010, respectively, was owned by REIT Holdings in the form of 246,361 non-controlling operating partnership units which were exchangeable on a one for one basis for common shares of CBRE REIT, with an estimated aggregate redemption value of $2,464,000.

With respect to the operating partnership units, FASB ASC 480-10 *Distinguishing Liabilities* from Equity requires non-controlling interests with redemption provisions that permit the issuer to settle in either cash or common shares at the option of the issuer to be further evaluated under the Codification Sub-Topic "*Derivatives and Hedging—Conditions Necessary for Equity Classification*" ("FASB ASC 815-40-25-10") to determine whether permanent equity or temporary equity classification on the balance sheet is appropriate. Since the operating partnership units contain such a provision, we evaluated this guidance and determined that the operating partnership units do not meet the requirements to qualify for equity presentation. As a result, upon the adoption of

FASB ASC 810 *Consolidation* and the related revisions to FASB ASC 480-10 the operating partnership units are presented in the temporary equity section of the consolidated balance sheets and reported at the higher of their proportionate share of the net assets of CBRE OP or fair value, with period to period changes in value reported as an adjustment to shareholder's equity. Under the terms of the Second Amended and Restated Agreement of Limited Partnership of CBRE OP, the fair value of the operating partnership units is determined as an amount equal to the redemption value as defined therein.

Purchase Accounting for Acquisition of Investments in Real Estate

We apply the acquisition method to all acquired real estate investments. The purchase consideration of the real estate is allocated to the acquired tangible assets, consisting primarily of land, site improvements, building and tenant improvements and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases, value of tenant relationships and acquired ground leases, based in each case on their fair values. Loan premiums, in the case of above-market rate loans, or loan discounts, in the case of below-market loans, will be recorded based on the fair value of any loans assumed in connection with acquiring the real estate.

The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is the basis for the purchase consideration allocated to land (or acquired ground lease if the land is subject to a ground lease), site improvements, building and tenant improvements based on management's determination of the relative fair values of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases including leasing commissions, legal and other related costs.

In allocating the purchase consideration of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases; and (ii) management's estimate of fair market lease rates for the corresponding in-place leases measured over a period equal to the remaining non-cancelable term of the lease and, for below-market leases, over a period equal to the initial term plus any below-market fixed rate renewal periods. The capitalized below-market lease values, also referred to as acquired lease obligations, are amortized as an increase to rental income over the initial terms of the respective leases and any below-market fixed rate renewal periods. The capitalized above-market lease values are amortized as a decrease to rental income over the initial terms of the prospective leases.

The aggregate value of other acquired intangible assets, consisting of in-place leases and tenant relationships, is measured by the estimated cost of operations during a theoretical lease-up period to replace in-place leases, including lost revenues and any unreimbursed operating expenses, plus an estimate of deferred leasing commissions for in-place leases. This aggregate value is allocated between in-place lease value and tenant relationships based on management's evaluation of the specific characteristics of each tenant's lease; however, the value of tenant relationships has not been separated from in-place lease value for the real estate acquired as such value and its consequence to amortization expense is immaterial for these particular acquisitions. Should future acquisitions of properties result in allocating material amounts to the value of tenant relationships, an amount would be separately allocated and amortized over the estimated life of the relationship. The value of in-place leases is amortized to expense over the remaining non-cancelable periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be written-off.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). In the accompanying consolidated balance sheets, accumulated other comprehensive income (loss) consists of foreign currency translation adjustments and swap fair value adjustments for qualifying hedges.

Income Taxes

We have elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code, beginning with our taxable period ended December 31, 2004. To qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gains) as defined in the Internal Revenue Code, to our shareholders and satisfy certain other organizational and operating requirements. We generally will not be subject to U.S. federal income taxes if we distribute 100% of our net taxable income each year to our shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income taxes (including any applicable alternative minimum tax) on our taxable income at regular corporate rates and may not be able to qualify as a REIT for the four subsequent taxable years. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and property, and to U.S. federal income taxes and excise taxes on our undistributed taxable income. Except as discussed below, we believe that we have met all of the REIT distribution and technical requirements for the nine months ended September 30, 2011 and the year ended December 31, 2010. We intend to continue to adhere to these requirements and maintain our REIT qualification.

In order for distributions to be deductible for U.S. federal income tax purposes and count towards our distribution requirement, they must not be "preferential dividends." A distribution will not be treated as preferential if it is pro rata among all outstanding shares of stock within a particular class. IRS guidance, however, allows a REIT to offer shareholders participating in its dividend reinvestment program ("DRIP") up to a 5% discount on shares purchased through the DRIP without treating such reinvested dividends as preferential. Our DRIP offers a 5% discount. In 2007, 2008 and the first two quarters of 2009, common shares issued pursuant to our DRIP were treated as issued as of the first day following the close of the quarter for which the distributions were declared, and not on the date that the cash distributions were paid to shareholders not participating in our DRIP. Because we declare dividends on a daily basis, including with respect to common shares issued pursuant to our DRIP, the IRS could take the position that distributions paid by us during these periods were preferential on the grounds that the discount provided to DRIP participants effectively exceeded the authorized 5% discount or, alternatively, that the overall distributions were not pro rata among all shareholders. In addition, in the years 2007 through 2009 we paid certain individual retirement account ("IRA") custodial fees in respect of IRA accounts that invested in our common shares. The payment of certain of such amounts could be treated as dividend distributions to the IRAs, and therefore as preferential dividends as such amounts were not paid in respect of our other outstanding common shares. Although we believe that the effect of the operation of our DRIP and the payment of such fees was immaterial, the REIT rules do not provide an exception for de minimis preferential dividends.

We submitted a request to the IRS for a closing agreement under which the IRS would grant us relief with respect to payments we made to shareholders under our DRIP and in respect of certain custodial fees we paid on behalf of some of our IRA shareholders, in each case, which payments could be treated as preferential dividends under the rules applicable to REITs (collectively, the "Tax Matters"). On July 8, 2011, we and the Investment Advisor entered into a closing agreement with the IRS, pursuant to which (i) the IRS agreed not to challenge our dividends as preferential as a result of the Tax Matters and (ii) the Investment Advisor paid a compliance fee of approximately $135,000 to the IRS. We will not reimburse the Investment Advisor for its payment of the compliance fee. As a result of our entering into the closing agreement with the IRS, we believe that we have fully resolved the Tax Matters.

Revenue Recognition and Valuation of Receivables

All leases are classified as operating leases and minimum rents are recognized on a straight-line basis over the terms of the leases. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is recorded as deferred rent. In connection with various leases, we have received irrevocable stand-by letters of credit totaling $17,108,000 and $6,515,000 as security for such leases at September 30, 2011 and December 31, 2010.

Reimbursements from tenants, consisting of amounts due from tenants for common area maintenance, real estate taxes, insurance and other recoverable costs, are recognized as revenue in the period the expenses are incurred. Tenant reimbursements are recognized and presented on a gross basis, when we are the primary obligor with respect to incurring expenses and with respect to having the credit risk.

Tenant receivables and deferred rent receivables are carried net of the allowances for uncollectible tenant receivables and deferred rent. Management's determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, individual receivables, current economic conditions, and other relevant factors. The allowances are increased or decreased through the provision for bad debts. The allowance for uncollectible rent receivable was $766,000 and $83,000 as of September 30, 2011 and December 31, 2010, respectively.

Offering Costs

Offering costs totaling $47,943,000 and $40,325,000 were incurred during the nine months ended September 30, 2011 and 2010, respectively, and are recorded as a reduction of additional paid-in-capital in the consolidated statement of shareholders' equity. Offering costs incurred through September 30, 2011 totaled $195,281,000. Of the total amount, $177,757,000 was incurred to CNL Securities Corp., as Dealer Manager; $3,969,000 was incurred to CBRE Group, Inc., an affiliate of the Investment Advisor; $832,000 was incurred to the Investment Advisor for reimbursable marketing costs and $12,723,000 was incurred to other service providers. Each party will be paid the amount incurred from proceeds of the public offering. As of September 30, 2011 and December 31, 2010, the accrued offering costs payable to related parties included in our consolidated balance sheets were $1,411,000 and $917,000, respectively. Offering costs payable to unrelated parties of $144,000 and $115,000 at September 30, 2011 and December 31, 2010, respectively, were included in accounts payable and accrued expenses.

Deferred Financing Costs and Discounts or Premiums on Notes Payable

Direct costs incurred in connection with obtaining financing are amortized over the respective term of the loan on a straight-line basis, which approximates the effective interest method.

Discounts or premiums on notes payable are amortized to interest expense based on the effective interest method.

Translation of Non-U.S. Currency Amounts

The financial statements and transactions of our United Kingdom and European real estate operations are recorded in their functional currency, namely the Great Britain Pound ("GBP") and the Euro ("EUR") and are then translated into U.S. dollars ("USD").

Assets and liabilities of this operation are denominated in the functional currency and are then translated at exchange rates in effect at the balance sheet date. Revenues and expenses are translated at the average exchange rate for the reporting period. Translation adjustments are reported in "Accumulated Other Comprehensive Loss," a component of Shareholders' Equity.

The carrying value of our United Kingdom assets and liabilities fluctuate due to changes in the exchange rate between the USD and the GBP. The exchange rate of the USD to the GBP was $1.5588 and $1.5570 at September 30, 2011 and December 31, 2010, respectively. The profit and loss weighted average exchange rate of the USD to the GBP was approximately $1.6243 and $1.5325 and $1.6193 and $1.5362, respectively, for the three and nine months ended September 30, 2011 and 2010, respectively.

The carrying value of our European assets and liabilities fluctuate due to changes in the exchange rate between the USD and the EUR. The exchange rate of the USD to the EUR was $1.3389 and $1.3338 at September 30, 2011 and December 31, 2010. We acquired our first property in Europe on September 10, 2010. The profit and loss weighted average exchange rate of the USD to the EUR was approximately $1.4425 and $1.2642 and $1.4154 and $1.2555, respectively, for the three and nine months ended September 30, 2011 and 2010, respectively.

Class B Interest—Related Party

Effective July 1, 2004, REIT Holdings, an affiliate of the Investment Advisor, was granted a Class B interest in CBRE OP. The Class B interest is an equity instrument issued to non-employees in exchange for services. As modified by the second amended and restated agreement of limited partnership of CBRE OP entered into on January 30, 2009 (the "Second Amended Partnership Agreement"), the holder is entitled to receive distributions made by CBRE OP in an amount equal to 15% of all net sales proceeds on dispositions of properties or other assets (including by liquidation, merger or otherwise) after the other partners including us, have received in the aggregate, cumulative distributions from property income, sales proceeds or other services equal to (i) the total capital contributions made to CBRE OP and (ii) a 7% annual, uncompounded return on such capital contributions. The terms of the termination provision relating to the Class B interest requires its forfeiture in the event the Advisor unilaterally terminates the agreement between the Company, CBRE OP and the Investment Advisor (the "Advisory Agreement"). As a result future changes in the fair value of the Class B interest will be deferred from recognition in the financial statements until a listing of the common shares on a national securities exchange or a change in control transaction takes place.

Earnings Per Share Attributable to CB Richard Ellis Realty Trust Shareholders

Basic net income (loss) per share is computed by dividing income (loss) by the weighted average number of common shares outstanding during each period. The computation of diluted net income (loss) further assumes the dilutive effect of stock options, stock warrants and contingently issuable shares, if any. We have recorded a net loss for the three and nine months ended September 30, 2011 and 2010, respectively, the effect of stock options, stock warrants and contingently issuable shares, if any, would be anti–dilutive for the three and nine months ended September 30, 2011, and accordingly, if there were any of these instruments outstanding, they would be excluded from the earnings per share computation. In addition, no stock options, stock warrants or contingently issuable shares had ever been issued prior to the three and nine months ended September 30, 2010. As a result, there is no difference in basic and diluted shares in either 2010 period presented.

Fair Value of Financial Instruments and Investments

We elected to apply the fair value option for one of our eligible mortgage notes payable that was issued debt during the year ended December 31, 2008. The measurement of the elected mortgage note payable at its fair value and its impact on the statement of operations is described in Note 16 "Fair Value Option-Note Payable" and Note 17 "Fair Value of Financial Instruments and Investments."

We generally determine or calculate the fair value of financial instruments using appropriate present value or other valuation techniques, such as discounted cash flow analyses, incorporating available market discount rate information for similar types of instruments and our estimates for non-performance and liquidity risk. These techniques are significantly affected by the assumptions used, including the discount rate, credit spreads, and estimates of future cash flow. The Investment Manager of CBRE Strategic Partners Asia applies valuation techniques for our investment carried at fair value based upon the application of the income approach, the direct market comparison approach, the replacement cost approach or third party appraisals to the underlying assets held in the unconsolidated entity in determining the net asset value attributable to our ownership interest therein. The financial assets and liabilities recorded at fair value in our consolidated financial statements are the seven interest rate swaps, our investment in CBRE Strategic Partners Asia (a real estate entity which qualifies as an investment company under the Investment Company Act) and one mortgage note payable that is economically hedged by one of the interest rate swaps.

The remaining financial assets and liabilities which are only disclosed at fair value are comprised of all other notes payable, the unsecured line of credit and other debt instruments. We determined the fair value of our secured notes payable and other debt instruments by performing discounted cash flow analyses using an appropriate market discount rate. We calculate the market discount rate by obtaining period-end treasury rates for fixed-rate debt, or London Inter-Bank Offering Rate ("LIBOR") rates for variable-rate debt, for maturities that correspond to the maturities of our debt and then adding an appropriate credit spread derived from information obtained from third-party financial institutions. These credit spreads take into account factors such as our credit standing, the maturity of the debt, whether the debt is secured or unsecured, and the loan-to-value ratios of the debt.

The carrying amounts of our cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate fair value due to their short-term maturities.

We adopted the fair value measurement criteria described herein for our non-financial assets and non-financial liabilities on January 1, 2009. The adoption of the fair value measurement criteria to our non-financial assets and liabilities did not have a material impact to our consolidated financial statements. Assets and liabilities typically recorded at fair value on a non-recurring basis include:

- Non-financial assets and liabilities initially measured at fair value in an acquisition or business combination;
- Long-lived assets measured at fair value due to an impairment assessment; and
- Asset retirement obligations initially measured under the ASC Topic "*Asset Retirement and Environmental Obligations*" ("FASB ASC 410").

Subsequent Events

In preparing our accompanying financial statements, management has evaluated subsequent events prior to the filing of this report. We believe that all adjustments and disclosures have been made where appropriate to reflect subsequent events.

Adoption of Accounting Standards

Consolidations

In December 2009, FASB issued Accounting Standards Update ("ASU") 2009-17, "*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" which incorporates Statement of Financial Accounting Standards (SFAS) No. 167, "*Amendments to FASB Interpretation No. 46(R),*" issued by the FASB in June 2009. The amendments in ASU 2009–17 replace the quantitative-based risks and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a VIE with an approach focused on identifying which reporting entity has the power to direct the activities of a VIE that most significantly impact such entity's economic performance and (i) the obligation to absorb losses of such entity or (ii) the right to receive benefits from such entity. ASU 2009-17 also requires additional disclosures about a reporting entity's involvement in VIEs, which enhances the information provided to users of financial statements. We adopted ASU 2009-17 effective January 1, 2010. As a result of the fact that we have no variable interests in VIEs, the adoption of ASU 2009-17 did not have a material impact on our consolidated financial statements.

Fair Value Measurements and Disclosures

In January 2010, the FASB issued ASU 2010-06, "*Fair Value Measurements and Disclosures*." ASU 2010-06 clarifies disclosure requirements relating to the level of disaggregation of disclosures relating to classes of assets and liabilities and disclosures about inputs and valuation techniques used to measure fair value for both recurring and nonrecurring fair value estimates for Level 2 or Level 3 assets and liabilities. These requirements of ASU 2010-06 were effective for interim and annual disclosures for interim and annual reporting periods beginning after December 15, 2009. The adoption of these requirements of the ASU did not have a material impact on our consolidated financial statements.

New Accounting Standards

ASU 2010-06 also requires additional disclosures regarding the transfers of classifications among the fair value classification levels as well as the reasons for those changes and a separate presentation of purchases, sales, issuances and settlements in the presentation of the roll-forward of Level 3 assets and liabilities. Those disclosures are effective for interim and annual reporting periods for fiscal years beginning after December 15, 2010. The adoption of this portion of ASU 2010-06 did not have a material impact on our consolidated financial statements.

On December 21, 2010, the FASB issued ASU 2010-29, *Disclosure of Supplementary Pro Forma Information for Business Combinations*, to address differences in the ways entities have interpreted the requirements of ASC 805, *Business Combinations*, or ASC 805, for disclosures about pro forma revenue and earnings in a business combination. The ASU states that "if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only." In addition, the ASU "expands the supplemental pro forma disclosures under ASC 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings." The amendments in this ASU are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of ASU 2010-29 did not have a material impact on our consolidated financial statements.

In May 2011, the FASB issued, ASU 2011-04 to the *Fair Value Measurements* topic of the Accounting Standards Codification ("ASC"). The ASU eliminates unnecessary wording differences between U.S. GAAP and International Financial Reporting Standards, expands the disclosure requirements of the *Fair Value Measurements and Disclosure* topic of the ASC for fair value measurements and makes other amendments, including:

- limiting the highest-and-best-use and valuation-premise concepts only to measuring the fair value of nonfinancial assets;
- permitting an exception to fair value measurement principles for financial assets and financial liabilities (and derivatives) with offsetting positions in market risk or counterparty credit risk when several criteria are met. When the criteria are met, an entity can measure the fair value of the net risk position;

- clarifying that premiums or discounts that reflect size as a characteristic of the reporting entity's holding rather than as a characteristic of the asset or liability (for example, a control premium when measuring the fair value of a controlling interest) are not permitted in a fair value measurement; and
- prescribing a model for measuring the fair value of an instrument classified in shareholders' equity; this model is consistent with the guidance on measuring the fair value of liabilities.

ASU 2011-04 expands the *Fair Value Measurements* topic's disclosure requirements, particularly for fair value measurements categorized in Level 3 of the fair value hierarchy: (1) a quantitative disclosure of the unobservable inputs and assumptions used in the measurement, (2) a description of the valuation processes in place (e.g., how the entity decides its valuation policies and procedures, as well as changes in its analyses of fair value measurements, from period to period), and (3) a narrative description of the sensitivity of the fair value to changes in unobservable inputs and interrelationships between those inputs.

ASU 2011-04 is applicable to our company for interim and annual periods beginning after December 15, 2011. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income* (included in ASC 220, *Comprehensive Income*), or ASU 2011-05, which amends existing guidance to allow only two options for presenting the components of net income and other comprehensive income: (1) in a single continuous statement of comprehensive income, or (2) in two separate but consecutive financial statements consisting of an income statement followed by a statement of other comprehensive income. ASU 2011-05 requires retrospective application, and it is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. We do not anticipate that the adoption of ASU 2011-05 will have a material impact on our consolidated financial statements.

3. Acquisition of Real Estate

The fair value of the real estate acquired is allocated to the acquired tangible assets, consisting of land, site improvements, building and tenant improvements, and identified intangible assets and liabilities, consisting of the value of above and below-market leases and the value of in-place leases and tenant relationships, if any, based in each case on their respective fair values. Loan premiums, in the case of above-market loans, or loan discounts, in the case of below-market loans, will be recorded based on the fair value of any loans assumed in connection with acquiring the real estate. Acquisition costs are expensed as incurred.

The following table summarizes the purchase price allocation to the assets and liabilities acquired or finalized during the nine months ended September 30, 2011 (in thousands):

Property	Land	Site Improvements	Building Improvements	Tenant Improvements	Acquired In-Place Lease Value	Above Market Lease Value	Below Market Lease Value	Above Market Ground Lease	Premium on Notes	Purchase Price	Notes Payable Assumed	Net Assets Acquired
4701 Gold Spike Drive[(1)]	$ 3,500	$ 384	$ 14,057	$ 95	$ 1,948	$ 316	$ 0	$ 0	$ 0	$ 20,300	$ 0	$ 20,300
1985 International Way[(1)]	2,200	395	10,544	33	1,429	199	0	0	0	14,800	0	14,800
Summit Distribution Center[(1)]	2,300	548	9,122	67	1,219	157	(13)	0	0	13,400	0	13,400
3660 Deerpark Blvd[(1)]	2,400	439	10,036	67	1,439	919	0	0	0	15,300	0	15,300
Tolleson Commerce Park II[(1)]	2,200	567	4,753	62	1,072	546	0	0	0	9,200	0	9,200
Pacific Corporate Park[(1)]	21,128	47,023	46,993	14,810	18,908	851	(5,213)	0	0	144,500	0	144,500
100 Kimball Drive[(1)]	8,800	1,270	39,401	2,946	7,526	307	0	0	0	60,250	0	60,250
70 Hudson[(2)]	55,300	8,885	56,195	3,470	19,903	14,503	0	0	(3,256)	155,000	(120,857)	34,143
90 Hudson[(2)]	56,400	9,969	76,909	3,198	18,293	28	(7,112)	0	(2,685)	155,000	(117,562)	37,438
Millers Ferry Road[(2)]	5,835	8,755	18,411	688	7,149	0	(472)	0	0	40,366	0	40,366
Sky Harbor Operations Center[(3)]	0	21,359	24,972	4,677	10,617	0	(6,625)	(1,500)	0	53,500	0	53,500
	$160,063	$99,594	$311,393	$30,113	$89,503	$17,826	$(19,435)	$(1,500)	$(5,941)	$681,616	$(238,419)	$443,197

(1) 2010 acquisitions—purchase price allocation finalized during the three months ended March 31, 2011.

(2) 2011 acquisitions—purchase price allocation final.

(3) 2011 acquisition—purchase price allocation preliminary. Final valuations of assets acquired are not yet complete.

We expensed $1,044,000 and $2,195,000 and $12,537,000 and $7,414,000 of consolidated and unconsolidated property acquisition costs during the three and nine months ended September 30, 2011 and 2010, respectively.

Building Improvements are depreciated over 39 years; Site Improvements are depreciated over 15 and 25 years; Tenant Improvements, Acquired In-Place Lease Value, Above Market Lease Value and Below Market Lease Value are amortized over the remaining lease terms at the time of acquisition.

Unaudited pro forma results, assuming the above noted acquisitions had occurred as of January 1, 2010, for the purpose of the 2011 and 2010 pro forma disclosures, respectively, are presented below (in thousands, except share data).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue	$ 41,349	$ 33,203	$ 120,178	$ 101,973
Operating Loss	(3,333)	(34,556)	(14,790)	(21,433)
Net Loss	(2,010)	(32,526)	(10,996)	(27,004)
Basic and Diluted Loss Per Share	$ (0.01)	$ (0.23)	$ (0.06)	$ (0.21)
Weighted Average Shares Outstanding for Basic and Diluted Loss	199,398,630	144,158,081	183,098,748	128,405,833

The proforma results for the acquired properties primarily include adjustments for the depreciation and amortization attributable to our purchase price applied retrospectively to the applicable historical operating results.

4. Real Estate and Other Assets Held for Sale and Related Liabilities

Real estate and other assets held for sale include real estate for sale which were acquired in the fourth quarter of 2010, in their present condition that have met all of the "held for sale" criteria of ASC 360 "*Accounting for the Impairment or Disposal of Long-Lived Assets,*" and other assets directly related to such projects. Liabilities related to real estate and other assets held for sale have been included as a single line item in the accompanying consolidated balance sheets.

Real estate and other assets held for sale and related liabilities as of September 30, 2011 and December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Assets		
Real estate held for sale	$0	$22,000
Other assets	0	56
Total real estate and other assets held for sale	0	22,056
Liabilities		
Accounts payable and accrued expenses	0	441
Total liabilities related to real estate and other assets held for sale	0	441
Net real estate and other assets held for sale	$0	$21,615

In accordance with *ASC 205-20 Presentation of Financial Statement-Discontinued Operation*, the income and the net gain on dispositions of operating properties are reflected in the consolidated statements of operations as discontinued operations for all periods presented.

Revenues and expenses from discontinued operations for the three and nine months ended September 30, 2011 represent the activities of the held for sale portfolio of warehouse distribution buildings acquired during the year ended December 31, 2010 for $22,000,000. On August 12, 2011, we sold the Rickenbacker II and Rickenbacker III properties located in Groveport, OH, for approximately $22,639,000. The aggregate sales proceeds after customary closing costs was approximately $22,433,000 resulting in a gain on sale of $426,000. There were no discontinued operations during the three and nine months ended September 30, 2010 (in thousands).

	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
Revenues:		
Rental	$193	$ 878
Tenant Reimbursement	48	194
Total Revenues.	241	1,072
Expenses:		
Operating and Maintenance	51	297
Property Taxes	16	89
General and Administrative	0	21
Investment Management Fee to Related Party	19	96
Total Expenses	86	503
Provision for Income Taxes in Discontinued Operations	173	192
Net Realized Gain from Sale	426	301
Total Income from Discontinued Operations	$408	$ 678

5. Investments in Unconsolidated Entities

Investments in unconsolidated entities at September 30, 2011 and December 31, 2010 consist of the following (in thousands):

	September 30, 2011	December 31, 2010
CBRE Strategic Partners Asia	$ 9,325	$ 9,471
Duke Joint Venture	381,969	306,264
Afton Ridge Joint Venture	18,396	19,167
UK JV	27,198	27,822
European JV	46,903	47,338
	$483,791	$410,062

The following is a summary of the investments in unconsolidated entities for the nine months ended September 30, 2011 and the year ended December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Investment Balance, January 1	$410,062	$214,097
Contributions	86,574	278,079
Company Basis Adjustments	0	(617)
Other Comprehensive Income of Unconsolidated Entities	4,160	4,271
Company's Equity in Net Income (including adjustments for basis differences)	195	8,838
Distributions	(17,200)	(94,606)
Investment Balance, End of Period	$483,791	$410,062

CBRE Strategic Partners Asia

We have agreed to a capital commitment of $20,000,000 in CBRE Strategic Partners Asia, which extends for 48 months (to January 31, 2012) after the close of the final capital commitment. As of September 30, 2011, we have contributed $15,497,000 of our capital commitment which was funded using net proceeds from our public offerings. CBRE Investors, our sponsor, formed CBRE Strategic Partners Asia to purchase, reposition, develop, hold for investment and sell institutional quality real estate and related assets in targeted markets in Asia, including China, Japan, India, South Korea, Hong Kong, Singapore and other Asia Pacific markets. The initial closing date of CBRE Strategic Partners Asia was in July 2007, with additional commitments being accepted through January 2008. CBRE Strategic Partners Asia closed on January 31, 2008, with aggregate capital commitments of $394,203,000. CBRE Strategic Partners Asia has an eight year term, which may be extended for up to two one-year periods with the approval of two-thirds of the limited partners.

As of September 30, 2011, CBRE Strategic Partners Asia, with its parallel fund, CB Richard Ellis Strategic Asia II, L.P., had aggregate investor commitments of $394,203,000 from institutional investors including CBRE Investors. We own an ownership interest of approximately 5.07% in CBRE Strategic Partners Asia. As of September 30, 2011, CBRE Strategic Partners Asia had acquired ownership interests in ten properties, five in China and five in Japan. Two of the five ownership interests in China were sold in 2010. Our capital commitment was pledged as collateral for borrowings of CBRE Strategic Partners Asia of which our pro-rata portion of such borrowing was approximately $218,000 based on our 5.07% ownership interest at December 31, 2010. All outstanding borrowings were repaid to the lender in March 2011.

On March 4, 2010, we received a distribution of net sales proceeds from CBRE Strategic Partners Asia totaling $2,435,000 from the February 23, 2010 sale of a residential property located in Beijing, China. Approximately $2,000,000 of the cash distributions in connection with the Beijing residential property sale is subject to recall and reinvestment into appropriate investments until the expiration of the CBRE Strategic Partners Asia commitment period on January 31, 2012.

On May 26, 2010, we received a distribution of net sales proceeds from CBRE Strategic Partners Asia totaling $3,146,000 from the sale of a joint venture interest in a mixed use project located in Tianjin, China. The cash distribution from this transaction is not subject to recall.

We carry our investment in CBRE Strategic Partners Asia on the equity method of accounting. Those investments where we have the ability to exercise significant influence (but not control) over operating and financial policies of such entities (including certain entities where we have less than 20% ownership) are accounted for using the equity method. Accordingly, our share of the earnings or losses of these equity method entities is included in consolidated net loss.

CBRE Strategic Partners Asia is a limited partnership that qualifies for specialized industry accounting for investment companies. Specialized industry accounting allows investment companies to carry their investments at fair value, with changes in the fair value of the investments recorded in the statement of operations. On the basis of the guidance in ASC 970-323, the Company accounts for its investment in CBRE Strategic Partners Asia under the equity method. As a result, and in accordance with ASC 810-10-25-15 the specialized accounting treatment, principally the fair value basis, applied by CBRE Strategic Partners Asia under the investment company guide is retained in the recognition of equity method earnings in the statement of operations of the Company. See Note 17 "Fair Value of Financial Instruments and Investments" for further discussion of the application of the fair value accounting to our investment in CBRE Strategic Partners Asia.

Consolidated Balance Sheets of CBRE Strategic Partners Asia as of September 30, 2011 and December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Assets		
Real Estate	$235,491	$237,645
Other Assets	11,802	16,354
Total Assets	$247,293	$253,999
Liabilities and Equity		
Notes Payable	$ 45,540	$ 43,019
Loan Payable	0	4,307
Other Liabilities	14,699	17,630
Total Liabilities	60,239	64,956
Company's Equity	9,325	9,471
Other Investors' Equity	177,729	179,572
Total Liabilities and Equity	$247,293	$253,999

Consolidated Statements of Operations of CBRE Strategic Partners Asia for the three and nine months ended September 30, 2011 and 2010, (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenues and Appreciation (Depreciation)	$(2,184)	$ 2,699	$ (5,740)	$ 8,696
Total Expenses	1,410	6,412	5,249	14,943
Net Loss	(3,594)	(3,713)	(10,989)	(6,247)
Company's Equity in Net Loss	$ (210)	$ (198)	$ (603)	$ (346)

Duke Joint Venture

On May 5, 2008, we entered into a contribution agreement with Duke Realty Limited Partnership ("Duke"), a subsidiary of Duke Realty Corporation (NYSE: DRE), to form the Duke joint venture to acquire $248,900,500 in industrial real property assets (the "Industrial Portfolio"). The Industrial Portfolio consists of six bulk industrial built-to-suit, fully leased properties. On September 12, 2008, we entered into a first amendment to the contribution agreement to acquire a fully leased office building for $37,111,000 and to increase and revise the total purchase commitment to $282,400,000. We own an 80% interest and Duke owns a 20% interest in the Duke joint venture.

On March 31, 2010, the Duke joint venture acquired 3900 North Paramount Parkway, 3900 South Paramount Parkway and 1400 Perimeter Park Drive in Morrisville, NC, a suburb of Raleigh, for approximately $35,250,000, exclusive of customary closing costs and acquisition fees which are both expensed as incurred. We made contributions of approximately $28,125,000 ($19,649,000 was made in cash and $8,476,000 in-kind as discussed below) to the Duke joint venture in connection with the acquisition.

On March 31, 2010, we contributed our Miramar I and Miramar II properties, located at 2300 and 2200 SW 145th Avenue in Miramar, FL, a suburb of Miami, to the Duke joint venture for approximately our cost of $42,650,000. Our cost of $42,650,000, of which $8,476,000 was considered an in-kind contribution by us to the Duke joint venture representing our 20% divestiture of the Miramar I and Miramar II properties, was part of a structured transaction as an offset to the $28,125,000 owed by us for our 80% share of the Duke joint venture's purchase of 3900 North Paramount Parkway, 3900 South Paramount Parkway and 1400 Perimeter Park Drive.

On August 24, 2010, the Duke joint venture closed on the acquisition of additional land and entered into a construction agreement, and lease amendments (collectively, the "Expansion Agreements") to expand the AllPoints at Anson Bldg. 1 property, a warehouse/distribution center located in Whitestown, IN, a suburb of Indianapolis. The existing property is 100% leased to a subsidiary of Amazon.com through July 2018. Pursuant to the Expansion Agreements, AllPoints at Anson Bldg. 1 (i) was expanded from the current 630,573 square feet to approximately 1,036,573 square feet and (ii) is 100% leased to a subsidiary of Amazon.com, which lease was extended through April 2021. The total cost of the expansion is anticipated to be approximately $19,200,000 to the Duke joint venture. As of September 30, 2011, the Duke joint venture had paid land acquisition and construction costs totaling approximately $16,324,000. We expect to make cash contributions of approximately $15,360,000 to the Duke joint venture over the construction period in connection with the Expansion Agreements. We paid a construction supervision fee of $212,000 to our Investment Advisor in connection with the Expansion Agreements.

On November 24, 2010, the Duke joint venture, through certain of its subsidiaries, entered into a $92,000,000 mortgage loan with Metropolitan Life Insurance Company. Our pro rata share of this mortgage is $73,600,000 based on our 80% ownership of the Duke joint venture. This mortgage carries a fixed interest rate of 4.25%, a term of five years, is secured on a cross-collateralized basis by nine of the Duke joint venture's properties (22535 Colonial Pkwy, Celebration Office Center, Northpoint III, Goodyear Crossing Ind. Park II, 3900 North Paramount Parkway, 3900 South Paramount Parkway, 1400 Perimeter Park Drive, Miramar I and Miramar II) and may be prepaid subject to the satisfaction of certain conditions.

On December 17, 2010, the Duke joint venture entered into a purchase and sale agreement the ("Purchase Agreement") with Duke, Duke Secured Financing 2009-1PAC, LLC and Duke Realty Ohio, affiliates of Duke, for the acquisition of up to $516,650,000 in office real property assets (the "Office Portfolio"). The Office Portfolio consists of 20 office properties that were contributed to the Duke Joint Venture in three separate tranches.

On December 21, 2010, the Duke joint venture acquired fee interests in the first tranche of the Office Portfolio by acquiring seven properties for $173,850,000, exclusive of closing costs and acquisition fees which were both expensed as incurred. We made a cash contribution of approximately $139,080,000 to the Duke joint venture in connection with the closing of the first tranche.

On March 24, 2011, in connection with the acquisition of 13 properties (the second and third tranches of the Office Portfolio) for $342,800,000 of which our share was $274,240,000 exclusive of closing costs and acquisition fees which were both expensed as incurred, the Duke joint venture entered into a $275,000,000 unsecured term loan (the "Term Loan"), with Wells Fargo Bank, National Association. While the Term Loan was non-recourse to us, the pro rata share of the Term Loan obligation attributable to us is $220,000,000 in accordance with our ownership interest in the Duke joint venture. The Term Loan has a six-month term and two six-month extension options. The Term Loan has an interest rate of LIBOR plus 2.50% and is fully pre-payable at any time, subject to any customary costs. An origination fee of $1,650,000 was paid to Wells Fargo Bank, National Association at the closing of the term loan. The Term Loan Agreement contains customary representations and warranties and covenants. During the term of the loan, the Duke joint venture has agreed to comply with certain financial covenants related to its leverage ratio, net asset value, unencumbered leverage ratio and the inability to enter into certain types of investments.

On April 28, 2011, the Duke joint venture entered into lease amendments to expand the Buckeye Logistics Center property, a warehouse/distribution center located in Phoenix, AZ. On May 2, 2011, the Duke joint venture closed on the acquisition of additional land and entered into a construction agreement (along with the lease amendments collectively, the "Buckeye Expansion Agreements"). The existing property is 100% leased to a subsidiary of Amazon.com through September 2018. Pursuant to the Buckeye Expansion

Agreements, Buckeye Logistics Center (i) will be expanded from the current 604,678 square feet to approximately 1,009,351 square feet and (ii) will remain 100% leased to a subsidiary of Amazon.com, which lease will be extended through September 2021. The total cost of the expansion is anticipated to be approximately $21,160,000 to the Duke joint venture. As of September 30, 2011, the Duke joint venture had paid land acquisition and construction costs totaling approximately $16,070,000. We expect to make cash contributions of approximately $16,928,000 to the Duke joint venture over the construction period in connection with the Buckeye Expansion Agreements.

On August 4, 2011, we contributed $31,200,000, our 80% share of $39,000,000, to the Duke joint venture. The contribution was used towards a pay down the Wells Fargo unsecured term loan on August 8, 2011. On August 8, 2011, the Duke joint venture closed on two loans with Woodman of the World Life Insurance Society totaling $14,425,000. The loans are secured by the Fairfield Distribution Center IX, $4,675,000, and West Lake at Conway, $9,750,000, properties. Net proceeds from the financing totaling approximately $13,818,000 were used to pay down the Wells Fargo unsecured term loan. The Duke joint venture paid CBRE Capital Markets, LLC, an affiliate of the Investment Advisor, aggregate mortgage broker fees of approximately $72,125 in connection with the loans. Together cash contributions and net loan proceeds paid down approximately $52,818,000 of the $275,000,000 Wells Fargo unsecured term reducing the outstanding balance as of August 8, 2011 to approximately $222,182,000.

On August 16, 2011, the Duke joint venture closed on three loans with Wells Fargo Bank, N.A., or Wells Fargo, totaling $43,400,000. The three loans are individually secured by the Easton III, Point West I and Atrium I properties. Upon closing the $6,900,000 loan secured by the Easton III property, the Duke joint venture entered into an interest rate swap agreement with Wells Fargo to effectively fix the annual interest rate on this loan at 3.95% for its entire term until this loan's scheduled maturity on January 31, 2019. Upon closing the $11,800,000 loan secured by the Point West I property, the Duke joint venture entered into an interest rate swap agreement with Wells Fargo to effectively fix the annual interest rate on this loan to 3.41% for its entire term until this loan's scheduled maturity on December 6, 2016. Upon closing the $24,700,000 loan secured by the Atrium I property, the Duke joint venture entered into an interest rate swap agreement with Wells Fargo to effectively fix the annual interest rate on this loan to 3.775% for its entire term until this loan's scheduled maturity on May 31, 2018. Principal and interest payments are due monthly on the three loans. The Duke joint venture paid CBRE Capital Markets, LLC, an affiliate of the Investment Advisor, aggregate mortgage broker fees of approximately $217,000 in connection with the loans. Upon closing, the Duke joint venture paid down approximately $42,700,000 of the $222,182,000 remaining balance of the Wells Fargo unsecured term loan reducing the outstanding balance as of August 16, 2011 to approximately $179,482,000.

On August 25, 2011, the Duke joint venture closed on two loans with Principal Life Insurance Company totaling approximately $25,000,000 ($20,000,000 at our 80% pro rata share of the Duke joint venture). The loans are secured by the Sam Houston Crossing I and McAuley Place properties. The loans represent a 41.3% loan-to-cost on the $60,500,000 total allocated acquisition costs of the properties. The loan secured by the Sam Houston Crossing I property has an interest rate of 4.42%, a 10-year term and a 30-year amortization schedule. The loan secured by the McAuley Place property has an interest rate of 3.98%, a 7-year term and a 25-year amortization schedule. Principal and interest payments are due monthly on the loans. The Duke joint venture paid CBRE Capital Markets, LLC, an affiliate of the Investment Advisor, aggregate mortgage broker fees of approximately $125,000 in connection with the loans. Upon closing, the Duke joint venture paid down approximately $25,000,000 of the $179,482,000 remaining balance of the Wells Fargo unsecured term loan reducing its outstanding balance as of August 25, 2011 to approximately $154,482,000.

On September 12, 2011, the Duke joint venture closed on five loans with John Hancock Life Insurance Company (U.S.A.) totaling approximately $156,250,000 ($125,000,000 at our 80% pro rata share of the Duke joint venture). The loans are secured by the 533 Maryville Centre, 555 Maryville Centre, The Landings I, The Landings II, Norman Pointe I, Norman Pointe II, Weston Pointe I, Weston Pointe II, Weston Pointe III, Weston Pointe IV and Regency Creek properties. The loans have a fixed interest rate of 5.24%, a 10-year term and a 30-year amortization schedule. The loans may not be prepaid during the first two years of their terms, but thereafter may be fully prepaid subject to yield maintenance. Principal and interest payments are due monthly on the loans. The Duke joint venture paid CBRE Capital Markets, LLC, an affiliate of the Investment Advisor, aggregate mortgage broker fees of approximately $781,250 in connection with the five loans. Upon closing, the Duke joint venture paid down the remaining approximate $154,482,000 balance of the Wells Fargo unsecured term loan.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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The following table provides further detailed information concerning the properties held in the Duke joint venture at September 30, 2011:

Property and Market	Property Type	Net Rentable Square Feet	Primary Tenants	Lease Expiration	Approximate Purchase Price(1)	Pro Rata Share of Approximate Purchase Price(2)	Approximate Debt Financing	Acquisition Fee(3)
Buckeye Logistics Center/ Phoenix, AZ	Warehouse/ Distribution	604,678	Amazon.com(5)(8)	06/2018	$43,601,000	$34,880,800	$20,000,000	$349,000
201 Sunridge Blvd./Dallas, TX	Warehouse/ Distribution	822,550	Unilever(4)	09/2018	31,626,000	25,300,800	19,400,000	253,000
12200 President's Court/ Jacksonville, FL	Warehouse/ Distribution	772,210	Unilever(4)	09/2018	36,956,000	29,564,800	21,600,000	296,000
AllPoints at Anson Bldg. 1/ Indianapolis, IN	Warehouse/ Distribution	1,036,573	Amazon.com(5)	04/2021	52,601,000	42,080,800	17,000,000	267,000
Aspen Corporate Center 500/ Nashville, TN	Office	180,147	Verizon Wireless(6)	10/2018	36,989,000	29,591,200	21,200,000	297,000
125 Enterprise Parkway/ Columbus, OH	Warehouse/ Distribution	1,142,400	Kellogg's	03/2019	47,905,000	38,324,000	26,800,000	383,000
AllPoints Midwest Bldg. 1/ Indianapolis, IN	Warehouse/ Distribution	1,200,420	Prime Distribution	05/2019	51,800,000	41,440,000	24,000,000	414,000
22535 Colonial Pkwy./Houston, TX	Office	89,750	Det Norske Veritas	06/2019	14,700,000	11,760,000	8,500,000	176,000
Celebration Office Center III/ Orlando, FL	Office	100,924	Disney Vacation Development	04/2016	17,050,000	13,640,000	9,500,000	205,000
Fairfield Distribution Ctr. IX/ Tampa, FL	Warehouse/ Distribution	136,212	Iron Mountain	08/2025	9,300,000	7,440,000	4,675,000	112,000
Northpoint III/ Orlando, FL	Office	108,499	Florida Power Corporation	10/2021	18,240,000	14,592,000	11,000,000	219,000
Goodyear Crossing Ind. Park II/ Phoenix, AZ	Warehouse/ Distribution	820,384	Amazon.com(5)	09/2019	45,645,000	36,516,000	21,000,000	548,000
3900 N. Paramount Pkwy./ Raleigh, NC	Office	100,987	PPD Development	11/2023	13,969,000	11,175,200	8,250,000	168,000
3900 S. Paramount Pkwy./ Raleigh, NC	Office	119,170	PPD Development/ LSSI	11/2023 10/2012	16,319,000	13,055,200	8,250,000	196,000
1400 Perimeter Park Drive/ Raleigh, NC	Office	44,916	PPD Development	11/2023	4,962,000	3,969,600	2,500,000	60,000
Miramar I/ Miami, FL(7)	Office	94,060	DeVry	06/2021	17,056,000	13,644,800	9,800,000	0
Miramar II/ Miami, FL(7)	Office	128,540	Royal Caribbean	05/2016	26,124,000	20,899,200	13,200,000	0
McAuley Place/ Cincinnati, OH	Office	190,733	Mercy Health(9)(10) Partners of South West Ohio	08/2023	35,000,000	28,000,000	14,000,000	420,000
Easton III/ Columbus, OH	Office	135,485	Lane Bryant(9)(11)	01/2019	18,000,000	14,400,000	6,900,000	216,000
Point West I/ Dallas, TX	Office	182,700	American Home(9)(12) Mortgage Services, Inc.	12/2016	29,500,000	23,600,000	11,800,000	354,000
Sam Houston Crossing I/ Houston, TX	Office	159,175	AMEC Paragon, Inc.(9)(13)	05/2018	25,500,000	20,400,000	11,000,000	306,000
Regency Creek I / Raleigh, NC	Office	122,087	ABB, Inc.(9)(14)	08/2017	22,500,000	18,000,000	11,250,000	270,000
533 Maryville Centre/ St. Louis, MO	Office	125,296	Eveready Battery Company, Inc.(9)(15)	04/2021	23,878,000	19,102,400	13,495,000	287,000
555 Maryville Centre/ St. Louis, MO	Office	127,082	Eveready Battery Company, Inc.(9)(15)	04/2021	19,472,000	15,577,600	11,005,000	234,000
Norman Pointe I/ Minneapolis, MN	Office	212,722	NCS Pearson, Inc(9)(16)	02/2017	42,600,000	34,080,000	21,181,000	511,200

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Property and Market	Property Type	Net Rentable Square Feet	Primary Tenants	Lease Expiration	Approximate Purchase Price[1]	Pro Rata Share of Approximate Purchase Price[2]	Approximate Debt Financing	Acquisition Fee[3]
Norman Pointe II/ Minneapolis MN	Office	324,296	General Services Administration[9][17]	02/2016	46,900,000	37,520,000	23,319,000	562,800
			Hartford Fire Insurance Co[9][18]	06/2013				
The Landings I/ Cincinnati, OH	Office	175,695	Citicorp North America[9][19]	01/2022	29,659,500	23,727,600	15,940,000	355,914
The Landings II/ Cincinnati, OH	Office	175,076	—	—	26,160,500	20,928,400	14,060,000	313,926
One Easton Oval/ Columbus, OH	Office	125,031	—	—	11,911,000	9,528,800	0	142,932
Two Easton Oval/ Columbus, OH	Office	128,674	—	—	12,744,000	10,195,200	0	152,928
Weston Pointe I/ Ft. Lauderdale, FL	Office	97,579	—	—	19,384,250	15,507,400	9,425,000	232,611
Weston Pointe II/ Ft. Lauderdale, FL	Office	97,180	—	—	23,375,950	18,700,760	11,367,000	280,511
Weston Pointe III/ Ft, Lauderdale, FL	Office	97,178	American Intercontinental University[9][20]	09/2015	23,583,550	18,866,840	11,468,000	283,002
Weston Pointe IV/ Ft. Lauderdale, FL	Office	96,175	General Services Administration[9][17]	04/2019	28,256,250	22,605,000	13,740,000	339,075
One Conway Park/ Chicago, IL	Office	105,000	—	—	15,400,000	12,320,000	0	184,800
West Lake at Conway/ Chicago, IL	Office	99,538	—	—	17,575,000	14,060,000	9,750,000	210,900
Atrium I/ Columbus, OH	Office	315,102	Nationwide Mutual Insurance Co[9][21][22]	05/2018 05/2019	45,250,000	36,200,000	24,700,000	543,000
					$1,001,493,000	$801,194,400	$481,075,000	$10,143,599

(1) Approximate total purchase price including the AllPoints at Anson Bldg. 1 expansion price, exclusive of closing costs, paid by the Duke joint venture for each of these properties.

(2) Pro rata share of approximate purchase price is at our pro rata share of effective ownership for each of these properties.

(3) Acquisition fees paid to our Investment Advisor are included in the total acquisition cost for the properties acquired prior to January 1, 2009, but are included as acquisition expenses for properties acquired subsequent to December 31, 2008.

(4) Our tenant CONOPCO, Inc. is a wholly-owned subsidiary of Unilever United States, Inc., which is wholly-owned by Unilever N.V. and Unilever PLC, together Unilever.

(5) Our tenants Amazon.com.indc, LLC, Amazon.com.axdc, Inc. and Amazon.com.azdc, Inc. are wholly-owned subsidiaries of Amazon.com. AllPoints at Anson Bldg. 1, Buckeye Logistics Center and Goodyear Crossing Ind. Park II are three of Amazon's largest fulfillment centers in North America.

(6) Our tenant Cellco Partnership does business as Verizon Wireless.

(7) Consolidated properties acquired on December 31, 2009 and contributed to the Duke joint venture on March 31, 2010.

(8) Excludes costs associated with the Expansion Agreements.

(9) This tenant is the tenant that currently occupies more than 50,000 of net rentable square feet.

(10) Mercy Health Partners of South West Ohio is a healthcare system comprised of five hospitals and 38 physician practices serving the greater Cincinnati, Ohio area.

(11) Lane Bryant, a division of Charming Shoppes, Inc. (NASDAQ:CHRS), is a chain of women's retail clothing stores with over 850 stores in 48 states.

(12) American Home Mortgage Services, Inc. is one of the country's largest servicers of Alt-A and subprime loans on behalf of banks and other investors.

(13) AMEC Paragon, Inc. is a provider of project management and engineering services to the oil and gas industry.

(14) ABB, Inc. is a leader in power and automation technologies for utility and industrial customers.

(15) Eveready Battery Company, Inc., is a division of Energizer Holdings, Inc. (NYSE:ENR), which manufactures batteries and lighting products.

(16) NCS Pearson, Inc. provides services, software, systems, and Internet-based technologies for the collection management, and interpretation of data.

(17) The General Services Administration is an independent agency of the Federal Government of the United States of America, which supplies products and communications for U.S. government offices, provides transportation and office space to federal employees and develops government-wide cost-minimizing policies and other management tasks.

(18) Hartford Fire Insurance Company is a subsidiary of the Hartford Financial Services Group and one on the world's leading providers of fire, marine and casualty insurance.

(19) Citicorp North America, Inc., provides regional banking services and is a subsidiary of Citigroup, Inc. (NYSE: C).

(20) American Intercontinental University is an international for profit university with both physical and online campuses.

(21) Nationwide Mutual Insurance Company is one of the nation's largest insurance and financial services companies.

(22) This tenant has two separate leases within this property, as they rent two separate spaces.

As of September 30, 2011, the Duke joint venture has purchased approximately $1,001,493,000 of assets, inclusive of the AllPoints at Anson Bldg. expansion, since inception, exclusive of acquisition fees and closing costs, representing interests in 37 properties, 10 located in Florida, eight located in Ohio, four each located in North Carolina and Texas, two each located in Arizona, Illinois, Indiana, Minnesota and Missouri and one in Tennessee.

We entered into an operating agreement for the Duke joint venture with Duke on June 12, 2008. Duke acts as the managing member of the Duke joint venture and is entitled to receive fees in connection with the services it provides to the Duke joint venture, including asset management, construction, development, leasing and property management services. Duke is also entitled to a promoted interest in the Duke joint venture. We have joint approval rights over all major operating decisions.

On December 17, 2010, in connection with the entry into of the Purchase Agreement for the Office Portfolio, we entered into an amended and restated operating agreement for the Duke joint venture. The amended and restated operating agreement generally contains the same terms and conditions as the operating agreement dated June 12, 2008 described above, except for the following material changes: (i) Duke has granted us a call option to acquire Duke's entire interest in the Duke joint venture which such interest shall be valued based on the then fair market value opinions of qualified appraisers and which we can elect to exercise anytime after June 30, 2012 upon the occurrence of certain triggering events and adoption by resolution; (ii) the Duke joint venture has certain rights to participate in the development of certain adjacent and nearby parcels of land currently owned by Duke.

We carry our investment in the Duke joint venture on the equity method of accounting because it is an entity under common control with Duke. Those investments where we have the ability to exercise significant influence (but not control) over operating and financial policies of such entities are accounted for using the equity method. We eliminate transactions with such equity method subsidiaries to the extent of our ownership in such entities.

Consolidated Balance Sheet of the Duke joint venture as of September 30, 2011 (in thousands):

	September 30, 2011	REIT Basis Adjustments(1)	Total
Assets			
Real Estate Net	$811,053	$2,083	$813,136
Other Assets	175,320	0	175,320
Total Assets	$986,373	$2,083	$988,456
Liabilities and Equity			
Notes Payable	$479,797	0	$479,797
Other Liabilities	31,718	0	31,718
Total Liabilities	511,515	0	511,515
Company's Equity	379,886	2,083	381,969
Other Investor's Equity	94,972	0	94,972
Total Liabilities and Equity	$986,373	$2,083	$988,456

(1) REIT Basis Adjustments include those costs incurred by the Company outside of the Duke joint venture that are directly capitalizable to its investment in real estate assets acquired within the Duke joint venture including acquisition costs paid to our Investment Advisor prior to January 1, 2009.

Consolidated Balance Sheet of the Duke joint venture as of December 31, 2010 (in thousands):

	December 31, 2010	REIT Basis Adjustments(1)	Total
Assets			
Real Estate Net	$535,992	$2,171	$538,163
Other Assets	96,820	0	96,820
Total Assets	$632,812	$2,171	$634,983
Liabilities and Equity			
Notes Payable	$242,000	0	$242,000
Other Liabilities	10,696	0	10,696
Total Liabilities	252,696	0	252,696
Company's Equity	304,093	2,171	306,264
Other Investor's Equity	76,023	0	76,023
Total Liabilities and Equity	$632,812	$2,171	$634,983

(1) REIT Basis Adjustments include those costs incurred by the Company outside of the Duke joint venture that are directly capitalizable to its investment in real estate assets acquired within the Duke joint venture including acquisition costs paid to our Investment Advisor prior to January 1, 2009.

Consolidated Statement of Operations of the Duke joint venture for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenues	$30,625	$12,351	$80,570	$34,778
Operating Expenses	10,166	2,902	26,152	7,984
Interest	6,022	2,145	15,230	6,433
Depreciation and Amortization	14,313	4,935	36,150	13,953
Net Income	$ 124	$ 2,369	$ 3,038	$ 6,408
Company's Share in Net Income	$ 99	$ 1,895	$ 2,430	$ 4,888
Adjustments for Company Basis	(30)	(29)	(88)	(90)
Company's Equity in Net Income	$ 69	$ 1,866	$ 2,342	$ 4,798

Afton Ridge Joint Venture

On September 18, 2008, we acquired a 90% ownership interest in Afton Ridge, the owner of Afton Ridge Shopping Center, from unrelated third parties. CK Afton Ridge Shopping Center, LLC, a subsidiary of Childress Klein Properties, Inc. ("CK Afton Ridge"), retained a 10% ownership interest in Afton Ridge and continues to manage Afton Ridge Shopping Center. CK Afton Ridge acts as the managing member of Afton Ridge and is entitled to receive fees, including management, construction management and property management fees. We have joint approval rights over all major operating and policy decisions.

Afton Ridge Shopping Center is located at the intersection of I-85 and Kannapolis Parkway, in Kannapolis, North Carolina. We acquired our ownership interest in Afton Ridge for approximately $45,000,000, exclusive of customary closing costs, which was funded using net proceeds from our initial public offering. Upon closing, we paid our Investment Advisor an acquisition fee of approximately $450,000. This acquisition fee is not included in the $45,000,000 total acquisition cost of Afton Ridge, but is included as additional cost basis at our wholly-owned investment subsidiary.

The purchase agreement with the seller contained a two year master lease agreement whereby rental revenues were guaranteed by the seller on the 9% unoccupied space at the date of the acquisition up to a maximum of $1,102,000. In addition, leasing commissions and tenant improvement allowances were to be reimbursed under the purchase agreement up to $934,000 over the same two year period for leasing activities incurred by Afton Ridge to lease this unoccupied space. During the quarter ended December 31, 2010, we reached agreement with CK Afton Ridge as to the final payout under the master lease agreement. As of December 31, 2010, $842,000 in rental revenue guarantee payments and $923,000 in leasing commission and tenant reimbursement payments, respectively, had been received by Afton Ridge and treated as purchase price adjustments in the period when the contingency was resolved on the Afton Ridge standalone financial statements. Our pro rata share of such purchase price adjustments have been treated as a reduction of our investment in Afton Ridge.

Afton Ridge Shopping Center is a 470,288 square foot regional shopping center, completed in 2006, in which Afton Ridge owns 296,388 rentable square feet that is currently 98% leased. One of the shopping center's anchors, a 173,900 square foot SuperTarget, is not owned by us. Additional anchor tenants in Afton Ridge Shopping Center are Best Buy, Marshalls, PetSmart, Dick's Sporting Goods, Stein Mart and Ashley Furniture. Afton Ridge Shopping Center is the retail component of a 260 acre master planned mixed-use development.

On October 15, 2008, Afton Ridge obtained a $25,500,000 loan from the Metropolitan Life Insurance Company, secured by the Afton Ridge Shopping Center. The loan is for a term of five years, plus a 12 month extension option, and bears interest at a fixed rate of 5.70%. Interest payments only are due monthly for the term of the loan with principal due at maturity.

We carry our investment in Afton Ridge on the equity method of accounting because it is an entity under common control with CK Afton Ridge. Those investments where we have the ability to exercise significant influence (but not control) over operating and financial policies of such entities are accounted for using the equity method. We eliminate transactions with such equity investees to the extent of our ownership in such entities.

Consolidated Balance Sheet of Afton Ridge as of September 30, 2011 (in thousands):

	September 30, 2011	REIT Basis Adjustments(1)	Total
Assets			
Real Estate Net	$45,147	$589	$45,736
Other Assets	3,446	0	3,446
Total Assets	$48,593	$589	$49,182
Liabilities and Equity			
Note Payable	$25,500	$ 0	$25,500
Other Liabilities	3,307	0	3,307
Total Liabilities	28,807	0	28,807
Company's Equity	17,807	589	18,396
Other Investor's Equity	1,979	0	1,979
Total Liabilities and Equity	$48,593	$589	$49,182

(1) REIT Basis Adjustments include those costs incurred by our company outside of Afton Ridge that are directly capitalizable to its investment in real estate assets acquired within Afton Ridge including acquisition costs paid to our Investment Advisor prior to January 1, 2009.

Consolidated Balance Sheet of Afton Ridge as of December 31, 2010 (in thousands):

	December 31, 2010	REIT Basis Adjustments(1)	Total
Assets			
Real Estate Net	$45,943	$603	$46,546
Other Assets	3,458	0	3,458
Total Assets	$49,401	$603	$50,004
Liabilities and Equity			
Note Payable	$25,500	$ 0	$25,500
Other Liabilities	3,274	0	3,274
Total Liabilities	28,774	0	28,774
Company's Equity	18,564	603	19,167
Other Investor's Equity	2,063	0	2,063
Total Liabilities and Equity	$49,401	$603	$50,004

(1) REIT Basis Adjustments include those costs incurred by our company outside of Afton Ridge that are directly capitalizable to its investment in real estate assets acquired within Afton Ridge including acquisition costs paid to our Investment Advisor prior to January 1, 2009.

Consolidated Statements of Operations of Afton Ridge for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenues	$1,258	$1,262	$3,904	$3,827
Operating Expenses	335	329	1,048	979
Interest	376	376	1,128	1,128
Depreciation and Amortization	462	456	1,377	1,358
Net Income	$ 85	$ 101	$ 351	$ 362
Company's Share in Net Income	$ 77	$ 91	$ 316	$ 326
Adjustments for REIT Basis	(5)	(5)	(14)	(15)
Company's Equity in Net Income	$ 72	$ 86	$ 302	$ 311

UK JV and European JV

On June 10, 2010, we entered into two joint ventures with subsidiaries of the Goodman Group (ASX: GMG), or Goodman, one of which will seek to invest in logistics focused warehouse/distribution properties in the United Kingdom, or the UK JV, and the other which will seek to invest in logistics focused warehouse/distribution properties in France, Belgium, the Netherlands, Luxembourg and Germany, or the European JV. We own an 80% interest in each joint venture and Goodman owns a 20% interest in each joint venture. The terms of each joint venture are described in more detail below.

UK JV

The shareholders' agreement pertaining to the UK JV is by and among RT Princeton UK Holdings, LLC (our wholly-owned subsidiary), Goodman Jersey Holding Trust and Goodman Princeton Holdings (Jersey) Limited, the UK JV, for the purpose of acquiring and holding, either directly or indirectly, up to £400,000,000 in logistics focused warehouse/distribution properties. On June 10, 2010, we initially funded the UK JV with capital contributions of $26,180,000. The UK JV has acquired an initial portfolio of two properties, as described further in the table below, which were previously owned by a subsidiary of Goodman and which were purchased by the UK JV simultaneously with the closing of the UK JV.

Property and Market	Year Built	Property Type	Tenant	Net Rentable Sq. Feet	Percentage Leased	Lease Expiration	Approximate Total Acquisition Cost (in thousands)
Amber Park, Nottingham, UK	1997	Warehouse/ Distribution	UniDrug Distribution Group	208,423	100%	03/2017	$15,642
Brackmills, Northampton, UK	1984	Warehouse/ Distribution	GE Lighting Operations Limited	186,618	100%	03/2017	$16,759

A board of directors, comprised of members representing us and Goodman, in each case with an equal number of votes, has the responsibility for the supervision, management and major operating decisions of the UK JV and its business, except with respect to certain reserved matters which will require the unanimous approval of us and Goodman.

During the initial three year investment period, the UK JV has a right of first offer, with respect to certain logistics development or logistics investment assets considered for investment in the UK by Goodman or us. If a deadlock has arisen pertaining to a major decision regarding a specific property, either shareholder may exercise a buy-sell option in relation to the relevant property. After the initial investment period, either shareholder wishing to exit the UK JV may exercise a buy-sell option with respect to their entire interest in the UK JV.

The UK JV will pay certain fees to certain Goodman subsidiaries in connection with the services they provide to the UK JV, including but not limited to investment advisory, development management and property management services. Goodman may also be entitled to a promoted interest in the UK JV.

Consolidated Balance Sheet of UK JV as of September 30, 2011 and December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Assets		
Real Estate Net	$33,002	$34,092
Other Assets	1,725	1,623
Total Assets	$34,727	$35,715
Liabilities and Equity		
Other Liabilities	$ 1,100	$ 938
Total Liabilities	1,100	938
Company's Equity	27,198	27,822
Other Investor's Equity	6,429	6,955
Total Liabilities and Equity	$34,727	$35,715

Consolidated Statements of Operations of UK JV for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenues	$860	$779	$2,514	$941
Operating Expenses	166	149	338	487
Depreciation and Amortization	359	138	1,075	138
Net Income	$335	$492	$1,101	$316
Company's Equity in Net Income	$268	$394	$ 881	$253

European JV

The shareholders' agreement pertaining to the European JV is by and among RT Princeton CE Holdings, LLC (our wholly-owned subsidiary), Goodman Europe Development Trust acting by its trustee Goodman Europe Development Pty Ltd. and Goodman Princeton Holdings (LUX) S.À.R.L., the European JV, for the purpose of acquiring and holding, either directly or indirectly, up to € 400,000,000 in logistics focused warehouse/ distribution properties. On June 10, 2010, we initially funded the European JV with capital contributions of $26,802,000. The European JV acquired an initial portfolio of two properties, Duren and Schonberg, which were previously owned by a subsidiary of Goodman and which were purchased by the European JV simultaneously with the closing of the European JV.

On October 28, 2010, we contributed an additional capital contribution of $18,672,000 to the European JV to acquire Langenbach which was also previously owned by a subsidiary of Goodman.

Property and Market	Year Built	Property Type	Tenant	Net Rentable Sq. Feet	Percentage Leased	Lease Expiration	Approximate Total Acquisition Cost (in thousands)
Düren, Rhine-Ruhr Germany	2008	Warehouse/ Distribution	Metsä Tissue GmbH	391,494	100%	01/2013	$16,435
Schönberg, Hamburg, Germany	2009	Warehouse/ Distribution	LK Logistik GmbH	453,979	100%	05/2017	$17,274
Langenbach, Munich, Germany	2010	Warehouse/ Distribution	DSV Stuttgart GmbH & Co. KG	225,106	100%	07/2015	$23,216

A board of directors, comprised of members representing us and Goodman, in each case with an equal number of votes, has the responsibility for the supervision, management and major operating decisions of the European JV and its business, except with respect to certain reserved matters which will require the unanimous approval of us and Goodman.

During the initial three year investment period, the European JV has a right of second offer (after another investment vehicle managed by Goodman) with respect to certain logistics development or logistics investment assets considered for investment by Goodman, and has a right of first offer with respect to certain logistics development or logistics investment assets considered for investment by us. If a deadlock has arisen pertaining to a major decision regarding a specific property, either shareholder may exercise a buy-sell option in relation to the relevant property. After the initial investment period, either shareholder wishing to exit the European JV may exercise a buy-sell option with respect to their entire interest in the European JV.

The European JV will pay certain fees to certain Goodman subsidiaries in connection with the services they provide to the European JV, including but not limited to investment advisory, development management and property management services. Certain Goodman subsidiaries may also be entitled to a promoted interest in the European JV.

Consolidated Balance Sheet of European JV as of September 30, 2011 and December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Assets		
Real Estate Net	$57,314	$58,614
Other Assets	3,720	4,355
Total Assets	$61,034	$62,969
Liabilities and Equity		
Other Liabilities	$ 2,406	$ 3,797
Total Liabilities	2,406	3,797
Company's Equity	46,903	47,338
Other Investor's Equity	11,725	11,834
Total Liabilities and Equity	$61,034	$62,969

Consolidated Statements of Operations of European JV for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Total Revenues	$1,590	$860	$4,737	$1,042
Operating Expenses	280	173	836	383
Depreciation and Amortization	796	199	2,352	199
Net Income	$ 514	$488	$1,549	$ 460
Company's Equity in Net Income	$ 411	$390	$1,238	$ 368

6. Acquisition Related Intangible Assets and Liabilities

Our acquisition related intangible assets are included in the consolidated balance sheets as acquired in-place lease value, acquired above market lease value and acquired below market lease value.

The following is a schedule of future amortization of acquisition related intangible assets as of September 30, 2011 (in thousands):

	Assets		Liabilities	
	Above Market Lease Value	Acquired In-Place Lease Value	Below Market Lease Value	Above Market Ground Lease Obligations
2011 (Three months ending December 31, 2011)	$ 1,840	$ 6,866	$ 1,230	$ 18
2012	7,283	25,824	4,185	71
2013	6,456	20,986	3,265	71
2014	4,966	18,760	3,166	71
2015	4,654	16,930	2,972	71
2016	1,762	12,601	2,609	71
Thereafter	5,888	50,579	12,833	1,127
	$32,849	$152,546	$30,260	$1,500

The amortization of the above and below-market lease values included in rental revenue was ($1,845,000) and $1,128,000, respectively, for the three months ended September 30, 2011, and ($812,000) and $755,000, respectively, for the three months ended September 30, 2010. The amortization of in-place lease value included in amortization expense was $6,761,000 and $3,026,000 for the three months ended September 30, 2011 and 2010, respectively.

The amortization of the above and below-market leases included in rental revenue was ($4,540,000) and $3,053,000, respectively, for the nine months ended September 30, 2011, and ($2,309,000) and $2,138,000, respectively, for the nine months ended September 30, 2010. The amortization of in-place lease value included in amortization expense was $17,055,000 and $7,976,000 for the nine months ended September 30, 2011 and 2010, respectively.

7. Debt

Notes Payable secured by real property are summarized as follows (in thousands):

	Interest Rate as of			Notes Payable as of	
Property	**September 30, 2011**	**December 31, 2010**	**Maturity Date**	**September 30, 2011**	**December 31, 2010**
REMEC(1)	—	4.79%	November 1, 2011	$ 0	$ 13,250
300 Constitution	4.84%	4.84	April 1, 2012	12,000	12,000
Deerfield Commons I	5.23	5.23	December 1, 2015	9,623	9,725
Bolingbrook Point III	5.26	5.26	January 1, 2015	7,900	9,000
Fairforest Bldg. 5(2)	6.33	6.33	February 1, 2024	9,495	9,864
Fairforest Bldg. 6(2)	5.42	5.42	June 1, 2019	2,775	2,987
HJ Park—Bldg. 1(2)	4.98	4.98	March 1, 2013	440	648
North Rhett I(2)	5.65	5.65	August 1, 2019	3,638	3,906
North Rhett II(2)	5.20	5.20	October 1, 2020	2,050	2,180
North Rhett III(2)	5.75	5.75	February 1, 2020	1,646	1,759
North Rhett IV(2)	5.80	5.80	February 1, 2025	9,545	9,892
Mt Holly Bldg.(2)	5.20	5.20	October 1, 2020	2,050	2,180
Orangeburg Park Bldg.(2)	5.20	5.20	October 1, 2020	2,085	2,217
Kings Mountain I(2)	5.27	5.27	October 1, 2020	1,775	1,887
Kings Mountain II(2)	5.47	5.47	January 1, 2020	5,230	5,594
Union Cross Bldg. I(2)	5.50	5.50	July 1, 2021	2,602	2,749
Union Cross Bldg. II(2)	5.53	5.53	June 1, 2021	7,946	8,398
Thames Valley Five(3)(4)	6.42	6.42	May 30, 2013	8,792	8,781
Lakeside Office Center(5)	6.03	6.03	September 1, 2015	9,000	9,000
Enclave on the Lake(6)	—	5.45	May 1, 2011	0	17,906
Albion Mills Retail Park(3)(7)(8)	5.25	5.25	October 10, 2013	8,996	8,985
Avion Midrise III & IV(9)	5.52	5.52	April 1, 2014	21,032	21,354
12650 Ingenuity Drive(10)	5.62	5.62	October 1, 2014	12,775	13,061
Maskew Retail Park(3)(11)	5.68	5.68	August 10, 2014	21,785	21,759
One Wayside Road(12)	5.66	5.66	August 1, 2015	14,205	14,465
One Wayside Road(12)	5.92	5.92	August 1, 2015	11,810	12,006
100 Tice Blvd(13)	5.97	5.97	September 15, 2017	20,737	21,100
100 Tice Blvd(13)	5.97	5.97	September 15, 2017	20,736	21,100
Ten Parkway North	4.75	4.75	January 1, 2021	12,422	12,600
Pacific Corporate Park(14)	4.89	4.89	December 7, 2017	82,500	85,000
4701 Gold Spike Drive(15)	4.45	—	March 1, 2018	10,564	0
1985 International Way(15)	4.45	—	March 1, 2018	7,341	0
Summit Distribution Center(15)	4.45	—	March 1, 2018	6,646	0
3660 Deerpark Boulevard(15)	4.45	—	March 1, 2018	7,588	0
Tolleson Commerce Park II(15)	4.45	—	March 1, 2018	4,563	0
100 Kimball Drive(16)	5.25	—	March 1, 2021	32,686	0
70 Hudson(17)	5.65	—	April 11, 2016	120,173	0
90 Hudson(17)	5.66	—	May 1, 2019	108,385	0
Kings Mountain III(18)	4.47	—	July 1, 2018	11,660	0
Notes Payable				635,196	365,353
Plus Premium				9,247	4,155
Less Discount				(3,070)	(3,700)
Less Albion Mills Retail Park Fair Value Adjustment				(256)	(216)
Notes Payable Net of Premium/Discount and Fair Value Adjustment				$641,117	$365,592

(1) The REMEC loan was paid in full on September 6, 2011.

(2) These notes payable were assumed from the seller of the Carolina Portfolio on August 30, 2007 as part of the property acquisitions and were recorded at estimated fair value which includes the discount.

(3) These loans are subject to certain financial covenants (interest coverage and loan to value).

(4) We entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 5.41% plus 1.01%, or 6.42% per annum as of September 30, 2011, which expires on May 30, 2013. The stated rates on the mortgage note payable were 1.84% and 1.74% at September 30, 2011 and December 31, 2010, respectively, and were based on GBP-based LIBOR plus a spread of 1.01%.

(5) Interest only payments are due monthly for the first 36 months of the loan term. Principal and interest payments are due monthly for the remaining 48 months of the loan term.

(6) The loan was assumed from the seller of Enclave on the Lake on July 1, 2008 and was recorded at estimated fair value which included the discount. The loan was paid in full on April 4, 2011.

(7) The Albion Mills Retail Park notes payable balance is presented at cost basis. This loan is carried on our balance sheet at fair value (see Note 17).

(8) We entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.94% plus 1.31%, or 5.25% per annum as of September 30, 2011, which expires on October 10, 2013. The stated rates on the mortgage note payable were 2.14% and 2.04% at September 30, 2011 and December 31, 2010, respectively, and were based on GBP-based LIBOR plus a spread of 1.31%.

(9) The loan was assumed from the seller of Avion Midrise III & IV on November 18, 2008 and was recorded at estimated fair value which includes the discount.

(10) The loan was assumed from the seller of 12650 Ingenuity Drive on August 5, 2009 and was recorded at estimated fair value which includes the discount.

(11) We entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.42% plus 2.26%, or 5.68% per annum as of September 30, 2011, which expires on August 10, 2014. The stated rates on the mortgage note payable was 3.08% and 2.99% at September 30, 2011 and December 31, 2010, respectively, and were based on GBP-based LIBOR plus a spread of 2.26%.

(12) The two loans were assumed from the seller of One Wayside road on June 24, 2010 and were recorded at estimated fair value which include the premiums.

(13) The two loans were assumed from the seller of 100 Tice Blvd. on September 28, 2010 and were recorded at estimated fair value which include the premiums.

(14) We entered into an interest rate swap agreement that fixed the LIBOR rate at 2.69% plus 2.20%, or 4.89% per annum as of September 30, 2011 which expires on December 7, 2017. The stated rates on the mortgage note payable were 2.45% and 2.52% at September 30, 2011 and December 31, 2010, and were based on LIBOR plus a spread of 2.20%.

(15) We entered into five loans totaling $37,000,000 on February 8, 2011 that are cross-collateralized by these properties.

(16) We entered into an interest rate swap agreement that fixed the LIBOR rate at 3.50%, plus 1.75%, or 5.25% per annum as of September 30, 2011 which expires on March 1, 2021. The stated rate on the mortgage note payable was 1.97% at September 30, 2011 and was based on LIBOR plus a spread of 1.75%.

(17) The two loans were assumed from the seller of 70 Hudson and 90 Hudson, respectively, on April 11, 2011 and were recorded at estimated fair value which include the premiums.

(18) We entered into a loan totaling $11,700,000 on June 24, 2011 that is collateralized by the property. Effective July 1, 2011, we entered into an interest rate swap that fixed the LIBOR rate at 2.47% plus 2.00%, or 4.47% per annum, which expires on July 1, 2018. The stated rate on the mortgage note payable was 2.22% at September 30, 2011 and was based on LIBOR plus a spread of 2.00%.

Notes Payable

In connection with our acquisition of the Carolina Portfolio on August 30, 2007, we assumed 13 loans with principal balances totaling $66,110,000 ($62,944,000 at estimated fair value including the discount of $3,166,000) from various lenders that are secured by first deeds of trust on the properties and the assignment of related rents and leases. Assumption fees and other loan closing costs totaling $765,500 were capitalized as incurred. The loans bear interest at rates ranging from 4.98% to 6.33% per annum and mature between March 1, 2013 and February 1, 2025. The loans require monthly payments of interest and principal, fully amortized over the lives of the loans. Principal payments totaling $2,982,000 were made during the nine months ended September 30, 2011. We indemnify the lenders against environmental costs and expenses and guarantee the loans under certain conditions.

On December 27, 2007, we entered into a $9,000,000 financing agreement secured by the Bolingbrook Point III property with the Northwestern Mutual Life Insurance Company. The loan is for a term of seven years and bears a fixed interest rate of 5.26% per annum with principal due at maturity. In addition, we incurred financing costs of approximately $91,000 associated with obtaining this loan. On January 14, 2011, we paid down $1,100,000 of principal in connection with the lease termination settlement with one of the tenants.

On May 30, 2008, we entered into a £7,500,000 financing arrangement with the Royal Bank of Scotland plc secured by the Thames Valley Five property. On July 27, 2010 we paid down the loan by £1,860,000 leaving a loan balance of £5,640,000 ($8,792,000 at September 30, 2011). The loan is for a term of five years (with a two year extension option) and bears interest at a variable rate adjusted quarterly, (based on nine month GBP-based LIBOR plus 1.01%. In addition, we incurred financing costs of approximately £67,000 ($104,000 at September 30, 2011) associated with obtaining this loan. On August 14, 2008, we entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 5.41% plus 1.01% or 6.42% per annum as of September 30, 2011, and expires on May 30, 2013. In conjunction with the loan paydown, we incurred a cost of £227,000 ($361,000 at August 3, 2010) to reduce the notional amount of the interest rate swap from £7,500,000 to £5,640,000. Interest only payments are due quarterly for the term of the loan with principal due at maturity.

On July 1, 2008, in connection with the acquisition of Enclave on the Lake, we assumed an $18,281,000 ($18,790,000 face value less discount of $509,000) loan from NorthMarq Capital, Inc. that bears interest at a fixed rate of 5.45% per annum and was scheduled to mature on May 1, 2011. Principal and interest payments were made monthly and principal payments totaling $17,906,000 were made during the nine months ended September 30, 2011. The loan was paid off in full in April 2011. In addition, we incurred financing costs totaling $241,000 in conjunction with the assumption of the loan.

On October 10, 2008, we entered into a £5,771,000 ($8,996,000 at September 30, 2011) financing agreement with the Royal Bank of Scotland plc secured by Albion Mills Retail Park property. The loan is for a term of five years and bears interest at a variable rate adjusted quarterly, based on three month GBP-based LIBOR plus 1.31%. In addition, we incurred financing costs of approximately £75,000 ($117,000 at September 30, 2011) associated with obtaining this loan. On November 25, 2008, we entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.94% plus 1.31% or 5.25% per annum as of September 30, 2011 and expires on October 10, 2013. Interest only payments are due quarterly for the term of the loan with principal due at maturity.

On November 18, 2008, in connection with the acquisition of Avion Midrise III & IV, we assumed $20,851,000 ($22,186,000 face value less discount of $1,335,000) fixed rate mortgage loan from Capmark Finance, Inc. that bears interest at a rate of 5.52% per annum and matures on April 1, 2014. Principal and interest payments are due monthly for the remaining loan term and principal payments totaling $323,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $344,000 in conjunction with the assumption of the loan.

On August 5, 2009, in connection with the acquisition of 12650 Ingenuity Drive, we assumed a $12,572,000 ($13,539,000 face value less a discount of $967,000) fixed rate mortgage loan from PNC Bank, National Association that bears interest at a rate of 5.62% and matures on October 1, 2014. Principal and interest payments are due monthly for the remaining loan term and principal payments totaling $286,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $284,000 in conjunction with the assumption of the loan.

On August 10, 2009, we entered into a £13,975,000 ($21,785,000 at September 30, 2011) financing agreement with the Abbey National Treasury Services plc secured by the Maskew Retail Park property. On September 24, 2009, we drew the full amount of the loan and concurrently entered into an interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.42% plus 2.26% or 5.68% per annum for the five-year term of the loan. Interest only payments are due quarterly for the term of the loan with principal due at maturity. In addition, we incurred financing costs of approximately £268,000 ($418,000 at September 30, 2011) associated with obtaining this loan.

On June 24, 2010, we assumed two loans in connection with the acquisition of One Wayside Road: (i) a $14,888,000 ($14,633,000 at face value plus a premium of $255,000) fixed rate mortgage loan from State Farm Life Insurance Company that bears interest at a rate of 5.66% and matures on August 1, 2015; and (ii) a $12,479,000 ($12,132,000 at face value plus a premium of $347,000) fixed rate mortgage loan from State Farm Life Insurance Company that bears interest at a rate of 5.92% and matures on August 1, 2015. Principal and interest payments are due monthly for the remaining loan terms and principal payments totaling $457,000 were made during the nine months ended September 30, 2011 on the two loans. In addition, we incurred financing costs totaling $342,000 in conjunction with the assumption of the loans.

On September 28, 2010, we assumed two loans in connection with the acquisition of 100 Tice Blvd.: (i) a $23,136,000 ($21,218,000 at face value plus a premium of $1,918,000) fixed rate loan from Principal Life Insurance Company that bears interest at a rate of 5.97%, matures on September 15, 2022 and the lender has the right to call the loan due and payable on September 15, 2017; (ii) a $23,136,000 ($21,217,000 at a face value plus a premium of $1,919,000) fixed rate mortgage from Hartford Life and Accidental Insurance Company that bears interest at a rate of 5.97%, matures on September 15, 2022 and the lender has the right to call the loan due and payable on September 15, 2017. Principal and interest payments are due monthly for the remaining loan terms and principal payments totaling $727,000 were made during the nine months ended September 30, 2011 on the two loans. In addition, we incurred financing costs totaling $476,000 in conjunction with the assumption of the loans.

On December 7, 2010, we entered into a $85,000,000 secured term loan through a subsidiary with Wells Fargo Bank, National Association, or the Pacific Corporate Park Loan. The Pacific Corporate Park Loan has a seven-year term, monthly amortization of $250,000 and is secured by Pacific Corporate Park. Upon closing of the Pacific Corporate Park Loan on December 7, 2010, we entered into an interest rate swap agreement with Wells Fargo Bank, National Association to effectively fix the interest rate on the entire outstanding Pacific Corporate Park Loan amount at 4.89% for its seven-year term. Principal and interest payments are due monthly and principal payments totaling $2,500,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $1,515,000 in conjunction with obtaining the loan.

On December 29, 2010, we entered into a $12,600,000 secured term loan through Woodmen of The World Life Insurance Society secured by the Ten Parkway North property. The Ten Parkway North loan bears interest at a fixed rate of 4.75% per annum and matures on January 1, 2021. Principal and interest payments are due monthly and principal payments totaling $178,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $150,000 in conjunction with obtaining the loan.

Beginning January 2011, principal and interest payments are due monthly on the $9,725,000 term loan secured by the Deerfield Commons I property that was originally entered into on November 29, 2005. The loan bears interest at a fixed rate of 5.23% per annum and interest only payments were due monthly for the first 60 months. Principal payments totaling $103,000 were made during the nine months ended September 30, 2011.

On February 8, 2011, we entered into five cross-collateralized secured term loans totaling $37,000,000 with ING USA Annuity and Life Insurance Company secured by the following properties: 4701 Gold Spike Road, $10,650,000, Summit Distribution Center, $6,700,000, Tolleson Commerce Park II, $4,600,000, 3660 Deerpark Blvd., $7,650,000 and 1985 International Way, $7,400,000. The loans bear interest at a fixed rate of 4.45% and mature on March 1, 2018. Principal and interest payments are due monthly and principal payments totaling $298,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $767,000 in conjunction with obtaining the five loans.

On February 28, 2011, we entered into a $33,000,000 secured term loan with TD Bank secured by the 100 Kimball Drive property. Upon closing the 100 Kimball Drive loan, we simultaneously entered into an interest rate swap agreement with TD Bank to effectively fix the interest rate on the entire outstanding loan amount to 5.25% for its 10 year term. Principal and interest payments are due monthly and principal payments totaling $314,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $512,000 in conjunction with obtaining the loan.

On April 11, 2011, in connection with the acquisition of 70 Hudson Street, we assumed a $124,113,000 ($120,857,000 face value plus a premium of $3,256,000) fixed rate mortgage loan from Lehman Brothers Bank, FSB that bears interest at a rate of 5.645% and matures on April 11, 2016. Principal and interest payments are due monthly and principal payments totaling $684,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $161,000 in conjunction with the assumption of the loan.

On April 11, 2011, in connection with the acquisition of 90 Hudson Street, we assumed a $120,247,000 ($117,562,000 face value plus a premium of $2,685,000) fixed rate mortgage loan from Teachers Insurance and Annuity Association of America that bears interest at a rate of 5.66% and matures on May 1, 2016. On July 14, 2011, we and Teachers Insurance and Annuity Association of America, agreed to modify the $117,562,000 existing mortgage loan assumed by us. The loan was modified to extend its maturity by three years, from May 1, 2016 to May 1, 2019. The 5.66% annual interest rate was unchanged but is subject to a new 30 year amortization schedule. We pre-paid approximately $8,600,000 of loan's balance (with no pre-payment penalty) in connection with the modification. Principal and interest payments are due monthly and principal payments totaling $9,177,000, including prepayment of approximately $8,600,000, were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $702,000 in conjunction with the assumption and modification of the loan.

On June 24, 2011, we entered into a $11,700,000 secured term loan with TD Bank secured by the Kings Mountain III property. Effective July 1, 2011, we entered into an interest rate swap agreement with TD Bank to effectively fix the interest rate on the entire outstanding loan amount to 4.47% for its 7 year term maturing on July 1, 2018. Principal and interest payments are due monthly and principal payments totaling $41,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $247,000 in conjunction with obtaining the loan.

Loan Payable

On May 26, 2010, we entered into a $70,000,000 revolving credit facility with Wells Fargo Bank, N.A., or the Wells Fargo Credit Facility. The initial maturity date of the Wells Fargo Credit Facility is May 26, 2014, however we may extend the maturity date to May 26, 2015, subject to certain conditions. $15,000,000 of the Wells Fargo Credit Facility was initially drawn upon closing on May 26, 2010, with $55,000,000 initially remaining available for disbursement during the term of the facility. We have the right to prepay any outstanding amount of the Wells Fargo Credit Facility, in whole or in part, without premium or penalty at any time during the term of this Wells Fargo Credit Facility, however, we initially could not reduce the outstanding principal balance below a minimum outstanding amount of $15,000,000, without reducing the total $70,000,000 Wells Fargo Credit Facility capacity. Initially, the Wells Fargo Credit Facility had a floating interest rate of 300 basis points over LIBOR, however this interest rate would be at least 4.00% for any of the outstanding balance that was not subject to an interest rate swap with an initial term of at least two years. Upon closing on May 26, 2010, we entered into an interest rate swap agreement with Wells Fargo Bank, N.A. to effectively fix the interest rate on the initial $15,000,000 outstanding loan amount at 5.10% for the four-year term of the facility.

The interest rate swap was designated as a qualifying cash flow hedge at the start date of the hedge relationship as described in Note 15 "Derivative Instruments." The Wells Fargo Credit Facility was initially secured by our 13201 Wilfred, 3011, 3055 & 3077 Comcast Place, 140 Depot Street, Crest Ridge Corporate Center I and West Point Trade Center properties. In addition, CBRE OP provides a limited guarantee for the Wells Fargo Credit Facility. The Wells Fargo Credit Facility is subject to certain customary financial covenants, including certain negative financial covenants, which we believe we were in compliance with as of September 30, 2011. A commitment fee of $1,050,000 was paid to Wells Fargo Bank, N.A. at the initial closing.

On August 31, 2010, we entered into an amended and restated credit agreement with Wells Fargo Bank, N.A. to expand the Wells Fargo Credit Facility from its initial capacity of $70,000,000 to an amended capacity of $125,000,000 (the "Amended Wells Fargo Credit Facility"). In connection with the Amended Wells Fargo Credit Facility, the minimum outstanding amount was increased to $25,000,000 and as such an additional $10,000,000 was drawn (in addition to the $15,000,000 initially drawn on May 26, 2010) with the remaining $100,000,000 available for disbursement during the term of the facility. The Amended Wells Fargo Credit Facility is secured by an additional three of our properties, for a total of eight properties in all: 13201 Wilfred Lane, 3011, 3055 & 3077 Comcast Place, 140 Depot Street, Crest Ridge Corporate Center, West Point Trade Center, 5160 Hacienda Drive, 10450 Pacific Center Court and 225 Summit Avenue. The interest rate was reduced by 25 basis points to 275 basis points over LIBOR (which rate will apply to all withdrawals from the Amended Wells Fargo Credit Facility other than the initial $15,000,000 that was drawn on May 26, 2010) and the initial interest rate floor of 4.00% was eliminated. The initial maturity date remains May 26, 2014, however we may extend the maturity date to May 26, 2015, subject to certain conditions. The Amended Wells Fargo Credit Facility is subject to certain representations and warranties and customary financial covenants (including certain negative financial covenants) with which we believe we were in compliance as of September 30, 2011. A commitment fee of $632,500 was paid to Wells Fargo Bank, N.A. at closing of the Amended Wells Fargo Credit Facility.

During the nine months ended September 30, 2011, $30,000,000 was drawn and $65,000,000 was repaid in connection with the Amended Wells Fargo Credit Facility leaving a $25,000,000 balance at September 30, 2011, with the remaining $100,000,000 available for disbursement during the term of the facility. The $25,000,000 is included in Loan Payable on our condensed consolidated balance sheet.

The minimum principal payments due for the notes payable and our loan payable are as follows as of September 30, 2011 (in thousands):

2011 (Three months ending December 31, 2011)	$ 3,427
2012	27,078
2013	33,351
2014	93,838
2015	64,278
2016	125,287
Thereafter	312,937
	$660,196

Our organizational documents contain a limitation on the amount of indebtedness that we may incur, so that unless our shares are listed on a national securities exchange, our aggregate borrowing may not exceed 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report.

8. Minimum Future Rents Receivable

The following is a schedule of minimum future rentals to be received on non-cancelable operating leases from consolidated properties as of September 30, 2011 (in thousands):

2011 (Three months ending December 31, 2011)	$ 32,415
2012	127,343
2013	117,121
2014	112,743
2015	106,696
2016	93,020
Thereafter	453,130
	$1,042,468

9. Concentrations

Tenant Revenue Concentrations

For the nine months ended September 30, 2011 and 2010, respectively, there were no significant revenue concentrations.

Geographic Concentrations

As of September 30, 2011, we owned 74 consolidated properties, located in 14 states (Arizona, California, Georgia, Florida, Illinois, Kentucky, Massachusetts, Minnesota, New Jersey, North Carolina, South Carolina, Texas, Utah, and Virginia) and in the United Kingdom.

As of September 30, 2010, we owned 63 consolidated properties located in 11 states (California, Florida, Georgia, Illinois, Massachusetts, Minnesota, New Jersey, North Carolina, South Carolina, Texas and Virginia) and in the United Kingdom.

Our geographic revenue concentrations from consolidated properties for the nine months ended September 30, 2011 and 2010 are as follows:

	Nine Months Ended September 30,	
	2011	2010
Domestic		
New Jersey	26.67%	2.43%
Virginia	13.70	6.21
California	11.23	17.32
South Carolina	8.86	17.57
Texas	8.85	12.33
Massachusetts	6.85	8.48
Florida	5.20	10.62
Minnesota	4.59	7.67
Illinois	2.84	0.77
North Carolina	2.26	3.72
Georgia	1.52	3.27
Kentucky	1.03	0
Utah	0.92	0
Arizona	0.75	0
Total Domestic	95.27	90.39
International		
United Kingdom	4.73	9.61
Total	100.00%	100.00%

Our geographic long-lived asset concentrations from consolidated properties as of September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011	December 31, 2010
Domestic		
New Jersey	30.61%	15.71%
Virginia	11.35	14.49
South Carolina	10.04	13.86
California	8.48	11.59
Texas	7.89	7.14
Massachusetts	5.65	7.72
Arizona	4.43	0.76
Florida	4.11	5.55
North Carolina	3.53	4.30
Minnesota	2.59	3.55
Illinois	2.51	3.42
Kentucky	0.89	1.23
Georgia	0.84	1.10
Utah	0.81	1.12
Total Domestic	93.73	91.54
International		
United Kingdom	6.27	8.46
Total	100.00%	100.00%

10. Segment Disclosure

Our reportable segments consist of three types of commercial real estate properties, namely, Domestic Industrial Properties, Domestic Office Properties and International Office/Retail Properties. Management internally evaluates the operating performance and financial results of our segments based on net operating income. We also have certain general and administrative level activities including legal, accounting, tax preparation and shareholder servicing costs that are not considered separate operating segments. Our reportable segments are on the same basis of accounting as described in Note 2 "Basis of Presentation and Summary of Significant Accounting Policies."

We evaluate the performance of our segments based on net operating income, defined as: rental income and tenant reimbursements less property and related expenses (operating and maintenance, property management fees, property level general and administrative expenses and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization, and our general and administrative expenses.

The following table compares the net operating income for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Domestic Industrial Properties				
Revenues:				
Rental	$ 8,344	$ 5,107	$ 22,455	$16,407
Tenant Reimbursements	1,748	1,286	5,091	3,840
Total Revenues	10,092	6,393	27,546	20,247
Property and Related Expenses:				
Operating and Maintenance	432	305	1,366	1,038
General and Administrative	179	29	503	191
Property Management Fee to Related Party	68	66	205	204
Property Taxes	1,612	1,442	4,824	4,327
Total Expenses	2,291	1,842	6,898	5,760
Net Operating Income	7,801	4,551	20,648	14,487
Domestic Office Properties				
Revenues:				
Rental	22,415	10,182	59,861	25,043
Tenant Reimbursements	5,481	1,753	14,620	4,799
Total Revenues	27,896	11,935	74,481	29,842
Property and Related Expenses:				
Operating and Maintenance	3,704	1,664	10,060	3,778
General and Administrative	16	73	194	244
Property Management Fee to Related Party	213	129	515	190
Property Taxes	3,012	1,222	8,535	3,509
Total Expenses	6,945	3,088	19,304	7,721
Net Operating Income	20,951	8,847	55,177z	22,121
International Office/Retail Properties				
Revenues:				
Rental	1,717	1,604	4,851	5,079
Tenant Reimbursements	84	172	218	308
Total Revenues	1,801	1,776	5,069	5,387
Property and Related Expenses:				
Operating and Maintenance	175	175	533	314
General and Administrative	107	313	181	434
Property Management Fee to Related Party	230	71	376	213
Total Expenses	512	559	1,090	961
Net Operating Income	1,289	1,217	3,979	4,426

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Reconciliation to Consolidated Net Loss				
Total Segment Net Operating Income	30,041	14,615	79,804	41,034
Interest Expense	9,329	3,898	24,724	10,232
General and Administrative	1,172	1,151	3,386	3,374
Investment Management Fee to Related Party	5,607	2,933	15,100	8,050
Acquisition Expenses	1,044	2,195	12,537	7,414
Depreciation and Amortization	16,656	7,941	43,901	21,902
	(3,767)	(3,503)	(19,844)	(9,938)
Other Income and Expenses				
Interest and Other Income	460	245	1,271	931
Net Settlement Payments on Interest Rate Swaps	(178)	(568)	(532)	(1,012)
Gain (Loss) on Interest Rate Swaps	32	263	177	(239)
Gain (Loss) on Note Payable at Fair Value	75	(21)	41	(98)
Loss on Early Extinguishment of Debt	0	0	0	(72)
Loss from Continuing Operations Before Provision for Income Taxes and Equity in Income of Unconsolidated Entities	(3,378)	(3,584)	(18,887)	(10,428)
Provision for Income Taxes	(85)	(163)	(385)	(248)
Equity in Income of Unconsolidated Entities	609	2,539	4,160	5,385
Net Loss from Continuing Operations	(2,854)	(1,208)	(15,112)	(5,291)
Discontinued Operations				
(Loss) Income from Discontinued Operations	(18)	0	377	0
Realized Gain from Sale	426	0	301	0
Income From Discontinued Operations	408	0	678	0
Net Loss	(2,446)	(1,208)	(14,434)	(5,291)
Net Loss Attributable to Non-Controlling Operating Partnership Units	4	2	20	9
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$ (2,442)	$ (1,206)	$(14,414)	$ (5,282)

Assets	September 30, 2011	December 31, 2010
Domestic Industrial Properties	$ 444,936	$ 412,093
Domestic Office Properties	1,078,932	711,084
Domestic Industrial Properties-Discontinued Operations	0	22,056
International Office/Retail Properties	101,947	104,076
Non-Segment Assets	652,115	467,411
Total Assets	$2,277,930	$1,716,720

	Nine Months Ended September 30,	
Capital Expenditures	2011	2010
Domestic Industrial Properties	$ 45,604	$ 1,415
Domestic Office Properties	353,658	235,122
International Office/Retail Properties	90	0
Non-Segment Assets	232	110
Total Capital Expenditures	$ 399,584	$ 236,647

11. Investment Management and Other Fees to Related Parties

Pursuant to the agreement between our company, CBRE OP and the Investment Advisor (the "Advisory Agreement"), the Investment Advisor and its affiliates perform services relating to our ongoing public offering and the management of our assets. Items of compensation and equity participation are as follows:

Offering Costs Relating to Public Offerings

Offering costs totaling $18,589,000 and $13,121,000, $44,856,000 and $38,057,000, were incurred during the three and nine months ended September 30, 2011 and 2010, respectively, and are recorded as a reduction of additional paid-in-capital in the consolidated statement of shareholders' equity. Of the total amounts, $18,517,000 and $13,075,000, $44,584,000 and $37,908,000, were incurred to CNL Securities Corp., as dealer manager and $72,000 and $46,000, $273,000 and $149,000, were incurred to the Investment Advisor for reimbursable marketing for the three and nine months ended September 30, 2011 and 2010, respectively. Each party will be paid the amount incurred from proceeds of the public offering. As of September 30, 2011 and December 2010 the accrued offering costs payable to related parties included in our consolidated balance sheets were $1,411,000 and $917,000.

Investment Management Fee to Related Party

Prior to October 24, 2006, the Investment Advisor received an annual fee equal to 0.75% of the book value of the total assets, as defined in the Advisory Agreement, based on the assets of CBRE OP. The investment management fee was calculated monthly based on the average of total assets, as defined, during such period. On October 24, 2006, the Board of Trustees, including our independent trustees, approved and the Company entered into the Amended and Restated Agreement of Limited Partnership of CBRE OP (the "Amended Partnership Agreement") and the Amended and Restated Advisory Agreement (the "Amended Advisory Agreement" and, together with the Amended Partnership Agreement, the "Amended Agreements"). The Amended Advisory Agreement provided an investment management fee of (i) a monthly fee equal to one twelfth of 0.6% of the aggregate cost (before non-cash reserves and depreciation) of all real estate investments within our portfolio and (ii) a monthly fee equal to 7.0% of the aggregate monthly net operating income derived from all real estate investments within our portfolio. On January 30, 2009, we entered into that certain second amended and restated advisory agreement (the "Second Amended Advisory Agreement") with CBRE OP and the Investment Advisor. The Second Amended Advisory Agreement modified, among other things, the investment management fee to consist of (a) a monthly fee equal to one twelfth of 0.5% of the aggregate costs (before non-cash reserves and depreciation) of all real estate investment in our portfolio and (b) a monthly fee equal to 5.0% of the aggregate monthly net operating income derived from all real estate investments in our portfolio. All or any portion of the investment management fee not taken as to any fiscal year may be deferred or waived without interest at the option of the Investment Advisor.

The Investment Advisor earned investment management fees of $5,626,000 and $2,932,000 for the three months ended September 30, 2011 and 2010, respectively; and $15,196,000 and $8,050,000 for the nine months ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and December 31, 2010, the investment management fees payable to related party in our consolidated balance sheets were $1,887,000 and $1,330,000, respectively. In connection with services provided to the Investment Advisor, CNL Fund Management Company, the Sub-Advisor and affiliate of the Dealer Manager pursuant to a sub-advisory agreement dated August 21, 2006, was paid by the Investment Advisor $777,000 and $405,000 for the three months ended September 30, 2011 and 2010, respectively; and $2,098,000 and $1,112,000 for the nine months ended September 30, 2011 and 2010, respectively.

Acquisition Fee, Construction Management Fee and Expenses to Related Party

On January 30, 2009, we entered into that certain Second Amendment Advisory Agreement that permits the Investment Advisor to earn an acquisition fee of up to 1.5% of (i) the purchase price of real estate investments acquired by us, including any debt attributable to such investments, or (ii) when we make an investment indirectly through another entity, such investment's pro rata share of the gross asset value of real estate investments held by that entity. The Investment Advisor earned acquisition fees of $803,000 and $1,014,000 for the three months ended September 30, 2011 and 2010, respectively; and $10,179,000 and $4,614,000 for the nine months ended September 30, 2011 and 2010. In connection with services provided to the Investment Advisor, the Sub Advisor, pursuant to a sub advisory agreement, was paid by the Investment Advisor acquisition fees of $150,000 and $190,000 for the three months ended September 30, 2011 and 2010, respectively; and $1,903,000 and $863,000 for the nine months ended September 30, 2011 and 2010, respectively. The Investment Advisor earned $54,000 and $101,000 in acquisition related expenses during the three months ended September 30, 2011 and 2010, respectively; and $679,000 and $474,000 for the nine months ended September 30, 2011 and 2010, respectively.

The Investment Advisor earned a construction supervision fee of $212,000 for the three and nine months ended September 30, 2011. There were no construction supervision fees earned in 2010.

Management Services to Related Party

Affiliates of the Investment Advisor may also provide leasing, brokerage, property management, construction management or mortgage banking services for us. CBRE Group, Inc., an affiliate of the Investment Advisor, received property management fees of approximately $511,000 and $266,000 for the three months ended September 30, 2011 and 2010, respectively; and $1,096,000 and $606,000 for the nine months ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and December 31, 2010 the property management fees payable to related party included in our consolidated balance sheets were $297,000 and $184,000, respectively. Brokerage fees of $85,000 and $0 were paid to affiliates of the Investment Advisor for the three months ended September 30, 2011 and 2010, respectively; and $111,000 and $0 for the nine months ended September 30, 2011, respectively. Mortgage banking fees of $1,362,000 and $28,000 were paid to CBRE Capital Markets, as affiliate of the Investment Advisor, for three months ended September 30, 2011 and 2010, respectively; and $2,113,000 and $238,000 for nine months ended September 30, 2011 and 2010, respectively.

Affiliates of the Investment Advisor received leasing fees of $156,000 and $26,000 for the three months ended September 30, 2011 and 2010, respectively; and $1,266,000 and $494,000 for the nine months ended September 30, 2011 and 2010, respectively. An affiliate of the Investment Advisor received construction management fees of $5,000 and $10,000 for the three months ended September 30, 2011 and 2010, respectively; and $24,000 and $15,000 for the nine months ended September 30, 2011 and 2010, respectively.

12. Equity Incentive Plan and Performance Bonus Plan

Equity Incentive Plan

We have adopted a 2004 equity incentive plan. The purpose of the 2004 equity incentive plan is to provide us with the flexibility to use share options and other awards to provide a means of performance-based compensation. Our key employees, directors, trustees, officers, advisors, consultants or other personnel and our subsidiaries or other persons expected to provide significant services or our subsidiaries, including employees of the Investment Advisor, would be eligible to be granted share options, restricted shares, phantom shares, distribution equivalent rights and other share-based awards under the 2004 equity incentive plan.

On April 20, 2010, our Board's independent trustees, Messrs. Black, Reid and Orphanides, were awarded equity grants under our 2004 equity incentive plan on the following terms: (i) each award was for $80,000 in restricted common shares of the Trust (or 8,000 shares at $10.00 per share) for a total of $240,000; (ii) each award vested in its entirety, upon issuance; and (iii) the independent trustee would not be able to redeem any of the restricted common shares prior to the third anniversary of date of issuance, but retains the rights to dividends declared and paid during such restriction period. We recognized a stock based compensation expense of $240,000 during the nine months ended September 30, 2010 as a result of granting these awards to our independent trustees.

On June 17, 2011, our Board's independent trustees, Messrs. Black, Reid and Orphanides, were awarded equity grants under our 2004 equity incentive plan on the following terms: (i) each award was for $9,200 in restricted common shares of the Trust (or 1,000 shares at $9.20 per share) for a total of $27,600; (ii) each award vested in its entirety, upon issuance; and (iii) the independent trustee would not be able to redeem any of the restricted common shares prior to the third anniversary of date of issuance, but retains the rights to dividends declared and paid during such restriction period. We recognized a stock based compensation expense of $27,600 during the nine months ended September 30, 2011 as a result of granting these awards to our independent trustees.

Performance Bonus Plan

We have adopted a 2004 performance bonus plan. Annual bonuses under our 2004 performance bonus plan are awarded by our Compensation Committee to selected key employees, including employees of the Investment Advisor, based on corporate factors or individual factors (or a combination of both). Subject to the provisions of the 2004 performance bonus plan, the Compensation Committee will (i) determine and designate those key employees to whom bonuses are to be granted; (ii) determine, consistently with the 2004 performance bonus plan, the amount of the bonus to be granted to any key employee for any performance period; and

(iii) determine, consistently with the 2004 performance bonus plan, the terms and conditions of each bonus. Bonuses may be so awarded by the Compensation Committee prior to the commencement of any performance period, during or after any performance period. No bonus shall exceed 200% of the key employee's aggregate salary for the year. The Compensation Committee may provide for partial bonus payments at target and other levels. Corporate performance hurdles for bonuses may be adjusted by the Compensation Committee in its discretion to reflect (i) dilution from corporate acquisitions and share offerings, and (ii) changes in applicable accounting rules and standards. The Compensation Committee may determine that bonuses shall be paid in cash or shares or other equity-based grants, or a combination thereof. The Compensation Committee may also provide that any such share grants be made under our 2004 equity incentive plan or any other equity-based plan or program we may establish. The Compensation Committee may provide for programs under which the payment of bonuses may be deferred at the election of the employee. No bonuses were awarded and no bonus related expenses were incurred by us during the three and nine months ended September 30, 2011 and 2010, respectively.

13. Shareholders' Equity

Under our declaration of trust, we have the authority to issue a total of 1,000,000,000 shares of beneficial interest. Of the total shares authorized, 990,000,000 shares are designated as common shares with a par value of $0.01 per share and 10,000,000 shares are designated as preferred shares.

The registration statement relating to our initial public offering was declared effective by the SEC on October 24, 2006. CNL Securities Corp. acted as the dealer manager of this offering. The registration statement covered up to $2,000,000,000 in common shares of beneficial interest, 90% of which were offered at a price of $10.00 per share, and 10% of which were offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor, or another firm we choose for that purpose. As of January 29, 2009, we had issued 60,808,967 common shares in our initial public offering. We terminated the initial public offering effective as of the close of business on January 29, 2009. The registration statement relating to our follow-on public offering was declared effective by the SEC on January 30, 2009. CNL Securities Corp. is the dealer manager of this offering. The registration statement covers up to $3,000,000,000 in common shares of beneficial interest, 90% of which will be offered at a price of $10.00 per share, and 10% of which will be offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor, or another firm we choose for that purpose. We reserve the right to reallocate the shares between the primary offering and our dividend reinvestment plan. From January 30, 2009 (effective date) through September 30, 2011, we received gross offering proceeds of approximately $1,476,184,746 from the sale of 148,029,604 shares. Our Board of Trustees has confirmed that our follow-on offering will close on January 30, 2012. We expect to offer common shares through our dividend investment plan beyond January 30, 2012.

During the nine months ended September 30, 2011 and 2010, we repurchased 2,786,617 common shares, and 1,221,867 common shares, respectively, under our Share Redemption Program for $25,477,000 and $11,093,000, respectively.

14. Distributions

Earnings and profits, which determine the taxability of distributions to shareholders, will differ from income reported for financial reporting purposes due to the differences for federal income tax purposes including the treatment of loss on extinguishment of debt, revenue recognition, compensation expense and in the basis of depreciable assets and estimated useful lives used to compute depreciation.

The following table reconciles the distributions declared per common share to the distributions paid per common share during the nine months ended September 30, 2011 and 2010:

	Nine Months Ended September 30,	
	2011	**2010**
Distributions declared per common share	$ 0.450	$ 0.450
Less: Distributions declared in the current period, and paid in the subsequent period	(0.150)	(0.150)
Add: Distributions declared in the prior year, and paid in the current year	0.150	0.150
Distributions paid per common share	$ 0.450	$ 0.450

Distributions to shareholders during the nine months ended September 30, 2011 and 2010 totaled $76,485,000 and $50,856,000, respectively.

We issued 3,465,611 common shares and 2,305,836 common shares pursuant to our dividend reinvestment plan for the nine months ended September 30, 2011 and 2010, respectively.

15. Derivative Instruments

The following table sets forth the terms of our interest rate swap derivative instruments at September 30, 2011 (in thousands):

Type of Instrument	Notional Amount	Fair Value	Pay Fixed Rate	Receive Variable Rate	Maturity Date
Non-qualifying Interest Rate Swap on Thames Valley Five debt(1)	$ 8,792	$ (664)	5.41%	0.88%	May 30, 2013
Non-qualifying Interest Rate Swap on Albion Mills Retail Park debt(1)	$ 8,907	$ (515)	3.94%	0.83%	October 10, 2013
Qualifying Interest Rate Swap on Maskew Retail Park debt(1)	$21,785	$(1,382)	3.42%	0.83%	August 10, 2014
Qualifying Interest Rate Swap on Wells Fargo Credit Facility loan	$15,000	$ (604)	2.10%	0.22%	May 26, 2014
Qualifying Interest Rate Swap on Pacific Corporate Park debt	$82,750	$(5,484)	2.69%	0.25%	December 7, 2017
Qualifying Interest Rate Swap on 100 Kimball debt	$32,686	$(3,981)	3.50%	0.22%	March 1, 2021
Qualifying Interest Rate Swap on Kings Mountain III debt	$11,659	$ (656)	4.47%	0.22%	July 1, 2018

(1) Based on three month GBP-based LIBOR BBA Index with variable rate reset dates every 90 days during the term of the swaps.

The following table sets forth the terms of our interest rate swap derivative instruments at December 31, 2010 (in thousands):

Type of Instrument	Notional Amount	Fair Value	Pay Fixed Rate	Receive Variable Rate	Maturity Date
Non-qualifying Interest Rate Swap on Thames Valley Five debt(1)	$ 8,781	$ (802)	5.41%	0.74%	May 30, 2013
Non-qualifying Interest Rate Swap on Albion Mills Retail Park debt(1)	$ 8,897	$ (547)	3.94%	0.74%	October 10, 2013
Qualifying Interest Rate Swap on Maskew Retail Park debt(1)	$21,759	$(1,090)	3.42%	0.74%	August 10, 2014
Qualifying Interest Rate Swap on Wells Fargo Credit Facility loan	$15,000	$ (371)	2.10%	0.26%	May 26, 2014
Qualifying Interest Rate Swap on Pacific Corporate Park debt	$85,000	$ (471)	2.69%	0.32%	December 7, 2017

(1) Based on three month GBP-based LIBOR BBA Index with variable rate reset dates every 90 days during the term of the swaps.

We marked our two non-qualifying economic hedge interest rate swap instruments to their estimated liability value of $1,179,000 and $1,349,000 on the consolidated balance sheet at September 30, 2011 and December 31, 2010 included in Liabilities as Interest Rate Swaps at Fair Value. We recognized a gain on interest rate swaps of $177,000 and a loss of $129,000 for the nine months ended September 30, 2011 and 2010, respectively, included in Gain (Loss) on Interest Rate Swaps on the Consolidated Statement of Operations.

Our $21,785,000 notional amount interest rate swap has been designated as a qualifying cash flow hedge of the LIBOR base payments due under our Maskew Retail Park variable rate note payable from its inception on September 24, 2009. The estimated fair value of the interest rate swap liability value of $1,382,000 and $1,090,000 as of September 30, 2011 and December 31, 2010, respectively, has resulted in a swap fair value adjustment being recorded to other comprehensive loss totaling $292,000 for the nine months ended September 30, 2011. Comparatively, we recognized a fair value adjustment recorded to other comprehensive loss totaling $1,197,000 for the nine months ended September 30, 2010. There was no measured ineffectiveness for the qualifying hedge during the nine months ended September 30, 2010 and 2011.

Our $15,000,000 notional amount interest rate swap has been designated as a qualifying cash flow hedge of the LIBOR base payments due under our Wells Fargo Credit Facility variable rate loan payable from its inception on May 26, 2010. The estimated fair value of the interest rate swap liability value of $604,000 and $371,000 as of September 30, 2011 and December 31, 2010, has resulted in a swap fair value adjustment being recorded to other comprehensive loss totaling $233,000 for the nine months ended September 30, 2011. Comparatively, we recognized a fair value adjustment recorded to other comprehensive loss totaling $594,000 for the nine months ended September 30, 2010. There was no measured ineffectiveness for the qualifying hedge during the nine months ended September 30, 2010 and 2011.

Our $82,750,000 notional amount interest rate swap has been designated as a qualifying cash flow hedge of the LIBOR base payments due under our Pacific Corporate Park variable rate loan payable from its inception on December 7, 2010. The estimated fair value of the interest rate swap liability value of $5,484,000 and $471,000 as of September 30, 2011 and December 31, 2010, has resulted in a swap fair value adjustment being recorded to other comprehensive loss totaling $5,013,000 for the nine months ended September 30, 2011. There was no measured ineffectiveness for the qualifying hedge during the nine months ended September 30, 2010 and 2011.

Our $32,686,000 notional amount interest rate swap has been designated as a qualifying cash flow hedge of the LIBOR base payments due under our 100 Kimball variable rate loan payable from its inception on March 1, 2011. The estimated fair value of the interest rate swap liability value of $3,981,000 as of September 30, 2011, has resulted in a swap fair value adjustment being recorded to other comprehensive loss totaling $3,981,000 for the nine months ended September 30, 2011. There was no measured ineffectiveness for the qualifying hedge during the nine months ended September 30, 2010 and 2011.

Our $11,659,000 notional amount interest rate swap has been designated as a qualifying cash flow hedge of the LIBOR base payments due under our Kings Mountain III variable rate loan payable from its inception on July 1, 2011. The estimated fair value of the interest rate swap liability value of $656,000 as of September 30, 2011, has resulted in a swap fair value adjustment being recorded to other comprehensive loss totaling $656,000 for the nine months ended September 30, 2011. There was no measured ineffectiveness for the qualifying hedge during the nine months ended September 30, 2010 and 2011.

16. Fair Value Option—Note Payable

During the fourth quarter of 2008 we elected to apply the fair value option on a note payable which bears interest at a variable rate and is currently subject to an economic hedge by an interest rate swap with similar terms and the same notional amount. We have elected to apply the fair value option on the Albion Mills Retail Park variable rate note payable to match the fair value treatment of interest rate swap derivative on the same note payable thereby achieving a reduction in the artificial volatility in net income or loss that occurs when related financial assets and liabilities are measured and reported on a different basis in the consolidated financial statements.

We applied the fair value option for the Albion Mills Retail Park note payable at each reporting period. Included in gain (loss) on notes payable at fair value in the statement of operations were $75,000 and ($21,000) for the three months ended September 30, 2011 and 2010, respectively and $41,000 and ($98,000) for the nine months ended September 30, 2011 and 2010, respectively. In addition, there were $12,000 and $87,000 of translation adjustments recorded to Other Comprehensive Loss at September 30, 2011 and December 31, 2010, respectively.

17. Fair Value of Financial Instruments and Investments

We apply the three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices for identical financial instruments in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as instruments that have little to no pricing observability as of the reported date. These financial instruments do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation. We have classified the Albion Mills Retail Park notes payable as Level 3 as of September 30, 2011 and December 31, 2010 due to the lack of current market activity and our reliance on unobservable inputs to estimate the fair value of the mortgage note payable.

As of September 30, 2011 and December 31, 2010, we held certain items that are required to be measured at fair value on a recurring basis. These included cash equivalents, interest rate swap derivative contracts and our equity method investment in CBRE Strategic Partners Asia. Cash equivalents consist of short-term, highly liquid, income-producing investments, all of which have maturities of 90 days or less, including money market funds and U.S. Government obligations. Derivative instruments are related to our economic hedging activities with respect to interest rates.

The fair values of the swap derivative agreements are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates fell above the strike rate of the interest rate cap agreement, and by discounting the future expected cash payments and receipts on the pay and receive legs of the interest rate swap agreements that swap the estimated variable rate mortgage note payment stream for a fixed rate receive payment stream over the period of the loan. The variable interest rates used in the calculation of projected receipts on the interest rate cap agreement and on the interest rate swap agreements are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements (where appropriate). Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. However, as of September 30, 2011 and December 31, 2010, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy. We have consistently applied these valuation techniques in all periods presented and believe we have obtained the most accurate information available for the types of derivative contracts we hold.

Our investment in CBRE Strategic Partners Asia is based on the Level 3 valuation inputs applied by the Investment Manager of this investment company utilizing the following approaches for valuing the underlying real estate related investments within the investment company:

- The income approach is generally based on a discounted cash flow analysis. Such an analysis for a real property includes projecting net cash flows from the property from a buyer's perspective and computing the present value of the cash flows using a market discount rate. The cash flows include a projection of the net sales proceeds at the end of our estimate of a market participant holding period, computed using market reversionary capitalization rates and projected cash flows from the property for the year following the holding period.

- The direct market comparison approach to property valuation is primarily based on the principle of substitution, which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. Transactions of similar properties are analyzed and compared to the subject property. Factors affecting value include differences in the location, size, quality of construction and other physical features, property rights appraised, timing of sale, and economic and market conditions.

- The replacement cost approach to property valuation is a theoretical breakdown of the property into land and building components. The theory is that the value of a property can be estimated by summing the land value and the depreciated value of any improvements. While the replacement cost of the improvements can be determined by adding the labor, material, and other costs, land values must be derived from an analysis of comparable data. The cost approach is considered reliable when used on newer structures, but the method tends to become less reliable for older properties.

- For investments owned more than one year, except for investments under construction or incurring significant renovation, it is CBRE Strategic Partners Asia's policy to obtain a third-party appraisal. For investments in real estate under construction or incurring significant renovation, the valuation analysis is prepared by the Investment Manager.

The following items are measured at fair value on a recurring basis at September 30, 2011 and December 31, 2010 (in thousands):

	As of September 30, 2011			
		Fair Value Measurements Using:		
	Total Fair Value	Quoted Markets Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets (Liabilities)				
Cash and Cash Equivalents	$138,284	$138,284	$ 0	$ 0
Interest Rate Swaps at Fair Value—Non Qualifying Hedges	$ (1,179)	$ 0	$ (1,179)	$ 0
Interest Rate Swaps at Fair Value—Qualifying Hedges	$ (12,107)	$ 0	$(12,107)	$ 0
Investment in CBRE Strategic Partners Asia	$ 9,325	$ 0	$ 0	$ 9,325
Note Payable at Fair Value	$ (8,740)	$ 0	$ 0	$(8,740)

	As of December 31, 2010			
		Fair Value Measurements Using:		
	Total Fair Value	Quoted Markets Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets (Liabilities)				
Cash and Cash Equivalents	$ 998	$ 998	$ 0	$ 0
Interest Rate Swaps at Fair Value—Non Qualifying Hedges	$ (1,349)	$ 0	$ (1,349)	$ 0
Interest Rate Swaps at Fair Value—Qualifying Hedges	$ (1,932)	$ 0	$ (1,932)	$ 0
Investment in CBRE Strategic Partners Asia	$ 9,471	$ 0	$ 0	$ 9,471
Note Payable at Fair Value	$ (8,769)	$ 0	$ 0	$(8,769)

The following table presents our activity for the variable rate note payable and our investment in CBRE Strategic Partners Asia measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the nine months ended September 30, 2011 (in thousands):

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Investment in CBRE Strategic Partners Asia	Note Payable
Balance at January 1, 2011	$9,471	$(8,769)
Contributions	457	0
Distributions	0	0
Total Gain (Loss) on Fair Value Adjustment	(603)	41
Translation Adjustment in Other Comprehensive Income	0	(12)
Balance at September 30, 2011	$9,325	$(8,740)
Total Gain (Loss) for the Period Included in Earnings Attributable to the Change in Equity in Income of Unconsolidated Entities and Note Payable Valuation Adjustment Held at September 30, 2011	$ (603)	$ 41

Gains and losses (realized and unrealized) included in earnings related to the interest rate swaps, as well as for the elected fair value note payable for the three and nine months ended September 30, 2011 and 2010, respectively, are reported as components of “Other Income and Expense” on the consolidated statements of operations.

Disclosure of Fair Value Financial Instruments

For disclosure purposes only, the following table summarizes our notes payable and their estimated fair value at September 30, 2011 and December 31, 2010 (in thousands):

	Book Value		Fair Value	
Financial Instrument	**September 30, 2011**	**December 31, 2010**	**September 30, 2011**	**December 31, 2010**
Notes Payable	$632,377	$356,823	$659,790	$361,418
Note Payable at Fair Value	8,740	8,769	8,740	8,769
	$641,117	$365,592	$668,530	$370,187

For purposes of this fair value disclosure, we based our fair value estimate for notes payable on our internal valuation that includes a representative sample of our lenders' market interest rate quotes as of September 30, 2011 and December 31, 2010 for debt with similar risk characteristics and maturities. We based the Note Payable carried at fair value on a third party appraiser's valuation, which used similar techniques as our internal valuation model as of September 30, 2011 and December 31, 2010.

18. Commitments and Contingencies

We have agreed to a capital commitment of up to $20,000,000 in CBRE Strategic Partners Asia, which extends to January 31, 2012. As of September 30, 2011, we funded $15,497,000 of our capital commitment. CBRE Investors, our sponsor, formed CBRE Strategic Partners Asia, to purchase, reposition, develop, hold for investment and sell institutional quality real estate and related assets in targeted markets in China, Japan, India, South Korea, Hong Kong, Singapore and other Asia Pacific markets. If we and all other currently committed capital investors had funded our entire commitments in CBRE Strategic Partners Asia as of September 30, 2011, we would have owned an ownership interest of approximately 5.07% in CBRE Strategic Partners Asia. A majority of our trustees (including a majority of our independent trustees) not otherwise interested in this transaction approved the transaction as being fair, competitive and commercially reasonable. CBRE Strategic Partners Asia is managed by CB Richard Ellis Investors SP Asia II, LLC or the Fund Manager, a subsidiary of CBRE Investors.

On August 24, 2010, the Duke joint venture closed on the acquisition of additional land and entered into a construction agreement, and lease amendments (collectively, the "Expansion Agreements") to expand the AllPoints at Anson Bldg. 1 property, a warehouse/distribution center located in Whitestown, IN, a suburb of Indianapolis. The existing property is 100% leased to a subsidiary of Amazon.com through July 2018. Pursuant to the Expansion Agreements, AllPoints at Anson Bldg. 1 (i) was expanded from the current 630,573 square feet to approximately 1,036,573 square feet and (ii) remains 100% leased to a subsidiary of Amazon.com, which lease was extended through April 2021. The total cost of the expansion is anticipated to be approximately $19,200,000 to be incurred by the Duke joint venture. As of September 30, 2011, the Duke joint venture had paid land acquisition and construction costs totaling approximately $16,324,000. We expect to make cash contributions of approximately $15,360,000 to the Duke joint venture over the construction period in connection with the Expansion Agreements. We paid a construction supervision fee of $212,000 to our Investment Advisor in connection with the Expansion Agreements.

On April 28, 2011, the Duke joint venture entered into a lease amendments to expand the Buckeye Logistics Center property, a warehouse/distribution center located in Phoenix, AZ. On May 2, 2011 the Duke joint venture closed on the acquisition of additional land and entered into a construction agreement (along with the lease amendments collectively, the "Buckeye Expansion Agreements"). The existing property is 100% leased to a subsidiary of Amazon.com through September 2018. Pursuant to the Buckeye Expansion Agreements, Buckeye Logistics Center (i) will be expanded from the current 604,678 square feet to approximately 1,009,351 square feet and (ii) will remain 100% leased to a subsidiary of Amazon.com, which lease will be extended through September 2021. The total cost of the expansion is anticipated to be approximately $21,160,000 to the Duke joint venture. As of September 30, 2011, the Duke joint venture had paid land acquisition and construction costs totaling approximately $16,070,000. We expect to make cash contributions of approximately $16,928,000 to the Duke joint venture over the construction period in connection with the Buckeye Expansion Agreements.

Litigation—From time to time, we and our properties may be subject to legal proceedings, which arise in the ordinary course of our business. Currently, neither our company nor any of our properties are subject to, or threatened with, any legal proceedings for which the outcome is reasonably likely to have a material effect on our financial statements.

Environmental Matters—We are not aware of any environmental liability or any unasserted claim or assessment with respect to an environmental liability that we believe would require additional disclosure or the recording of a loss contingency.

19. Comprehensive Income (Loss)

U.S. GAAP requires that the effect of foreign currency translation adjustments be classified as comprehensive income (loss). The following table sets forth our comprehensive loss for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net Loss	$ (2,446)	$(1,208)	$(14,434)	$(5,291)
Foreign Currency Translation (Loss) Gain	(6,300)	7,366	888	4,368
Swap Fair Value Adjustment	(8,237)	(567)	(10,769)	(1,791)
Total Comprehensive Income (Loss)	(16,983)	5,591	(24,315)	(2,714)
Comprehensive Loss (Income) Attributable to Non-Controlling Interest	20	(9)	30	7
Comprehensive (Loss) Income Attributable to CB Richard Ellis Realty Trust Shareholders	$(16,963)	$ 5,582	$(24,285)	$(2,707)

20. Income Taxes

We elected to be taxed as a REIT under the Internal Revenue Code commencing with our taxable year ended December 31, 2004. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we generally distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain). It is our current intention to adhere to these requirements and maintain our REIT qualification. As a REIT, we generally will not be subject to corporate level U.S. federal income tax on net income we distribute currently to our shareholders. If we fail to qualify as a REIT in any taxable year, then we will be subject to U.S. federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed taxable income, if any.

We have made taxable REIT subsidiary (“TRS”) elections for all of our held for sale property subsidiaries. The elections, effective for the tax year beginning January 1, 2010 and future years, were made pursuant to section 856(i) of the Internal Revenue Code. Our TRS’s are subject to corporate level income taxes which are recorded in our consolidated financial statements.

The following table reconciles net income available to common shareholders from the TRS to taxable income available to common shareholders from the TRS for the nine months ended September 30, 2011 (in thousands):

	Nine Months Ended September 30, 2011
Net Income Available from TRS	$ 377
Gain on Sale	425
Straight-line Rent	3
Federal Tax Expense	191
Less: Tax Depreciation and Amortization	(332)
Less: Receipts of Prepaid Rent—Previously Recognized	(163)
Less: Capitalized Acquisition Expense for Tax—Previously Recognized	(3)
Taxable Income for TRS	$ 498

(1) Net income available from the TRS is comprised of income from discontinued operations.

The following table summarizes the provision for income taxes of the TRS for the nine months ended September 30, 2011 (in thousands):

	Nine Months Ended September 30, 2011
Current	$191
Deferred	0
Total Provision for Income Taxes	$191

There was no provision for income taxes of the TRS for the nine months ended September 30, 2010 as it was not yet formed.

ASC 740-10 Income Taxes requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred liabilities of the TRS relate primarily to differences in the book and tax depreciation method of property for U.S. Federal and state income tax purpose.

The following table summarizes the tax effects of temporary differences of the TRS included in the net deferred tax liabilities for the nine months ended September 30, 2011 and for the year ended December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Net Deferred Tax Liability, resulting primarily from differences in depreciation and amortization in real estate	$0	$(61)

Included as a component of our tax provision, we have incurred income and other taxes (franchise, local and state government and international) related to our continuing operations in the amount of $85,000 and $163,000, $385,000 and $248,000 for California, Georgia, Massachusetts, Minnesota, Texas and North Carolina impacting our operations during the three and nine months ended September 30, 2011 and 2010, respectively. The United Kingdom taxes real property operating results at a statutory rate of 22%. The United Kingdom taxable losses to date have generated a deferred tax asset of approximately $681,000 consisting of these net operating loss carryforwards. We have provided for a full valuation allowance of ($681,000) as of three months ended September 30, 2011 on deferred tax assets because it is not likely that future operating profits in the United Kingdom would be sufficient to absorb the net operating losses.

21. Subsequent Events

From October 1, 2011 through November 4, 2011, we received gross proceeds from our current public offering of approximately $87,610,356 from the sale of 8,830,872 common shares.

On October 24, 2011, we entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Sabal Pavilion, located in the Sabal Park development in Tampa Bay, Florida, for approximately $21,500,000, exclusive of customary closing costs. We will assume a interest-only mortgage loan in connection with the acquisition of Sabal Pavilion that will have a principal balance at closing of $14,700,000, maturing on August 1, 2013 and with an interest rate of 6.38%. We anticipate that the balance of the acquisition amount will be funded using the net proceeds from our current public offering. We deposited $500,100 into an escrow account upon the execution of the agreement that is refundable in the event certain closing conditions are not met. Sabal Pavilion is a 120,500 square foot, four-story office building constructed in 1998 that is 100% leased to Ford Motor Credit Company through March 2021 and is used as a regional call center. Ford Motor Credit Company is a subsidiary of Ford Motor Company (NYSE: F), and provides consumer auto financing through dealers of Ford, Lincoln and Mercury brand vehicles. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 27, 2011, the European JV entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Graben Distribution Center I, located in Graben, Bavaria, Germany, outside of Munich. The European JV will acquire Graben Distribution Center I for approximately €54,700,000 (approximately $75,486,000 assuming an exchange rate of €1.00:$1.38, or $60,388,800 at our 80% pro rata share), exclusive of customary closing costs. We expect that our 80% pro rata share of the acquisition will be funded using the net proceeds from our current public offering. Graben Distribution Center I is a 1,017,868 square foot warehouse/distribution building that will be completed in the fourth quarter of 2011 and will be 100% leased to Amazon Fulfillment GmbH through April 2022. Amazon Fulfillment GmbH will use Graben Distribution Center I as a regional fulfillment center. Amazon Fulfillment GmbH lease will be guaranteed by Amazon EU S.a.r.l., Amazon.com's primary European operating subsidiary. Amazon Fulfillment GmbH and Amazon EU S.a.r.l. are subsidiaries of Amazon.com, one of the world's largest internet retailers. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 27, 2011, the European JV entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Graben Distribution Center II, located in Graben, Bavaria, Germany, outside of Munich. The European JV will acquire Graben Distribution Center II for approximately €6,860,000 (approximately $9,466,800 assuming an exchange rate of €1.00:$1.38, or $7,573,440 at our 80% pro rata share), exclusive of customary closing costs. We expect that our 80% pro rata share of the acquisition will be funded using the net proceeds from our current public offering. Graben Distribution Center II is a 73,367 square foot warehouse/distribution building that we expect will be completed in the fourth quarter of 2011. Graben Distribution Center II will be adjacent to and linked, via a connector bridge, with Graben Distribution Center I. Graben Distribution Center II will be 100% leased to Deutsche Post Immobilien GmbH, conducting business under the DHL brand, through November 2021. DHL will use Graben Distribution Center II as a distribution center for goods coming from Graben Distribution Center I. Deutsche Post Immobilien GmbH is a subsidiary of Deutsche Post AG, one of the world's leading suppliers of mail and logistics services. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 28, 2011, we entered into a joint venture with a subsidiary of the Trammell Crow Company, or TCC, a subsidiary of CBRE Group, Inc., (NYSE: CBG) and an affiliate of the Investment Advisor, to develop 1400 Atwater Drive, located in the Atwater Business Park development in East Whiteland Township, Pennsylvania, a suburb of Philadelphia. The joint venture will develop 1400 Atwater Drive for approximately $66,422,520. We anticipate that the development will be funded using the net proceeds from our current public offering, but the joint venture may also fund a portion of the development from financing provided by a third party. The joint venture will pay TCC a customary fee for developing 1400 Atwater Drive equal to a percentage of the total development cost, excluding certain costs associated with the acquisition of the land for the development, construction interest and financing fees. CBRE Group, Inc. will provide a guarantee for certain of TCC's obligations under the joint venture. We will own 95% of the joint venture through the development period and upon completion of the development, subject to certain conditions, we may purchase TCC's 5% interest in the joint venture at which point we would own 100% of 1400 Atwater Drive.

We anticipate that 1400 Atwater Drive will consist of two, 150,000 square foot, five-story office buildings, connected by a common lobby. Upon completion, 1400 Atwater Drive will be 100% leased to Endo Pharmaceuticals, Inc. through October 2025, for use as its headquarters. Endo Pharmaceuticals, Inc. is a subsidiary of Endo Pharmaceuticals Holdings Inc. (NASDAQ: ENDP), which is a specialty healthcare solutions company focused on branded products, generic pharmaceuticals and medical devices and services. Endo Pharmaceuticals, Inc.'s lease will be guaranteed by Endo Pharmaceuticals Holdings, Inc. While 1400 Atwater Drive is expected to be completed during the first quarter of 2013, the joint venture development is subject to a number of contingencies and there can be no assurance that the development will be completed.

On November 3, 2011, we entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Aurora Commerce Center Bldg. C, located at 22100 E. 26th Avenue in Aurora, Colorado, a suburb of Denver. We will acquire Aurora Commerce Center Bldg. C for approximately $24,500,000, exclusive of customary closing costs. We anticipate that the acquisition will be funded using the net proceeds from our current public offering. We deposited $500,000 into an escrow account upon the execution of the agreement that is refundable in the event certain closing conditions are not met. Aurora Commerce Center Bldg. C is a 406,959 square foot, multi-tenant warehouse/distribution building constructed in 2007 that is 100% leased. 79% of Aurora Commerce Center Bldg. C is leased to Subaru of America, Inc., a subsidiary of Fuji Heavy Industries, Ltd., through September 2019. Subaru of America, Inc. uses Aurora Commerce Center Bldg. C as its Western regional headquarters and automotive parts distribution center. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 3, 2011, CB Richard Ellis Group, Inc. (NYSE: CBG) announced that it had changed its corporate name to CBRE Group, Inc., in order to align its corporate name with its industry-leading CBRE brand. On November 1, 2011, CB Richard Ellis Investors, L.L.C., our sponsor and an indirect wholly-owned subsidiary of CBRE Group, Inc., announced that it had changed its corporate name to CBRE Global Investors, Inc. in order to align its corporate name with its parent company brand.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Explanatory Note

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements, the notes thereto, and the other financial data included elsewhere in this Form 10-Q.

Cautionary Note Regarding Forward-Looking Statements

This document contains various "forward-looking statements." You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "would," "could," "should," "seeks," "approximately," "intends," "plans," "projects," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Statements regarding the following subjects may be impacted by a number of risks and uncertainties:

- our business strategy;
- our ability to obtain future financing arrangements;
- estimates relating to our future distributions;
- our understanding of our competition;
- market trends;
- projected capital expenditures;
- the impact of technology on our products, operations and business; and
- the use of the proceeds of our current offering and subsequent offerings.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to our common shares, along with the following factors that could cause actual results to vary from our forward-looking statements:

- national, regional and local economic climates;
- the continued volatility and disruption of capital and credit markets;
- changes in supply and demand for office, industrial, retail and multi-family residential properties;
- adverse changes in the real estate markets, including increasing vacancy, decreasing rental revenue and increasing insurance costs;
- availability and credit worthiness of prospective tenants;
- our ability to maintain rental rates and maximize occupancy;
- our ability to identify acquisitions;
- our pace of acquisitions and/or dispositions of properties;
- our corporate debt ratings and changes in the general interest rate environment;
- availability of capital (debt and equity);
- our ability to refinance existing indebtedness or incur additional indebtedness;
- unanticipated increases in financing and other costs, including a rise in interest rates;
- the actual outcome of the resolution of any conflict;
- our ability to successfully operate acquired properties;
- availability of and ability to retain qualified personnel;
- CBRE Advisors LLC remaining as our Investment Advisor;

- future terrorist attacks in the United States or abroad;
- our ability to qualify as a partnership for U.S. federal income tax purposes;
- foreign currency fluctuations;
- accounting principles and policies and guidelines applicable to REITs;
- legislative or regulatory changes adversely affecting REITs and the real estate business;
- environmental, regulatory and/or safety requirements; and
- other factors discussed under Item 1A Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2010 and those factors that may be contained in any filing we make with the SEC, including Part II, Item 1A of Form 10-Q.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise.

Overview

We are a Maryland real estate investment trust that invests in real estate properties, focusing on office, industrial (primarily warehouse/distribution), retail and potentially multi-family residential properties, as well as other real estate-related assets. We may also utilize our expertise and resources to capitalize on unique opportunities that may exist elsewhere in the marketplace, in which we might also acquire interests in mortgages or other investments where we could seek to acquire the underlying property. We will not invest more than 20% of our total assets in any single investment. We intend to invest primarily in properties located in geographically-diverse major metropolitan areas in the United States. In addition, we currently intend to invest up to 30% of our total assets in properties outside of the United States. Our international investments may be in markets in which CBRE Investors has existing operations or previous investment experience, or may be in partnership with other entities that have significant local-market expertise. We expect that our international investments will focus on properties typically located in significant business districts and suburban markets.

As of September 30, 2011, we owned, on a consolidated basis, 74 office, industrial (primarily warehouse/distribution) and retail properties located in 15 states (Arizona, California, Florida, Georgia, Illinois, Kentucky, Massachusetts, Minnesota, New Jersey, North Carolina, Ohio, South Carolina, Texas, Utah and Virginia) and in the United Kingdom encompassing approximately 13,906,000 rentable square feet in the aggregate. In addition, we have ownership interests in five unconsolidated entities that, as of September 30, 2011, owned interests in 51 properties. Excluding those properties owned through our investment in CB Richard Ellis Strategic Partners Asia II, L.P. (“CBRE Strategic Partners Asia”), we owned, on an unconsolidated basis, 43 office, industrial (primarily warehouse/distribution) and retail properties located in 10 states (Arizona, Florida, Illinois, Indiana, Minnesota, Missouri, North Carolina, Ohio, Tennessee and Texas) and in the United Kingdom and Europe encompassing approximately 12,355,000 rentable square feet in the aggregate.

As of September 30, 2011, our portfolio was 97.18% leased. The total effective annual rents for our industrial properties, office properties and retail properties were approximately $60,125,000, $144,895,000 and $8,430,000, as of September 30, 2011, respectively (net of any rent concessions). The average effective annual rent per square foot for our office properties, industrial (primarily warehouse/distribution) properties and retail properties was approximately $18.98, $3.82 and $17.82 as of September 30, 2011, respectively (net of any rent concessions).

We commenced operations in July 2004, following an initial private placement of our common shares of beneficial interest. We raised aggregate net proceeds (after commissions and expenses) of approximately $55,500,000 from July 2004 to October 2004 in private placements of our common shares. On October 24, 2006, we commenced an initial public offering of up to $2,000,000,000 in our common shares.

Our initial public offering was terminated effective as of the close of business on January 29, 2009. As of the close of business on January 29, 2009, we had sold a total of 60,808,967 common shares in the initial public offering, including 1,487,943 common shares which were issued pursuant to our dividend reinvestment plan, and received $607,345,702 in gross proceeds. We withdrew from registration a total of 140,243,665 common shares that were registered but not sold in connection with the initial public offering.

The registration statement relating to our follow-on public offering was declared effective by the Securities and Exchange Commission (the “SEC”) on January 30, 2009. CNL Securities Corp. is the dealer manager of our offering. The registration statement covers up to $3,000,000,000 in common shares of beneficial interest, 90% of which will be offered at a price of $10.00 per share, and 10% of which will be offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor, or another firm we choose for that purpose. We reserve the right to reallocate the shares between the primary offering and our dividend reinvestment plan. From January 30, 2009 (effective date) through September 30, 2011, we received gross offering proceeds of approximately $1,476,184,746 from the sale of 148,029,604 shares. Our Board of Trustees has confirmed that our follow-on offering will close on January 30, 2012. We expect to offer common shares through our dividend investment plan beyond January 30, 2012.

We are externally managed by CBRE Advisors LLC (the "Investment Advisor") and all of our real estate investments are held directly by, or indirectly through wholly owned subsidiaries of, CBRE Operating Partnership, L.P., ("CBRE OP"). Generally, we contribute the proceeds we receive from the issuance of common shares for cash to CBRE OP and CBRE OP, in turn, issues units of limited partnership to us, which entitle us to receive our share of CBRE OP's earnings or losses and net cash flow. Provided we have sufficient available cash flow, we intend to pay our shareholders quarterly cash dividends. We are structured in a manner that allows CBRE OP to issue limited partnership interests from time to time in exchange for real estate properties. By structuring our acquisitions in this manner, the contributors of real estate to CBRE OP are generally able to defer gain recognition for U.S. federal income tax purposes. We have elected to be taxed as a real estate investment trust, ("REIT"), for U.S. federal income tax purposes. As a REIT, we generally will not be subject to U.S. federal income tax on that portion of our income that is distributed to our shareholders if at least 90% of our net taxable income is distributed to our shareholders.

Our business objective is to maximize shareholder value through: (1) maintaining an experienced management team of investment professionals; (2) investing in properties in certain markets where property fundamentals will support stable income returns and where capital appreciation is expected to be above average; (3) acquiring properties at a discount to replacement cost and where there is expected positive rent growth; and (4) repositioning properties to increase their value in the market place. Operating results at our individual properties are impacted by the supply and demand for office, retail, industrial and multifamily space, trends of the national regional economies, the financial health of current and prospective tenants and their customers, capital and credit market trends, construction costs, and interest rate movements. Individual operating property performance is monitored and calculated using certain non-GAAP financial measures such as an analysis of net operating income. An analysis of net operating income as compared to local regional and national statistics may provide insight into short or longer term trends exclusive of capital markets or capital structuring issues. Interest rates are a critical factor in our results of operations. Our properties may be financed with significant amounts of debt, so changes in interest rates may affect both net income and the health of capital markets. For investments outside of the United States, in addition to monitoring local property market fundamentals and capital and credit market trends, we evaluate currency hedging strategies, taxes, the stability of the local government and economy and the experience of our management team in the region.

Beginning in the second half of 2007, U.S. economic activity weakened due initially to stresses in the residential housing and financial sectors. The weak economic environment continued through 2008 and 2009, but strengthened somewhat in 2010. A weakened economic environment may result in declining demand for office, industrial and retail space, increasing tenant bankruptcies, lower average occupancy rates and effective rents, including potentially in our real estate portfolio, which may impact our net income, funds from operations and cash flow.

While economic signals continue to be mixed, we anticipate that signs of recovery should continue to improve, although at a gradual and potentially uneven pace. Unemployment continues to trend at high levels and consumer confidence remains weak in the face of continued economic uncertainty; however U.S. corporate profits have demonstrated a significant recovery and are currently at record levels.

Additionally, during the first half of 2009, the capital markets experienced significant distress during which many financial industry participants, including commercial real estate owners, operators, investors and lenders found it challenging to obtain cost-effective debt capital to finance new investment activity or to refinance maturing debt. During the later part of 2009 the capital market environment improved such that it appeared to show signs of stabilizing over this period. Further, during 2010, the capital market environment continued to improve, building upon the stabilization that occurred during the end of 2009. During 2010, we experienced indications of that stabilization and since then have had improved access to debt financing on attractive terms.

We currently continue to face attractive access to debt financing despite recent renewed capital markets volatility. Also, during 2010 and into 2011 we have noted initial signs of strengthening of the commercial real estate market, especially for high-quality stabilized properties leased to credit worthy tenants on a long-term basis. Nonetheless, we expect that certain highly-levered real estate investors may continue to face significantly reduced, or even eliminated, availability of funding sources, or at significantly-increased cost. As such, with our modest levels of leverage, we expect we will continue to benefit from improved access to attractive investment opportunities and reduced competition to acquire real estate assets.

The recent renewed capital markets volatility, this time driven by the European sovereign debt crisis, has once again resulted in an increased focus on yield and stability. Capital continues to return to the commercial real estate sector, driving a continued resurgence in transaction activity and investment demand. In the current uncertain environment, capital availability remains concentrated however on the highest quality, well-leased and strategically positioned properties that provide lower risk and more stable investment return potential. Construction and development of new speculative property remains tightly constrained. As a well-capitalized core investor with modest levels of leverage, we expect we will continue to benefit from improved access to attractive investment opportunities and reduced competition to acquire real estate assets. In particular, due to the current uncertainly in Europe resulting from its sovereign debt crisis, we may in fact face enhanced opportunities to acquire additional high-quality properties in strong European markets.

Should the current capital market volatility continue and perhaps even increase, resulting in more significant market dislocations, it may once again become somewhat challenging for commercial real estate owners, operators, investors and lenders to obtain cost-effective debt capital to finance new investments or to refinance maturing debt. We believe, however, that in such an environment, we would be well positioned and would have a relative advantage due to our modest leverage, modest near-term capital needs and strong liquidity position.

The table below provides information relating to our properties, excluding those owned through our investment in CBRE Strategic Partners Asia, as of September 30, 2011. We purchased all of these properties from unaffiliated third parties. These properties are subject to competition from similar properties within their market areas and their economic performance could be affected by changes in local economic conditions. In evaluating these properties for acquisition, we considered a variety of factors including location, functionality and design, price per square foot, the credit worthiness of tenants, length of lease terms, market fundamentals and the in-place rental rates compared to market rates.

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[(1)] (in thousands)
Domestic Consolidated Properties:							
REMEC Corporate Campus 1[(3)] San Diego, CA	9/15/2004	1983	Office	100.00%	34	100.00%	$ 6,833
REMEC Corporate Campus 2[(3)] San Diego, CA	9/15/2004	1983	Office	100.00%	30	100.00%	6,125
REMEC Corporate Campus 3[(3)] San Diego, CA	9/15/2004	1983	Office	100.00%	37	100.00%	7,523
REMEC Corporate Campus 4[(3)] San Diego, CA	9/15/2004	1983	Office	100.00%	31	100.00%	6,186
300 Constitution Drive Boston, MA	11/3/2004	1998	Warehouse/Distribution	100.00%	330	100.00%	19,805
Deerfield Commons[(2)] Atlanta, GA	6/21/2005	2000	Office	100.00%	122	100.00%	21,834
505 Century[(3)] Dallas, TX	1/9/2006	1997	Warehouse/Distribution	100.00%	100	100.00%	6,095
631 International[(3)] Dallas, TX	1/9/2006	1998	Warehouse/Distribution	100.00%	73	100.00%	5,407
660 North Dorothy[(3)] Dallas, TX	1/9/2006	1997	Warehouse/Distribution	100.00%	120	87.50%	6,836
Bolingbrook Point III Chicago, IL	8/29/2007	2006	Warehouse/Distribution	100.00%	185	53.18%	18,170
Cherokee Corporate Park[(3)] Spartanburg, SC	8/30/2007	2000	Warehouse/Distribution	100.00%	60	0.00%	3,775
Community Cash Complex 1[(3)] Spartanburg, SC	8/30/2007	1960	Warehouse/Distribution	100.00%	206	34.79%	2,690
Community Cash Complex 2[(3)] Spartanburg, SC	8/30/2007	1978	Warehouse/Distribution	100.00%	145	83.50%	2,225
Community Cash Complex 3[(3)] Spartanburg, SC	8/30/2007	1981	Warehouse/Distribution	100.00%	116	100.00%	1,701
Community Cash Complex 4[(3)] Spartanburg, SC	8/30/2007	1984	Warehouse/Distribution	100.00%	33	100.00%	547
Community Cash Complex 5[(3)] Spartanburg, SC	8/30/2007	1984	Warehouse/Distribution	100.00%	53	100.00%	824

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[(1)] (in thousands)
Fairforest Building 1[(3)] Spartanburg, SC	8/30/2007	2000	Warehouse/Distribution	100.00%	51	100.00%	2,974
Fairforest Building 2[(3)] Spartanburg, SC	8/30/2007	1999	Warehouse/Distribution	100.00%	104	100.00%	5,379
Fairforest Building 3[(3)] Spartanburg, SC	8/30/2007	2000	Warehouse/Distribution	100.00%	100	100.00%	5,760
Fairforest Building 4[(3)] Spartanburg, SC	8/30/2007	2001	Warehouse/Distribution	100.00%	101	100.00%	5,640
Fairforest Building 5 Spartanburg, SC	8/30/2007	2006	Warehouse/Distribution	100.00%	316	100.00%	16,968
Fairforest Building 6 Spartanburg, SC	8/30/2007	2005	Warehouse/Distribution	100.00%	101	100.00%	7,469
Fairforest Building 7[(3)] Spartanburg, SC	8/30/2007	2006	Warehouse/Distribution	100.00%	101	83.78%	5,626
Greenville/Spartanburg Industrial Park[(3)] Spartanburg, SC	8/30/2007	1990	Warehouse/Distribution	100.00%	67	100.00%	3,388
Highway 290 Commerce Park Building 1[(3)] Spartanburg, SC	8/30/2007	1995	Warehouse/Distribution	100.00%	150	100.00%	5,388
Highway 290 Commerce Park Building 5[(3)] Spartanburg, SC	8/30/2007	1993	Warehouse/Distribution	100.00%	30	100.00%	1,420
Highway 290 Commerce Park Building 7[(3)] Spartanburg, SC	8/30/2007	1994	Warehouse/Distribution	100.00%	94	100.00%	4,889
HJ Park Building 1 Spartanburg, SC	8/30/2007	2003	Warehouse/Distribution	100.00%	70	100.00%	4,216
Jedburg Commerce Park[(3)] Charleston, SC	8/30/2007	2007	Warehouse/Distribution	100.00%	513	100.00%	41,991
Kings Mountain I Charlotte, NC	8/30/2007	1998	Warehouse/Distribution	100.00%	100	100.00%	5,497
Kings Mountain II Charlotte, NC	8/30/2007	2002	Warehouse/Distribution	100.00%	301	100.00%	11,311
Mount Holly Building Charleston, SC	8/30/2007	2003	Warehouse/Distribution	100.00%	101	100.00%	6,208
North Rhett I Charleston, SC	8/30/2007	1973	Warehouse/Distribution	100.00%	285	100.00%	10,302
North Rhett II Charleston, SC	8/30/2007	2001	Warehouse/Distribution	100.00%	102	100.00%	7,073
North Rhett III Charleston, SC	8/30/2007	2002	Warehouse/Distribution	100.00%	80	100.00%	4,812
North Rhett IV Charleston, SC	8/30/2007	2005	Warehouse/Distribution	100.00%	316	100.00%	17,060
Orangeburg Park Building Charleston, SC	8/30/2007	2003	Warehouse/Distribution	100.00%	101	100.00%	5,474
Orchard Business Park 2[(3)] Spartanburg, SC	8/30/2007	1993	Warehouse/Distribution	100.00%	18	100.00%	761
Union Cross Building I Winston-Salem, NC	8/30/2007	2005	Warehouse/Distribution	100.00%	101	100.00%	6,585
Union Cross Building II Winston-Salem, NC	8/30/2007	2005	Warehouse/Distribution	100.00%	316	100.00%	17,216
Highway 290 Commerce Park Building 2[(3)] Spartanburg, SC	9/24/2007	1995	Warehouse/Distribution	100.00%	100	100.00%	4,626
Highway 290 Commerce Park Building 6[(3)] Spartanburg, SC	11/1/2007	1996	Warehouse/Distribution	100.00%	105	42.86%	3,760
Lakeside Office Center Dallas, TX	3/5/2008	2006	Office	100.00%	99	97.67%	17,994
Kings Mountain III Charlotte, NC	3/14/2008	2007	Warehouse/Distribution	100.00%	542	100.00%	25,728

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Enclave on the Lake[3] Houston, TX	7/1/2008	1999	Office	100.00%	171	100.00%	37,827
Avion Midrise III Washington Metro, DC	11/18/2008	2002	Office	100.00%	72	100.00%	21,111
Avion Midrise IV Washington Metro, DC	11/18/2008	2002	Office	100.00%	72	100.00%	21,112
13201 Wilfred Lane Minneapolis, MN	6/29/2009	1999	Warehouse/Distribution	100.00%	335	100.00%	15,340
3011, 3055 & 3077 Comcast Place East Bay, CA	7/1/2009	1988	Office	100.00%	220	100.00%	49,000
140 Depot Street Boston, MA	7/31/2009	2009	Warehouse/Distribution	100.00%	238	100.00%	18,950
12650 Ingenuity Drive Orlando, FL	8/5/2009	1999	Office	100.00%	125	100.00%	25,350
Crest Ridge Corporate Center I Minneapolis, MN	8/17/2009	2009	Office	100.00%	116	100.00%	28,419
West Point Trade Center Jacksonville, FL	12/30/2009	2009	Warehouse/Distribution	100.00%	602	100.00%	29,000
5160 Hacienda Drive East Bay, CA	4/8/2010	1988	Office	100.00%	202	100.00%	38,500
10450 Pacific Center Court San Diego, CA	5/7/2010	1985	Office	100.00%	134	100.00%	32,750
225 Summit Ave Northern NJ	6/21/2010	1966	Office	100.00%	143	100.00%	40,600
One Wayside Road Boston, MA	6/24/2010	1998	Office	100.00%	200	100.00%	55,525
100 Tice Blvd. Northern NJ	9/28/2010	2007	Office	100.00%	209	100.00%	67,600
Ten Parkway North Chicago, IL	10/12/2010	1999	Office	100.00%	100	100.00%	25,000
4701 Gold Spike Drive Dallas, TX	10/27/2010	2002	Warehouse/Distribution	100.00%	420	100.00%	20,300
1985 International Way Cincinnati, OH	10/27/2010	1998	Warehouse/Distribution	100.00%	189	100.00%	14,800
Summit Distribution Center Salt Lake City, UT	10/27/2010	2001	Warehouse/Distribution	100.00%	275	100.00%	13,400
3660 Deerpark Boulevard Jacksonville, FL	10/27/2010	2002	Warehouse/Distribution	100.00%	322	100.00%	15,300
Tolleson Commerce Park II Phoenix, AZ	10/27/2010	1999	Warehouse/Distribution	100.00%	217	71.40%	9,200
Pacific Corporate Park[2] Washington, DC	11/15/2010	2002	Office	100.00%	696	100.00%	144,500
100 Kimball Drive Northern NJ	12/10/2010	2006	Office	100.00%	175	100.00%	60,250
70 Hudson New York City Metro, NJ	4/11/2011	2000	Office	100.00%	409	100.00%	155,000
90 Hudson New York City Metro, NJ	4/11/2011	2000	Office	100.00%	418	100.00%	155,000
Millers Ferry Road[3] Dallas, TX	6/2/2011	2011	Warehouse/Distribution	100.00%	1,020	100.00%	40,366
Sky Harbor Operations Center Phoenix, AZ[3]	9/30/2011	2003	Office	100.00%	396	100.00%	53,500
Total Domestic Consolidated Properties					**13,616**	**96.62%**	**1,559,791**
International Consolidated Properties:							
602 Central Blvd.[3] Coventry, UK	4/27/2007	2001	Office	100.00%	50	0.00%	23,847

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[1] (in thousands)
Thames Valley Five Reading, UK	3/20/2008	1998	Office	100.00%	40	100.00%	29,572
Albion Mills Retail Park Wakefield, UK	7/11/2008	2000	Retail	100.00%	55	100.00%	22,098
Maskew Retail Park Peterborough, UK	10/23/2008	2007	Retail	100.00%	145	100.00%	53,740
Total International Consolidated Properties					**290**	**82.77%**	**129,257**
Total Consolidated Properties					**13,906**	**96.33%**	**1,689,048**
Domestic Unconsolidated Properties[4]:							
Buckeye Logistics Center[5] Phoenix, AZ	6/12/2008	2008	Warehouse/Distribution	80.00%	605	100.00%	35,573
Afton Ridge Shopping Center[6] Charlotte, NC	9/18/2008	2007	Retail	90.00%	296	98.05%	44,530
AllPoints at Anson Bldg. 1[5] Indianapolis, IN	9/30/2008	2008	Warehouse/Distribution	80.00%	1,037	100.00%	42,510
12200 President's Court[5] Jacksonville, FL	9/30/2008	2008	Warehouse/Distribution	80.00%	772	100.00%	29,995
201 Sunridge Blvd.[5] Dallas, TX	9/30/2008	2008	Warehouse/Distribution	80.00%	823	100.00%	25,690
Aspen Corporate Center 500[5] Nashville, TN	9/30/2008	2008	Office	80.00%	180	100.00%	29,936
125 Enterprise Parkway[5] Columbus, OH	12/10/2008	2008	Warehouse/Distribution	80.00%	1,142	100.00%	38,088
AllPoints Midwest Bldg. I[5] Indianapolis, IN	12/10/2008	2008	Warehouse/Distribution	80.00%	1,200	100.00%	41,428
Celebration Office Center[5] Orlando, FL	5/13/2009	2009	Office	80.00%	101	100.00%	13,640
22535 Colonial Pkwy[5] Houston, TX	5/13/2009	2009	Office	80.00%	90	100.00%	11,596
Fairfield Distribution Ctr. IX[5] Tampa, FL	5/13/2009	2008	Warehouse/Distribution	80.00%	136	100.00%	7,151
Northpoint III[5] Orlando, FL	10/15/2009	2001	Office	80.00%	108	100.00%	14,592
Goodyear Crossing Ind. Park II[5] Phoenix, AZ	12/07/2009	2009	Warehouse/Distribution	80.00%	820	100.00%	36,516
3900 North Paramount Parkway[5] Raleigh, NC	3/31/2010	1999	Office	80.00%	101	100.00%	11,176
3900 South Paramount Parkway[5] Raleigh, NC	3/31/2010	1999	Office	80.00%	119	100.00%	13,055
1400 Perimeter Park Drive[5] Raleigh, NC	3/31/2010	1991	Office	80.00%	45	100.00%	3,970
Miramar I[5][7] Fort Lauderdale, FL	3/31/2010	2001	Office	80.00%	94	100.00%	13,645
Miramar II[5][7] Fort Lauderdale, FL	3/31/2010	2001	Office	80.00%	129	100.00%	20,899
McAuley Place[5] Cincinnati, OH	12/21/2010	2001	Office	80.00%	191	98.57%	28,000
Point West I[5] Dallas, TX	12/21/2010	2008	Office	80.00%	183	100.00%	23,600
Sam Houston Crossing I[5] Houston, TX	12/21/2010	2007	Office	80.00%	160	100.00%	20,400
Regency Creek[5] Raleigh, NC	12/21/2010	2008	Office	80.00%	122	100.00%	18,000
Easton III[5] Columbus, OH	12/21/2010	1999	Office	80.00%	135	100.00%	14,400

Property and Market	Date Acquired	Year Built	Property Type	Our Effective Ownership	Net Rentable Square Feet (in thousands)	Percentage Leased	Approximate Total Acquisition Cost[(1)] (in thousands)
533 Maryville Centre[(5)] St. Louis, MD	12/21/2010	2000	Office	80.00%	125	100.00%	19,102
555 Maryville Centre[(5)] St. Louis, MD	12/21/2010	1999	Office	80.00%	127	61.64%	15,578
Norman Point I[(5)] Minneapolis, MN	3/24/2011	2000	Office	80.00%	213	100.00%	34,080
Norman Point II[(5)] Minneapolis, MN	3/24/2011	2007	Office	80.00%	324	100.00%	37,520
One Conway Park[(3)(5)] Chicago, IL	3/24/2011	1989	Office	80.00%	105	60.81%	12,320
West Lake at Conway[(5)] Chicago, IL	3/24/2011	2008	Office	80.00%	98	95.50%	14,060
The Landings I[(5)] Cincinnati, OH	3/24/2011	2006	Office	80.00%	176	100.00%	23,728
The Landings II[(5)] Cincinnati, OH	3/24/2011	2007	Office	80.00%	175	96.06%	20,928
One Easton Oval[(3)(5)] Columbus, OH	3/24/2011	1997	Office	80.00%	125	47.12%	9,529
Two Easton Oval[(3)(5)] Columbus, OH	3/24/2011	1995	Office	80.00%	129	74.57%	10,195
Atrium I[(5)] Columbus, OH	3/24/2011	1996	Office	80.00%	315	100.00%	36,200
Weston Pointe I[(5)] Ft Lauderdale, FL	3/24/2011	1999	Office	80.00%	98	82.08%	15,507
Weston Pointe II[(5)] Ft Lauderdale, FL	3/24/2011	2000	Office	80.00%	97	96.29%	18,701
Weston Pointe III[(5)] Ft Lauderdale, FL	3/24/2011	2003	Office	80.00%	97	100.00%	18,867
Weston Pointe IV[(5)] Ft Lauderdale, FL	3/24/2011	2006	Office	80.00%	96	100.00%	22,605
Total Domestic Unconsolidated Properties					**10,889**	**97.89%**	**847,310**
International Unconsolidated Properties							
Amber Park[(3)(8)] Nottingham, UK	6/10/2010	1997	Warehouse/Distribution	80.00%	208	100.00%	12,514
Brackmills[(3)(8)] Northampton, UK	6/10/2010	1984	Warehouse/Distribution	80.00%	187	100.00%	13,407
Düren[(3)(9)] Rhine-Ruhr, Germany	6/10/2010	2008	Warehouse/Distribution	80.00%	392	100.00%	13,148
Schönberg[(3)(9)] Hamburg, Germany	6/10/2010	2009	Warehouse/Distribution	80.00%	454	100.00%	13,819
Langenbach[(3)(9)] Munich, Germany	10/28/2010	2010	Warehouse/Distribution	80.00%	225	100.00%	18,573
Total International Unconsolidated Properties					**1,466**	**100.00%**	**71,461**
Total Unconsolidated Properties[(4)]					**12,355**	**98.14%**	**918,771**
Total Properties[(4)]					**26,261**	**97.18%**	**$2,607,819**

(1) Approximate total acquisition cost represents the pro rata purchase price inclusive of customary closing costs and acquisition fees/acquisition expenses.

(2) Includes undeveloped land zoned for future use.

(3) This property was unencumbered and not secured by mortgage debt as of September 30, 2011.

(4) Does not include CBRE Strategic Partners Asia properties.

(5) This property is held through the Duke joint venture.

(6) This property is held through the Afton Ridge joint venture.

(7) Consolidated properties acquired on December 31, 2009 and contributed to the Duke joint venture during March 2010.

(8) This property is held through the UK JV.

(9) This property is held through the European JV.

Property Type Concentration

Our property type concentrations as of September 30, 2011 are as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties[(1)]			Consolidated & Unconsolidated Properties[(1)]		
Property Type	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
Office	25	4,300	$1,130,958	29	4,058	$545,829	54	8,358	$1,676,787
Warehouse/ Distribution	47	9,406	482,252	13	8,001	328,412	60	17,407	810,664
Retail	2	200	75,838	1	296	44,530	3	496	120,368
Total	74	13,906	$1,689,048	43	12,355	$918,771	117	26,261	$2,607,819

(1) Number of Properties and Net Rentable Square Feet for Unconsolidated Properties are at 100%. Approximate Total Acquisition Cost for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

Geographic Concentration

Our geographic concentrations as of September 30, 2011 are as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

	Consolidated Properties			Unconsolidated Properties[1]			Consolidated & Unconsolidated Properties[1]		
Domestic	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
New Jersey	5	1,353	$ 478,450	—	—	$ —	5	1,353	$ 478,450
Florida	3	1,048	69,650	10	1,728	175,602	13	2,776	245,252
Texas	7	2,003	134,825	4	1,256	81,286	11	3,259	216,111
Virginia	3	839	186,723	—	—	—	3	839	186,723
South Carolina	28	3,620	182,946	—	—	—	28	3,620	182,946
Ohio	—	—	—	8	2,388	181,068	8	2,388	181,068
North Carolina	5	1,360	66,337	5	683	90,731	10	2,043	157,068
California	7	688	146,917	—	—	—	7	688	146,917
Arizona	2	613	62,700	2	1,425	72,089	4	2,038	134,789
Minnesota	2	452	43,759	2	537	71,600	4	989	115,359
Massachusetts	3	769	94,280	—	—	—	3	769	94,280
Indiana	—	—	—	2	2,237	83,938	2	2,237	83,938
Illinois	2	285	43,170	2	203	26,380	4	488	69,550
Missouri	—	—	—	2	252	34,680	2	252	34,680
Tennessee	—	—	—	1	180	29,936	1	180	29,936
Georgia	1	122	21,834	—	—	—	1	122	21,834
Kentucky	1	189	14,800	—	—	—	1	189	14,800
Utah	1	275	13,400	—	—	—	1	275	13,400
Total Domestic	70	13,616	1,559,791	38	10,889	847,310	108	24,505	2,407,101
International									
United Kingdom	4	290	129,257	2	395	25,921	6	685	155,178
Germany	—	—	—	3	1,071	45,540	3	1,071	45,540
Total International	4	290	129,257	5	1,466	71,461	9	1,756	200,718
Total	74	13,906	$1,689,048	43	12,355	$918,771	117	26,261	$2,607,819

(1) Number of Properties and Net Rentable Square Feet for Unconsolidated Properties are at 100%. Approximate Total Acquisition Cost for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

Significant Tenants

The following table details our largest tenants as of September 30, 2011 (in thousands):

	Tenant	Primary Industry	Consolidated Properties Net Rentable Square Feet	Consolidated Properties Annualized Base Rent	Unconsolidated Properties[1] Net Rentable Square Feet	Unconsolidated Properties[1] Annualized Base Rent	Consolidated & Unconsolidated Properties[1] Net Rentable Square Feet	Consolidated & Unconsolidated Properties[1] Annualized Base Rent
1	Barclay's Capital	Financial Services	409	$12,278	—	—	409	$12,278
2	U.S. General Services Administration	Government	71	2,263	378	8,391	449	10,654
3	Raytheon Company	Defense and Aerospace	666	9,495	—	—	666	9,495
4	Amazon.com, Inc[2]	Internet Retail	—	—	2,462	9,006	2,462	9,006
5	National Union Fire Insurance Company	Insurance	172	6,010	—	—	172	6,010
6	JP Morgan Chase	Financial Service	396	5,718	—	—	396	5,718
7	Nuance Communications	Software	201	5,535	—	—	201	5,535
8	Lord Abbett & Co	Financial Services	149	5,211			149	5,211
9	Eisai	Pharmaceutical and Health Care Related	209	4,772	—	—	209	4,772
10	Comcast	Telecommunications	220	4,697	—	—	220	4,697
11	Deloitte	Professional Services	175	4,390	—	—	175	4,390
12	Barr Laboratories	Pharmaceutical and Health Care Related	143	4,061	—	—	143	4,061
13	Unilever[3]	Consumer Products	—	—	1,595	3,864	1,595	3,864
14	PPD Development	Pharmaceutical and Health Care Related	—	—	251	3,688	251	3,688
15	Eveready Battery Company	Consumer Products	—	—	168	3,568	168	3,568
16	NDB Capital Markets	Financial Services	97	3,400	—	—	97	3,400
17	Carl Zeiss	Pharmaceutical and Health Care Related	202	3,336	—	—	202	3,336
18	Whirlpool Corporation	Consumer Products	1,020	3,212			1,020	3,212
19	American LaFrance	Vehicle Related Manufacturing	513	3,071	—	—	513	3,071
20	ConAgra Foods	Food Service and Retail	742	3,028	—	—	742	3,028
21	Prime Distribution Services	Logistics and Distribution	—	—	1,200	2,958	1,200	2,958
22	Nationwide Mutual Insurance Co	Insurance	—	—	315	2,869	315	2,869
23	Kellogg's	Consumer Products	—	—	1,142	2,817	1,142	2,817
24	Time Warner	Telecommunications	134	2,814	—	—	134	2,814
25	B&Q	Home Furnishings/Home Improvement	104	2,604	—	—	104	2,604
26	REMEC	Defense and Aerospace	133	2,504	—	—	133	2,504
27	Syngenta Seeds	Agriculture	116	2,472	—	—	116	2,472
28	Dr. Pepper Snapple	Food Service and Retail	601	2,460	—	—	601	2,460
29	Verizon Wireless[4]	Telecommunications	—	—	180	2,246	180	2,246
30	Royal Caribbean Cruises	Travel/Leisure	—	—	129	2,182	129	2,182
31	Iowa College Acquisition Corp[5]	Education	124	2,179	—	—	124	2,179
32	Citicorp North America, Inc.	Financial Services	—	—	194	2,081	194	2,081

	Tenant	Primary Industry	Consolidated Properties		Unconsolidated Properties[(1)]		Consolidated & Unconsolidated Properties[(1)]	
			Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent
33	American Home Mortgage	Financial Services	—	—	183	2,024	183	2,024
34	Best Buy	Specialty Retail	238	1,657	30	317	268	1,974
35	NCS Pearson, Inc.	Education	—	—	153	1,934	153	1,934
36	Markel Midwest, Inc.	Insurance	100	1,932	—	—	100	1,932
37	Disney	Travel/Leisure	—	—	101	1,855	101	1,855
38	Lockheed Martin	Defense and Aerospace	71	1,847	—	—	71	1,847
39	Mercy Health Partners of SW Ohio	Pharmaceutical and Health Care Related	—	—	113	1,826	113	1,826
40	ABB, Inc.	Other Manufacturing	—	—	91	1,667	91	1,667
	Other (223 tenants)		6,390	28,612	3,440	30,599	9,830	59,211
			13,396	$129,558	12,125	$83,892	25,521	$213,450

(1) Net Rentable Square Feet for Unconsolidated Properties is at 100%. Annualized Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

(2) Our tenants are Amazon.com.azdc, Inc., in our Buckeye Logistics Center and Goodyear Crossing Park II properties, and Amazon.com.indc, LLC, in our AllPoints at Anson Bldg. 1 property, which are all wholly-owned subsidiaries of Amazon.com.

(3) Our tenant is CONOPCO, Inc., a wholly-owned subsidiary of Unilever.

(4) Verizon Wireless is the d/b/a for Cellco Partnership.

(5) Our tenant is Iowa College Acquisitions Corp., an operating subsidiary of Kaplan, Inc. The lease is guaranteed by Kaplan Inc.

Tenant Industries

Our tenants operate across a wide range of industries. The following table details our tenant-industry concentrations as of September 30, 2011 (in thousands):

Primary Tenant Industry Category	Consolidated Properties		Unconsolidated Properties[1]		Consolidated & Unconsolidated Properties[1]	
	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent	Net Rentable Square Feet	Annualized Base Rent
Financial Services	1,233	$ 28,189	477	$ 5,631	1,710	$ 33,820
Pharmaceutical and Health Care Related	905	13,805	703	8,219	1,608	22,024
Defense and Aerospace	901	14,577	7	121	908	14,698
Consumer Products	1,184	4,128	3,340	9,652	4,524	13,780
Insurance	271	7,942	434	4,506	705	12,448
Telecommunications	687	9,062	195	2,444	882	11,506
Logistics and Distribution	1,094	4,567	2,023	6,495	3,117	11,062
Government	72	2,263	378	8,392	450	10,655
Internet Retailer	330	1,426	2,461	9,006	2,791	10,432
Other Manufacturing	909	3,167	318	5,912	1,227	9,079
Food Service and Retail	2,017	7,796	40	522	2,057	8,318
Professional Services	243	5,134	180	2,328	423	7,462
Education	124	2,179	364	5,192	488	7,371
Business Services	736	2,874	298	3,606	1,034	6,480
Software	201	5,535	22	363	223	5,898
Home Furnishings/Home Improvement	778	4,416	69	1,170	847	5,586
Vehicle Related Manufacturing	922	4,864	—	—	922	4,864
Specialty Retail	391	3,157	111	1,178	502	4,335
Travel and Leisure	—	—	240	4,223	240	4,223
Agriculture	116	2,472	9	95	125	2,567
Apparel Retail	—	—	227	2,012	227	2,012
Executive Office Suites	86	1,633	—	—	86	1,633
Utilities	—	—	127	1,516	127	1,516
Petroleum and Mining	174	245	55	646	229	891
Other Retail	22	127	47	663	69	790
Total	13,396	$129,558	12,125	$83,892	25,521	$213,450

(1) Net Rentable Square Feet for Unconsolidated Properties is at 100%. Annualized Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

Tenant Lease Expirations

The following table sets forth a schedule of expiring leases for our consolidated and unconsolidated properties as of September 30, 2011 (Expiring Net Rentable Square Feet and Expiring Base Rent in thousands):

	Consolidated Properties		Unconsolidated Properties[1]		Consolidated & Unconsolidated Properties[1]			
	Expiring Net Rentable Square Feet	Expiring Base Rent	Expiring Net Rentable Square Feet	Expiring Base Rent	Number of Expiring Leases	Expiring Net Rentable Square Feet	Expiring Base Rent	Percentage of Expiring Base Rent
2011 (Three months ending December 31, 2011)	246	$ 805	36	$ 501	12	282	$ 1,306	0.56%
2012	1,140	13,100	182	2,501	40	1,322	15,601	6.64%
2013	1,605	8,599	633	5,026	40	2,238	13,625	5.80%
2014	740	4,374	149	1,991	28	889	6,365	2.71%
2015	986	6,284	389	3,931	28	1,375	10,215	4.35%
2016	818	14,388	762	12,091	25	1,580	26,479	11.27%
2017	267	3,905	1,379	12,084	22	1,646	15,989	6.80%
2018	743	8,518	2,784	14,869	20	3,527	23,387	9.95%
2019	1,697	13,239	3,722	18,107	18	5,419	31,346	13.34%
2020	601	12,963	16	162	8	617	13,125	5.58%
2021	2,656	26,733	1,357	9,851	16	4,013	36,584	15.57%
Thereafter	1,897	30,554	716	10,596	19	2,613	41,150	17.43%
Total	13,396	$143,462	12,125	$91,710	276	25,521	$235,172	100.00%
Weighted Average Expiration (years)		8.08		7.25				7.75

(1) Expiring Net Rentable Square Feet for Unconsolidated Properties is at 100%. Expiring Base Rent for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia which is not material.

Property Portfolio Size

Our portfolio size at the end of each quarter since commencement of our initial public offering through September 30, 2011 is as follows (Net Rentable Square Feet and Approximate Total Acquisition Cost in thousands):

Cumulative Property Portfolio as of:	Consolidated Properties			Unconsolidated Properties[1]			Consolidated & Unconsolidated Properties[1]		
	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost	Properties	Net Rentable Square Feet	Approximate Total Acquisition Cost
9/30/2006	9	878	$ 86,644	—	—	$ —	9	878	$ 86,644
12/31/2006	9	878	86,644	—	—	—	9	878	86,644
3/31/2007	9	878	86,644	—	—	—	9	878	86,644
6/30/2007	10	928	110,491	—	—	—	10	928	110,491
9/30/2007	42	5,439	348,456	—	—	—	42	5,439	348,456
12/31/2007	44	5,576	353,594	—	—	—	44	5,576	353,594
3/31/2008	47	6,257	426,856	—	—	—	47	6,257	426,856
6/30/2008	47	6,257	426,856	1	605	35,636	48	6,862	462,492
9/30/2008	49	6,483	486,777	6	3,307	193,773	55	9,790	680,550
12/31/2008	52	6,771	582,682	8	5,649	273,205	60	12,420	855,887
3/31/2009	52	6,771	582,717	8	5,649	273,130	60	12,420	855,847
6/30/2009	53	7,106	598,103	11	5,976	305,308	64	13,082	903,411
9/30/2009	57	7,805	719,822	11	5,976	305,202	68	13,781	1,025,024
12/31/2009	60	8,630	791,314	13	6,904	356,158	73	15,534	1,147,472
3/31/2010	58	8,407	748,835	18	7,392	418,818	76	15,799	1,167,653
6/30/2010	62	9,086	916,210	22	8,633	471,615	84	17,719	1,387,825
9/30/2010	63	9,295	983,810	22	8,633	471,615	85	17,928	1,455,425
12/31/2010	73	12,800	1,308,560	30	9,901	629,268	103	22,701	1,937,828
3/31/2011	73	12,800	1,308,560	43	11,950	903,508	116	24,750	2,212,068
6/30/2011	75	14,614	1,657,966	43	12,356	917,566	118	26,970	2,575,532
9/30/2011	74	13,906	1,689,048	43	12,355	918,771	117	26,261	2,607,819

(1) Net Rentable Square Feet for unconsolidated properties is at 100%. Approximate Total Acquisition Cost is at our pro rata share of effective ownership and does not include our investment in CBRE Strategic Partners Asia which is not material.

Critical Accounting Policies

Management believes our most critical accounting policies are accounting for lease revenues (including straight-line rent), regular evaluation of whether the value of a real estate asset has been impaired, real estate purchase price allocations, accounting for our derivatives and hedging activities, fair value of financial instruments and investments, investments in unconsolidated entities, use of estimates, and income taxes. Each of these items involves estimates that require management to make judgments that are subjective in nature. Management relies on its experience, collects historical data and current market data, and analyzes these assumptions in order to arrive at what it believes to be reasonable estimates. Under different conditions or assumptions, materially different amounts could be reported related to the accounting policies described below. In addition, application of these accounting policies involves the exercise of judgments on the use of assumptions as to future uncertainties and, as a result, actual results could materially differ from these estimates.

Revenue Recognition and Valuation of Receivables

All leases are classified as operating leases and minimum rents are recognized on a straight-line basis over the terms of the leases. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is recorded as deferred rent.

Reimbursements from tenants, consisting of amounts due from tenants for common area maintenance, real estate taxes, insurance and other recoverable costs, are recognized as revenue in the period the expenses are incurred. Tenant reimbursements are recognized and presented on a gross basis, when we are the primary obligor with respect to incurring expenses and with respect to having the credit risk.

Tenant receivables and deferred rent receivables are carried net of the allowances for uncollectible current tenant receivables and deferred rent. Management's determination of the adequacy of these allowances is based primarily upon evaluations of historical loss experience, individual receivables, current economic conditions, and other relevant factors. The allowances are increased or decreased through the provision for bad debts. The allowance for uncollectible rent receivable was $766,000 and $83,000 as of September 30, 2011 and December 31, 2010, respectively.

Investments in Real Estate and Related Long-Lived Assets (Impairment Evaluation)

We record investments in real estate at cost (including third-party acquisition expenses) and we capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. We expense costs of repairs and maintenance as incurred. We compute depreciation using the straight-line method over the estimated useful lives of our real estate assets, which we expect to be approximately 39 years for buildings and improvements, three to five years for equipment and fixtures and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

We are required to make subjective assessments as to the useful lives of our properties for purposes of determining the amount of depreciation to record on an annual basis with respect to our investments in real estate. These assessments have a direct impact on our net income because, if we were to shorten the expected useful lives of our investments in real estate, we would depreciate these investments over fewer years, resulting in more depreciation expense and lower net income on an annual basis throughout the expected useful lives of the related assets.

We have adopted, "*Accounting for the Impairment or Disposal of Long-Lived Assets*" ("FASB ASC 360-10"), which establishes a single accounting model for the impairment or disposal of long-lived assets including discontinued operations. This accounting provision requires that the operations related to properties that have been sold or that we intend to sell be presented as discontinued operations in the statement of operations for all periods presented, and properties we intend to sell be designated as "held for sale" on our balance sheet.

When circumstances such as adverse market conditions indicate a possible impairment of the value of a property, we review the recoverability of the property's carrying value. The review of recoverability is based on our estimate of the future undiscounted cash flows, excluding interest charges, expected to result from the property's use and eventual disposition. Our forecast of these cash flows considers factors such as expected future operating income, market and other applicable trends and residual value, as well as the effects of leasing demand, competition and other factors. These factors contain subjectivity and thus are not able to be precisely estimated. If impairment exists due to the inability to recover the carrying value of a property, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property. We are required to make subjective assessments as to whether there are impairments in the values of our investments in real estate.

We assess whether there has been impairment in the value of our long-lived assets whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. The estimated fair value of the asset group identified for step two testing is based on either the income approach with market discount rate, terminal capitalization rate and rental rate assumptions being most critical, or on the sales comparison approach to similar properties. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Purchase Accounting for Acquisition of Investments in Real Estate

We apply the acquisition method to all acquired real estate investments. The purchase consideration of the real estate is allocated to the acquired tangible assets, consisting primarily of land, site improvements, building and tenant improvements and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases, value of tenant relationships and acquired ground leases, based in each case on their fair values. Loan premiums, in the case of above-market rate loans, or loan discounts, in the case of below-market loans, will be recorded based on the fair value of any loans assumed in connection with acquiring the real estate.

The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is the basis for the purchase consideration allocated to land (or acquired ground lease if the land is subject to a ground lease), site improvements, building and tenant improvements based on management's determination of the relative fair values of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases including leasing commissions, legal and other related costs.

In allocating the purchase consideration of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases; and (ii) management's estimate of fair market lease rates for the corresponding in-place leases measured over a period equal to the remaining non-cancelable term of the lease and, for below-market leases, over a period equal to the initial term plus any below-market fixed rate renewal periods. The capitalized below-market lease values, also referred to as acquired lease obligations, are amortized as an increase to rental income over the initial terms of the respective leases and any below-market fixed rate renewal periods. The capitalized above-market lease values are amortized as a decrease to rental income over the initial terms of the prospective leases.

The aggregate value of other acquired intangible assets, consisting of in-place leases and tenant relationships, is measured by the estimated cost of operations during a theoretical lease-up period to replace in-place leases, including lost revenues and any unreimbursed operating expenses, plus an estimate of deferred leasing commissions for in-place leases. This aggregate value is allocated between in-place lease value and tenant relationships based on management's evaluation of the specific characteristics of each tenant's lease; however, the value of tenant relationships has not been separated from in-place lease value for the real estate acquired as such value and its consequence to amortization expense is immaterial for these particular acquisitions. Should future acquisitions of properties result in allocating material amounts to the value of tenant relationships, an amount would be separately allocated and amortized over the estimated life of the relationship. The value of in-place leases is amortized to expense over the remaining non-cancelable periods of the respective leases.

Accounting for Derivative Financial Investments and Hedging Activities

All of our derivative instruments are carried at fair value on the balance sheet. Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking each hedge transaction. We periodically review the effectiveness of each hedging transaction, which involves estimating future cash flows. Cash flow hedges are accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or liability, with a corresponding amount recorded in other comprehensive income within shareholders' equity. Calculation of the fair value of derivative instruments also requires management to use estimates. Amounts will be reclassified from other comprehensive income to the income statement in the period or periods the hedged forecasted transaction affects earnings.

Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The changes in fair value hedges are accounted for by recording the fair value of the derivative instruments on the balance sheet as either assets or liabilities, with the corresponding amount recorded in current period earnings. We have certain interest rate swap derivatives that are designated as qualifying cash flow hedges and follow the accounting treatment discussed above. We also have certain interest rate swap derivatives that do not qualify for hedge accounting, and accordingly, changes in fair values are recognized in current earnings.

We disclose the fair values of derivative instruments and their gains and losses in a tabular format. We also provide more information about our liquidity by disclosing derivative features that are credit risk-related. Finally, we cross-reference within footnotes to enable financial statement users to locate important information about derivative instruments; See Note 15 to the consolidated financial statements "Derivative Instruments" and Note 17 to the consolidated financial statements "Fair Value of Financial Instruments and Investments" for a further discussion of our derivative financial instruments.

Fair Value of Financial Instruments and Investments

We elected to apply the fair value option for one of our eligible mortgage notes payable that was issued debt during the year ended December 31, 2008. The measurement of the elected mortgage note payable at its fair value and its impact on the statement of operations is described in Note 16 to the consolidated financial statements "Fair Value Option—Note Payable" and Note 17 to the consolidated financial statements "Fair Value of Financial Instruments and Investments."

We generally determine or calculate the fair value of financial instruments using the appropriate present value or other valuation techniques, such as discounted cash flow analyses, incorporating available market discount rate information for similar types of instruments and our estimates for non-performance and liquidity risk. These techniques are significantly affected by the assumptions used, including the discount rate, credit spreads, and estimates of future cash flow. The Investment Manager of CBRE Strategic Partners Asia applies valuation techniques for our investment carried at fair value based upon the application of the income approach, the direct market comparison approach, the replacement cost approach or third party appraisals to the underlying assets held in the unconsolidated entity in determining the net asset value attributable to our ownership interest therein. The financial assets and liabilities recorded at fair value in our consolidated financial statements are the two interest rate swaps, one interest rate cap, our investment in CBRE Strategic Partners Asia (a real estate entity which qualifies as an investment company under the Investment Company Act) and one mortgage note payable that is economically hedged by one of the interest rate swaps.

The remaining financial assets and liabilities which are only disclosed at fair value are comprised of all other notes payable, the unsecured line of credit and other debt instruments. We determined the fair value of our secured notes payable and other debt instruments by performing discounted cash flow analyses using an appropriate market discount rate. We calculate the market discount rate by obtaining period-end treasury rates for fixed-rate debt, or London Inter-Bank Offering Rate ("LIBOR") rates for variable-rate debt, for maturities that correspond to the maturities of our debt and then adding an appropriate credit spread derived from information obtained from third-party financial institutions. These credit spreads take into account factors such as our credit standing, the maturity of the debt, whether the debt is secured or unsecured, and the loan-to-value ratios of the debt.

The carrying amounts of our cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate fair value due to their short-term maturities.

We adopted the fair value measurement criteria described herein for our non-financial assets and non-financial liabilities on January 1, 2009. The adoption of the fair value measurement criteria to our non-financial assets and liabilities did not have a material impact on our consolidated financial statements. Assets and liabilities typically recorded at fair value on a non-recurring basis include:

- Non-financial assets and liabilities initially measured at fair value in an acquisition or business combination;
- Long-lived assets measured at fair value due to an impairment assessment; and
- Asset retirement obligations initially measured under the Codification Topic "*Asset Retirement and Environmental Obligations*" ("FASB ASC 410").

Investments in Unconsolidated Entities

We determine if an entity is a VIE based on several factors, including whether the entity's total equity investment at risk upon inception is sufficient to finance the entity's activities without additional subordinated financial support. We make judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, then a quantitative analysis, if necessary. In a quantitative analysis, we incorporate various estimates, including estimated future cash flows, asset hold periods and discount rates, as well as estimates of the probabilities of various scenarios occurring. If the entity is a VIE, we then determine whether we consolidate the entity as the primary beneficiary. We determine whether an entity is a VIE and, if so, whether it should be consolidated by utilizing judgments and estimates that are inherently subjective. If we made different judgments or utilized different estimates in these evaluations, it could result in differing conclusions as to whether or not an entity is a VIE and whether or not we consolidate such entity.

Our determination of the appropriate accounting method with respect to our investment in CB Richard Ellis Strategic Partners Asia II-A, L.P. ("CBRE Strategic Partners Asia"), which is not considered a Variable Interest Entity ("VIE"), is partially based on CBRE Strategic Partners Asia's sufficiency of equity investment at risk which was triggered by a substantial paydown during 2009 and 2010 of its subscription line of credit backed by investor capital commitments to fund its operations. We account for this investment under the equity method of accounting.

With respect to our majority limited membership interest in the Duke/Hulfish, LLC joint venture (the "Duke joint venture"), the Afton Ridge Joint Venture, LLC ("Afton Ridge"), the Goodman Princeton Holdings (Jersey) Limited joint venture (the "UK JV") and the Goodman Princeton Holdings (LUX) SARL joint venture (the "European JV"), we considered FASB ASC Topic "*Consolidation*" ("FASB ASC 810") in determining that we did not have control over the financial and operating decisions of such entities due to the existence of substantive participating rights held by the minority limited members who are also the managing members of the Duke joint venture and Afton Ridge, and the investment advisors/managers of the UK JV and the European JV, respectively.

We carry our investments in CBRE Strategic Partners Asia, the Duke joint venture, Afton Ridge, the UK JV and the European JV on the equity method of accounting because we have the ability to exercise significant influence (but not control) over operating and financial policies of each such entity.

We eliminate transactions with such equity method entities to the extent of our ownership in each such entity. Accordingly, our share of net income (loss) of these equity method entities is included in consolidated net income (loss). CBRE Strategic Partners Asia is a limited partnership that qualifies for specialized industry accounting for investment companies. On the basis of the guidance in ASC 970-323, the Company accounts for its investment in CBRE Strategic Partners Asia under the equity method. Specialized industry accounting allows investment companies to carry their investments at fair value, with changes in the fair value of the investments recorded in the statement of operations. As a result, and in accordance with FASB ASC 810 the specialized accounting treatment, principally the fair value basis applied by CBRE Strategic Partners Asia under the investment company guide, is retained in the recognition of equity method earnings in the statement of operations of the Company. See Note 17 to the consolidated financial statements "Fair Value of Financial Instruments and Investments" for further discussion of the application of the fair value accounting to our investment in CBRE Strategic Partners Asia.

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

We have elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code, beginning with our taxable period ended December 31, 2004. To qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gains) as defined in the Internal Revenue Code, to our shareholders and satisfy certain other organizational and operating requirements. We generally will not be subject to U.S. federal income taxes if we distribute 100% of our net taxable income each year to our shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income taxes (including any applicable alternative minimum tax) on our taxable income at regular corporate rates and may not be able to qualify as a REIT for the four subsequent taxable years. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and property, and to U.S. federal income taxes and excise taxes on our undistributed taxable income. Except as discussed below, we believe that we have met all of the REIT distribution and technical requirements for the nine months ended September 30, 2011 and the year ended December 31, 2010. We intend to continue to adhere to these requirements and maintain our REIT qualification.

In order for distributions to be deductible for U.S. federal income tax purposes and count towards our distribution requirement, they must not be "preferential dividends." A distribution will not be treated as preferential if it is pro rata among all outstanding shares of stock within a particular class. IRS guidance, however, allows a REIT to offer shareholders participating in its dividend reinvestment program ("DRIP") up to a 5% discount on shares purchased through the DRIP without treating such reinvested dividends as preferential. Our DRIP offers a 5% discount. In 2007, 2008 and the first two quarters of 2009, common shares issued pursuant to our DRIP were treated as issued as of the first day following the close of the quarter for which the distributions were declared, and not on the date that the cash distributions were paid to shareholders not participating in our DRIP. Because we declare dividends on a daily basis, including with respect to common shares issued pursuant to our DRIP, the IRS could take the position that distributions paid by us during these periods were preferential on the grounds that the discount provided to DRIP participants effectively exceeded the authorized 5% discount or, alternatively, that the overall distributions were not pro rata among all shareholders. In addition, in the years 2007 through 2009 we paid certain individual retirement account ("IRA") custodial fees in respect of IRA accounts that invested in our common shares. The payment of certain of such amounts could be treated as dividend distributions to the IRAs, and therefore as preferential dividends as such amounts were not paid in respect of our other outstanding common shares. Although we believe that the effect of the operation of our DRIP and the payment of such fees was immaterial, the REIT rules do not provide an exception for de minimis preferential dividends.

We submitted a request to the IRS for a closing agreement under which the IRS would grant us relief with respect to payments we made to shareholders under our DRIP and in respect of certain custodial fees we paid on behalf of some of our IRA shareholders, in each case, which payments could be treated as preferential dividends under the rules applicable to REITs (collectively, the "Tax Matters"). On July 8, 2011, we and the Investment Advisor entered into a closing agreement with the IRS, pursuant to which (i) the IRS agreed not to challenge our dividends as preferential as a result of the Tax Matters and (ii) the Investment Advisor paid a compliance fee of approximately $135,000 to the IRS. We will not reimburse the Investment Advisor for its payment of the compliance fee. As a result of our entering into the closing agreement with the IRS, we believe that we have fully resolved the Tax Matters.

Subsequent Events

In preparing our accompanying financial statements, management has evaluated subsequent events prior to the filing of this report. We believe that all adjustments and disclosures have been made where appropriate to reflect subsequent events.

Adoption of Accounting Standards

Fair Value Measurements and Disclosures

In January 2010, the FASB issued ASU 2010-06 *Fair Value Measurements and Disclosures*. ASU 2010-06 clarifies disclosure requirements relating to the level of disaggregation of disclosures relating to classes of assets and liabilities and disclosures about inputs and valuation techniques used to measure fair value for both recurring and nonrecurring fair value estimates for Level 2 or Level 3 assets and liabilities. These requirements of ASU 2010-06 are effective for interim and annual disclosures for interim and annual reporting periods beginning after December 15, 2009. The adoption of these requirements of the ASU did not have a material impact on our consolidated financial statements.

New Accounting Standards

ASU 2010-06 also requires additional disclosures regarding the transfers of classifications among the fair value classification levels as well as the reasons for those changes and a separate presentation of purchases, sales, issuances and settlements in the presentation of the roll-forward of Level 3 assets and liabilities. Those disclosures are effective for interim and annual reporting periods for fiscal years beginning after December 15, 2010. The adoption of this portion of ASU 2010-06 did not have a material impact on our consolidated financial statements.

On December 21, 2010, the FASB issued ASU 2010-29, *Disclosure of Supplementary Pro Forma Information for Business Combinations*, to address differences in the ways entities have interpreted the requirements of ASC 805, *Business Combinations*, or ASC 805, for disclosures about pro forma revenue and earnings in a business combination. The ASU states that "if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only." In addition, the ASU "expands the supplemental pro forma disclosures under ASC 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings." The amendments in this ASU are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of ASU 2010-29 has not have a material impact on our consolidated financial statements.

In May 2011, the FASB issued, ASU 2011-04 to the *Fair Value Measurements* topic of the Accounting Standards Codification ("ASC"). The ASU eliminates unnecessary wording differences between U.S. GAAP and International Financial Reporting Standards, expands the disclosure requirements of the *Fair Value Measurements and Disclosure* topic of the ASC for fair value measurements and makes other amendments, including:

- limiting the highest-and-best-use and valuation-premise concepts only to measuring the fair value of nonfinancial assets;
- permitting an exception to fair value measurement principles for financial assets and financial liabilities (and derivatives) with offsetting positions in market risk or counterparty credit risk when several criteria are met. When the criteria are met, an entity can measure the fair value of the net risk position;
- clarifying that premiums or discounts that reflect size as a characteristic of the reporting entity's holding rather than as a characteristic of the asset or liability (for example, a control premium when measuring the fair value of a controlling interest) are not permitted in a fair value measurement; and
- prescribing a model for measuring the fair value of an instrument classified in shareholders' equity; this model is consistent with the guidance on measuring the fair value of liabilities.

ASU 2011-04 expands the *Fair Value Measurements* topic's disclosure requirements, particularly for fair value measurements categorized in Level 3 of the fair value hierarchy: (1) a quantitative disclosure of the unobservable inputs and assumptions used in the measurement, (2) a description of the valuation processes in place (e.g., how the entity decides its valuation policies and procedures, as well as changes in its analyses of fair value measurements, from period to period), and (3) a narrative description of the sensitivity of the fair value to changes in unobservable inputs and interrelationships between those inputs.

ASU 2011-04 is applicable to our Company for interim and annual periods beginning after December 15, 2011. The adoption of this ASU is not expected to have a material effect on our consolidated financial statements Company's financial statements.

In June 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income* (included in ASC 220, *Comprehensive Income*), or ASU 2011-05, which amends existing guidance to allow only two options for presenting the components of net income and other comprehensive income: (1) in a single continuous statement of comprehensive income, or (2) in two separate but consecutive financial statements consisting of an income statement followed by a statement of other comprehensive income. ASU 2011-05 requires retrospective application, and it is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. We do not anticipate that the adoption of ASU 2011-05 will have a material impact on our consolidated financial statements.

Other Accounting Standards Updates not effective until after September 30, 2011 are not expected to have a material impact on our consolidated financial statements.

Treatment of Management Compensation, Expense Reimbursements

Management of our operations is conducted by the Investment Advisor. Fees related to services provided by our Investment Advisor are accounted for based on the nature of such service and the relevant accounting literature. Fees for services performed that represent our period costs, such as cash payments for investment management fees paid to the Investment Advisor, are expensed as incurred. In addition, an affiliate of the Investment Advisor owns a partnership interest which represents a profits interest in CBRE OP related to these services.

Subject to certain limitations, we are obligated to reimburse the Investment Advisor for the organizational and offering costs incurred on our behalf. This treatment is consistent with Staff Accounting Bulletin, ("SAB"), Topic 1.B.1, which requires that we include all of the costs associated with our operations and formation in our financial statements. These costs will then be analyzed and segregated between those which are organizational in nature, those which are offering-related salaries and other general and administrative expenses of the Investment Advisor and its affiliates, and those which qualify as offering expenses in accordance with SAB Topic 5.A. Organizational costs are expensed as incurred in accordance with ASC 720-15-55 "Other Expenses—Start Up Costs." Offering-related salaries and other general and administrative costs of the Investment Advisor and its affiliates will be expensed as incurred and third-party offering expenses will be taken as a reduction against the net proceeds of the offering within additional paid-in capital ("APIC"), in accordance with SAB Topic 5.A.

Offering costs totaling $47,943,000 and $40,325,000 were incurred during the nine months ended September 30, 2011 and 2010, respectively, and are recorded as a reduction of additional paid-in-capital in the consolidated statement of shareholders' equity. Offering costs incurred through September 30, 2011 totaled $195,281,000. Of the total amount, $177,757,000 was incurred to CNL Securities Corp., as Dealer Manager; $3,969,000 was incurred to CB Richard Ellis Group, Inc., an affiliate of the Investment Advisor; $832,000 was incurred to the Investment Advisor for reimbursable marketing costs and $12,723,000 was incurred to other service providers. Each party will be paid the amount incurred from proceeds of the public offering. As of September 30, 2011 and December 31, 2010, the accrued offering costs payable to related parties included in our consolidated balance sheets were $1,411,000 and $917,000, respectively. Offering costs payable to unrelated parties of $144,000 and $115,000 at September 30, 2011 and December 31, 2010, respectively, were included in accounts payable and accrued expenses.

The Investment Advisor earned investment management fees of $5,626,000 and $2,932,000 for the three months ended September 30, 2011 and 2010, respectively; and $15,196,000 and $8,050,000 for the nine months ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and December 31, 2010, the investment management fees payable to related party in our consolidated balance sheets were $1,887,000 and $1,330,000, respectively. In connection with services provided to the Investment Advisor, CNL Fund Management Company, the Sub-Advisor and affiliate of the Dealer Manager pursuant to a sub-advisory agreement dated August 21, 2006, was paid by the Investment Advisor $777,000 and $405,000 for the three months ended September 30, 2011 and 2010, respectively; and $2,098,000 and $1,112,000 for the nine months ended September 30, 2011 and 2010, respectively.

On January 30, 2009, we entered into that certain Second Amendment Advisory Agreement that permits the Investment Advisor to earn an acquisition fee of up to 1.5% of (i) the purchase price of real estate investments acquired by us, including any debt attributable to such investments, or (ii) when we make an investment indirectly through another entity, such investment's pro rata share of the gross asset value of real estate investments held by that entity. The Investment Advisor earned acquisition fees of $803,000 and $1,014,000 for the three months ended September 30, 2011 and 2010, respectively; and $10,179,000 and $4,614,000 for the nine months ended September 30, 2011 and 2010. In connection with services provided to the Investment Advisor, the Sub Advisor, pursuant to a sub advisory agreement, was paid by the Investment Advisor acquisition fees of $150,000 and $190,000 for the three months ended September 30, 2011 and 2010, respectively; and $1,903,000 and $863,000 for the nine months ended September 30, 2011 and 2010, respectively. The Investment Advisor earned $54,000 and $101,000 in acquisition related expenses during the three months ended September 30, 2011 and 2010, respectively; and $679,000 and $474,000 for the nine months ended September 30, 2011 and 2010, respectively.

The Investment Advisor earned a construction supervision fee of $212,000 for the three and nine months ended September 30, 2011. There were no construction supervision fees earned in 2010.

Rental Operations

Our reportable segments consist of three types of commercial real estate properties for which our management internally evaluates operating performance and financial results: the Domestic Industrial Properties, Domestic Office Properties and International Office/ Retail Properties. We evaluate the performance of our segments based on net operating income, defined as: rental income and tenant reimbursements less property and related expenses (operating and maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization, and our company-level general and administrative expenses. The following tables compare the net operating income for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Domestic Industrial Properties				
Revenues:				
Rental	$ 8,344	$ 5,107	$22,455	$16,407
Tenant Reimbursements	1,748	1,286	5,091	3,840
Total Revenues	10,092	6,393	27,546	20,247
Property and Related Expenses:				
Operating and Maintenance	432	305	1,366	1,038
General and Administrative	179	29	503	191
Property Management Fee to Related Party	68	66	205	204
Property Taxes	1,612	1,442	4,824	4,327
Total Expenses	2,291	1,842	6,898	5,760
Net Operating Income	7,801	4,551	20,648	14,487
Domestic Office Properties				
Revenues:				
Rental	22,415	10,182	59,861	25,043
Tenant Reimbursements	5,481	1,753	14,620	4,799
Total Revenues	27,896	11,935	74,481	29,842
Property and Related Expenses:				
Operating and Maintenance	3,704	1,664	10,060	3,778
General and Administrative	16	73	194	244
Property Management Fee to Related Party	213	129	515	190
Property Taxes	3,012	1,222	8,535	3,509
Total Expenses	6,945	3,088	19,304	7,721
Net Operating Income	20,951	8,847	55,177	22,121
International Office/Retail Properties				
Revenues:				
Rental	1,717	1,604	4,851	5,079
Tenant Reimbursements	84	172	218	308
Total Revenues	1,801	1,776	5,069	5,387
Property and Related Expenses:				
Operating and Maintenance	175	175	533	314
General and Administrative	107	313	181	434
Property Management Fee to Related Party	230	71	376	213
Total Expenses	512	559	1,090	961
Net Operating Income	1,289	1,217	3,979	4,426

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Reconciliation to Consolidated Net Loss				
Total Segment Net Operating Income	30,041	14,615	79,804	41,034
Interest Expense	9,329	3,898	24,724	10,232
General and Administrative	1,172	1,151	3,386	3,374
Investment Management Fee to Related Party	5,607	2,933	15,100	8,050
Acquisition Expenses	1,044	2,195	12,537	7,414
Depreciation and Amortization	16,656	7,941	43,901	21,902
	(3,767)	(3,503)	(19,844)	(9,938)
Other Income and Expenses				
Interest and Other Income	460	245	1,271	931
Net Settlement Payments on Interest Rate Swaps	(178)	(568)	(532)	(1,012)
Gain (Loss) on Interest Rate Swaps	32	263	177	(239)
Gain (Loss) on Note Payable at Fair Value	75	(21)	41	(98)
Loss on Early Extinguishment of Debt	0	0	0	(72)
Loss from Continuing Operations Before Provision for Income Taxes and Equity in Income of Unconsolidated Entities	(3,378)	(3,584)	(18,887)	(10,428)
Provision for Income Taxes	(85)	(163)	(385)	(248)
Equity in Income of Unconsolidated Entities	609	2,539	4,160	5,385
Net Loss from Continuing Operations	(2,854)	(1,208)	(15,112)	(5,291)
Discontinued Operations				
(Loss) Income from Discontinued Operations	(18)	0	377	0
Realized Gain from Sale	426	0	301	0
Income From Discontinued Operations	408	0	678	0
Net Loss	(2,446)	(1,208)	(14,434)	(5,291)
Net Loss Attributable to Non-Controlling Operating Partnership Units	4	2	20	9
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$ (2,442)	$ (1,206)	$(14,414)	$ (5,282)

(1) Total Segment Net Operating Income is a Non-GAAP financial measure which may be useful as a supplemental measure for evaluating the relationship of each reporting segment to the combined total. This measure should not be viewed as an alternative measure of operating performance to our U.S. GAAP presentations provided. Segment "Net Operating Income" is defined as operating revenues (rental income, tenant reimbursements and other property income) less property and related expenses (property expenses, including real estate taxes) before depreciation and amortization expense. The Net Operating Income segment information presented consists of the same Net Operating Income segment information disclosed in Note 10 to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Consolidated Results of Operations

Comparison of Three Months Ended September 30, 2011 to Three Months Ended September 30, 2010

Revenues

Rental

Rental revenue increased $15,583,000, or 92%, to $32,476,000 during the three months ended September 30, 2011 compared to $16,893,000 for the three months ended September 30, 2010. The increase was due to the acquisitions of 5160 Hacienda Drive, 10450 Pacific Center Court, 225 Summit Avenue, One Wayside Road, 100 Tice Blvd., Ten Parkway North, Pacific Corporate Park, 100 Kimball Drive, 4701 Gold Spike Drive, 1985 International Way, Rickenbacker II, Rickenbacker III, Summit Distribution Center, 3660 Deerpark Boulevard, and Tolleson Commerce Park II (the "2010 Acquisitions") during the year ended December 31, 2010 and the acquisitions of 70 Hudson, 90 Hudson, Millers Ferry Road and Sky Harbor Operations Center (the "2011 Acquisitions") during the three months ended September 30, 2011.

Tenant Reimbursements

Tenant reimbursements increased $4,102,000, or 128%, to $7,313,000 for the three months ended September 30, 2011 compared to $3,211,000 for the three months ended September 30, 2010, primarily due to tenant reimbursement revenue from the 2010 Acquisitions and 2011 Acquisitions.

Expenses

Operating and Maintenance

Property operating and maintenance expenses increased $2,167,000, or 101%, to $4,311,000 for the three months ended September 30, 2011 compared to $2,144,000 for the three months ended September 30, 2010. The increase was due to the 2010 Acquisitions and 2011 Acquisitions and increased operating and maintenance expenses associated with our vacant properties.

Property Taxes

Property tax expense increased $1,960,000, or 74%, to $4,624,000 for the three months ended September 30, 2011 compared to $2,664,000 for the three months ended September 30, 2010. The increase in property taxes was due to the 2010 Acquisitions and 2011 Acquisitions.

Interest

Interest expense increased $5,431,000, or 139%, to $9,329,000 for the three months ended September 30, 2011 compared to $3,898,000 for the three months ended September 30, 2010 as a result of the assumption of debt related to the 2010 acquisition of One Wayside Road and 100 Tice Blvd. and related to the 2011 acquisitions of 70 Hudson and 90 Hudson, placing debt on Pacific Corporate Park, Ten Parkway North, 100 Kimball Drive and Kings Mountain III and interest related to the revolving credit facility with Wells Fargo Bank, N.A., (the "Wells Fargo Credit Facility").

General and Administrative

General and administrative expense decreased $92,000, or 6%, to $1,474,000 for the three months ended September 30, 2011 compared to $1,566,000 for the three months ended September 30, 2010. Of the total decrease, $398,000 was due to the decrease in organizational cost and $253,000 was due to the decrease in non-recoverable operating and maintenance expenses offset by the increase of $200,000 in professional fees; $166,000 in legal expenses; $133,000 in shareholders servicing fees and report production costs; $41,000 in directors' and officers' insurance and expenses and $48,000 in general audit fees and Sarbanes-Oxley assistance.

Property Management Fee and Investment Management Fee to Related Party

Property management fee and investment management fee to related party increased $2,919,000, or 91%, to $6,118,000 for three months ended September 30, 2011 compared to $3,199,000 for the three months ended September 30, 2010. The increase was due to an increase in assets under management.

Acquisition Expenses

Acquisition expenses decreased $1,151,000, or 52%, to $1,044,000 for the three months ended September 30, 2011 compared to $2,195,000 for the three months ended September 30, 2010. The decrease was due to reduced acquisition activity in the three months ended September 30, 2011 compared to the three months ended September 30, 2010.

Depreciation and Amortization

Depreciation and amortization expense increased $8,715,000, or 110%, to $16,656,000 for the three months ended September 30, 2011 as compared to $7,941,000 for the three months ended September 30, 2010. The increase was related to the 2010 Acquisitions and 2011 Acquisitions.

Interest and Other Income

Interest and other income increased $215,000, or 88%, to $460,000 for the three months ended September 30, 2011 compared to $245,000 for the three months ended September 30, 2010. The increase was primarily due to the recognition of miscellaneous revenue from the Cherokee Corporate Park settlement, sub-lease collection at 225 Summit Avenue and Tolleson Commerce Park mineral rights income for the three months ended September 30, 2011.

Net Settlement Payments on Interest Rate Swaps

During the three months ended September 30, 2011, we made net payments on interest rate swaps of $178,000 compared to $568,000 during the three months ended September 30, 2010. The decrease is a result of higher variable interest rates for the three months ended September 30, 2011 as compared to the three months ended September 30, 2010.

Gain on Interest Rate Swaps and Cap

During the three months ended September 30, 2011, our derivative instruments generated a gain of $32,000 as compared to a gain of $263,000 for the three months ended September 30, 2010 or a year to year gain reduction of $231,000.

Gain (Loss) on Note Payable at Fair Value

Gain on note payable increased by $96,000, or 457%, to $75,000 for the three months ended September 30, 2011 compared to a loss of $21,000 for the three months ended September 30, 2010. The year to year change is attributable to a stabilization of UK interest rate spreads and base rates used to value the loan.

Provision for Income Taxes

Provision for income taxes decreased $78,000, or 48%, to $85,000 for the three months ended September 30, 2011 compared to $163,000 for the three months ended September 30, 2010 resulting primarily from decreased tax liabilities in a number of states in which we hold properties.

Equity in Income of Unconsolidated Entities

Equity in income of unconsolidated entities decreased $1,930,000, or 76%, to $609,000 for the three months ended September 30, 2011 compared to $2,539,000 for the three months ended September 30, 2010. The decrease was primarily due to additional interest expense and deferred financing cost amortization in connection with the increased Duke joint venture secured and unsecured term debt for the three months ended September 30, 2011.

Discontinued Operations

Income from discontinued operations for the three months ended September 30, 2011 was $408,000. Revenues and expenses from discontinued operations represent the activities of the held for sale portfolio of two industrial warehouse distribution buildings acquired during the three months ended December 31, 2010. The properties were sold during the three months ended September 30, 2011. There were no discontinued operations in the three months ended September 30, 2010.

Net Loss Attributable to Non-Controlling Operating Partnership Units

During the three months ended September 30, 2011, net loss attributable to non-controlling interest was $4,000 compared to $2,000 for the three months ended September 30, 2010, or a year to year increase of $2,000.

Consolidated Results of Operations

Comparison of Nine Months Ended September 30, 2011 to Nine Months Ended September 30, 2010

Revenues

Rental

Rental revenue increased $40,638,000, or 87%, to $87,167,000 during the nine months ended September 30, 2011 compared to $46,529,000 for the nine months ended September 30, 2010. The increase was due to the acquisitions of 5160 Hacienda Drive, 10450 Pacific Center Court, 225 Summit Avenue, One Wayside Road, 100 Tice Blvd., Ten Parkway North, Pacific Corporate Park, 100 Kimball Drive, 4701 Gold Spike Drive, 1985 International Way, Rickenbacker II, Rickenbacker III, Summit Distribution Center, 3660 Deerpark Boulevard, and Tolleson Commerce Park II (the "2010 Acquisitions") during the year ended December 31, 2010 and the acquisitions of 70 Hudson, 90 Hudson, Millers Ferry Road and Sky Harbor Operations Center (the "2011 Acquisitions") during the nine months ended September 30, 2011.

Tenant Reimbursements

Tenant reimbursements increased $10,982,000, or 123%, to $19,929,000 for the nine months ended September 30, 2011 compared to $8,947,000 for the nine months ended September 30, 2010, primarily due to tenant reimbursement revenue from the 2010 Acquisitions and 2011 Acquisitions.

Expenses

Operating and Maintenance

Property operating and maintenance expenses increased $6,829,000, or 133%, to $11,959,000 for the nine months ended September 30, 2011 compared to $5,130,000 for the nine months ended September 30, 2010. The increase was due to the 2010 Acquisitions and 2011 Acquisitions and increased operating and maintenance expenses associated with our vacant properties.

Property Taxes

Property tax expense increased $5,523,000, or 70%, to $13,359,000 for the nine months ended September 30, 2011 compared to $7,836,000 for the nine months ended September 30, 2010. The increase in property taxes was due to the 2010 Acquisitions and 2011 Acquisitions.

Interest

Interest expense increased $14,492,000, or 142%, to $24,724,000 for the nine months ended September 30, 2011 compared to $10,232,000 for the nine months ended September 30, 2010 as a result of the assumption of debt related to the 2010 acquisition of One Wayside Road and 100 Tice Blvd. and the 2011 acquisitions of 70 Hudson and 90 Hudson, placing debt on Pacific Corporate Park, Ten Parkway North, 100 Kimball Drive and Kings Mountain III and interest related to the revolving credit facility with Wells Fargo Bank, N.A., (the "Wells Fargo Credit Facility").

General and Administrative

General and administrative expense increased $21,000, or 1%, to $4,264,000 for the nine months ended September 30, 2011 compared to $4,243,000 for the nine months ended September 30, 2010. Of the total increase, $642,000 was due to the increase of in professional fees; $236,000 was due to the increase in general audit fees and Sarbanes-Oxley assistance; $235,000 was due to the increase in legal expenses; $66,000 was due to the increase in directors' and officers' insurance and expenses offset by the reduction of $687,000 in organizational costs; $240,000 in non-recoverable operating and maintenance expenses; $212,000 due to restricted common shares granted to our independent trustees in 2010 and $19,000 in shareholders servicing fees and report production costs.

Property Management Fee and Investment Management Fee to Related Party

Property management fee and investment management fee to related party increased $7,539,000, or 87%, to $16,196,000 for nine months ended September 30, 2011 compared to $8,657,000 for the nine months ended September 30, 2010. The increase was due to an increase in assets under management.

Acquisition Expenses

Acquisition expenses increased $5,123,000, or 69%, to $12,537,000 for the nine months ended September 30, 2011 compared to $7,414,000 for the nine months ended September 30, 2010. The increase was related to the 2011 Acquisitions and the acquisitions by the Duke joint venture of the Office Portfolio, which consists of 20 office properties, in March 2011.

Depreciation and Amortization

Depreciation and amortization expense increased $21,999,000, or 100%, to $43,901,000 for the nine months ended September 30, 2011 as compared to $21,902,000 for the nine months ended September 30, 2010. The increase was related to the 2010 Acquisitions and 2011 Acquisitions.

Interest and Other Income

Interest and other income increased $340,000, or 37%, to $1,271,000 for the nine months ended September 30, 2011 compared to $931,000 for the nine months ended September 30, 2010. The increase was primarily due to the recognition of additional miscellaneous revenue resulting from the Cherokee Park settlement agreement, insurance refund for Highway 290 Commerce Park, sub-lease payments at 225 Summit Avenue and Tolleson Commerce Park mineral rights income.

Net Settlement Payments on Interest Rate Swaps

During the nine months ended September 30, 2011, we made net payments on interest rate swaps of $532,000 compared to $1,012,000 during the nine months ended September 30, 2010. The decrease is a result of higher variable interest rates for the nine months ended September 30, 2011 as compared to the nine months ended September 30, 2010.

Gain (Loss) on Interest Rate Swaps and Cap

During the nine months ended September 30, 2011, our derivative instruments generated income of $177,000 as compared to a loss of $239,000 for the nine months ended September 30, 2010 or a year to year increase of $416,000.

Gain (Loss) on Note Payable at Fair Value

Gain on note payable increased by $139,000, or 142%, to $41,000 for the nine months ended September 30, 2011 compared to a loss of $98,000 for the nine months ended September 30, 2010. The year to year change is attributable to a stabilization of UK interest rate spreads and base rates used to value the loan.

Loss on Early Extinguishment of Debt

During the nine months ended September 30, 2010, we repaid in full the existing loan at 602 Central Blvd. and incurred expense of $72,000. There was no extinguishment of debt activity during the nine months ended September 30, 2011.

Provision for Income Taxes

Provision for income taxes increased $137,000, or 55%, to $385,000 for the nine months ended September 30, 2011 compared to $248,000 for the nine months ended September 30, 2010 resulting primarily from increased tax liabilities in a number of states in which we hold properties.

Equity in Income of Unconsolidated Entities

Equity in income of unconsolidated entities decreased $1,225,000, or 23%, to $4,160,000 for the nine months ended September 30, 2011 compared to $5,385,000 for the nine months ended September 30, 2010. The decrease was primarily due to additional interest expense and deferred financing cost amortization for the Duke joint venture secured and unsecured term debt for the nine months ended September 30, 2011.

Discontinued Operations

Income from discontinued operations for the nine months ended September 30, 2011 was $678,000. Revenues and expenses from discontinued operations represent the activities of the held for sale portfolio of two industrial warehouse distribution buildings acquired during the three months ended December 31, 2010. The properties were sold during the nine months ended September 30, 2011. There were no discontinued operations in the nine months ended September 30, 2010.

Net Loss Attributable to Non-Controlling Operating Partnership Units

During the nine months ended September 30, 2011, net loss attributable to non-controlling interest was $20,000 compared to $9,000 for the nine months ended September 30, 2010, or a year to year increase of $11,000.

Financial Condition, Liquidity and Capital Resources

Overview

Liquidity is a measurement of the ability to meet cash requirements, including funding investments and ongoing commitments, to repay borrowings as well as paying dividends, fees and other costs associated with our public offerings and other general business needs. Our sources of funds will primarily be the net proceeds of our initial public and follow-on offerings, operating cash flows and borrowings. We believe that these cash resources will be sufficient to satisfy our cash requirements and we do not anticipate a need to raise funds from other than these sources within the next twelve months. Cash flow from operations is primarily dependent upon the occupancy level of our portfolio, the net effective rental rates achieved on our leases, the collectability of rent and operating escalations and recoveries from our tenants and the level of operating and other costs. Depending on market conditions, we expect that once the net proceeds of our initial public and follow-on offerings are fully invested, our debt financing will be approximately 65% of the value of the cost of our assets before non-cash reserves and depreciation. The amount of debt we place on an individual property, or the amount of debt incurred by an individual entity in which we invest, may be more or less than 65% of the value of such property or the value of the assets owned by such entity, depending on market conditions and other factors. In fact, depending on market conditions and other factors, we may choose not to place debt on our portfolio or our assets and may choose not to borrow to finance our operations or to acquire properties. Our declaration of trust limits our borrowing to 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to our shareholders in our next quarterly report. Our declaration of trust defines "net assets" as our total assets (other than intangibles) at cost, before deducting depreciation, reserves for bad debts or other non-cash reserves, less total liabilities, calculated at least quarterly by us on a basis consistently applied; provided, however, that during such periods in which we are obtaining regular independent valuations of the current value of its net assets for purposes of enabling fiduciaries of employee benefit plan shareholders to comply with applicable Department of Labor reporting requirements, "net assets" means the greater of (i) the amount determined pursuant to the foregoing and (ii) the assets' aggregate valuation established by the most recent such valuation report without reduction for depreciation, bad debts or other non-cash reserves. Any indebtedness we do incur will likely be subject to continuing covenants, and we will likely be required to make continuing representations and warranties in connection with such debt. Moreover, some or all of our debt may be secured by some or all of our assets. If we default in the payment of interest or principal on any such debt, breach any representation or warranty in connection with any borrowing or violate any covenant in any loan document, our lender may accelerate the maturity of such debt requiring us to immediately repay all outstanding principal. If we are unable to make such payment, our lender could foreclose on our assets that are pledged as collateral to such lender. The lender could also sue us or force us into bankruptcy. Any such event would have a material adverse effect on the value of our common shares. We believe that, even without any proceeds raised from our public offering, we have sufficient cash flow from operations to continue as a going concern for the next twelve months and into the foreseeable future.

In addition to making investments in accordance with our investment objectives, we expect to use our capital resources to make certain payments to the Investment Advisor and the Dealer Manager. During the offering stage, assuming all of the shares in our primary offering are sold, these payments will include payments of up to $189,000,000 for selling commissions, up to $54,000,000 for the dealer manager fee, up to $27,000,000 for the marketing support fee and up to $20,750,000 for organizational and offering expenses. During the acquisition and operational stages, certain services related to the acquisition and management of our investments and our operations will be provided to us by the Investment Advisor pursuant to an advisory agreement entered into in July 2004 which was amended and restated in October 2006 and again in January 2009. Pursuant to that agreement, we expect to make various payments to the Investment Advisor, including acquisition fees, investment management fees and payments for reimbursements of certain costs incurred by the Investment Advisor in providing related services to us. As the actual amounts to be paid are dependent upon the total equity and debt capital we raise and our results of operations, we cannot determine these amounts at this time.

In order to avoid corporate-level tax on our net taxable income, we are required to pay distributions to our shareholders equal to our net taxable income. In addition, to qualify as a REIT, we generally are required to pay annual distributions to our shareholders equal to at least 90% of our net ordinary taxable income. Therefore, once the net proceeds we receive from our public offerings are substantially fully invested, we will need to raise additional capital in order to grow our business and acquire additional real estate investments. We anticipate borrowing funds to obtain additional capital, but there can be no assurance that we will be able to do so on terms acceptable to us, if at all.

Historical Cash Flows

Our net cash provided by operating activities increased by $16,655,000 to $43,260,000 for the nine months ended September 30, 2011, compared to $26,605,000 for the nine months ended September 30, 2010. The increase was due to the acquisitions of properties during the year ended December 31, 2010 and the nine months ended September 30, 2011.

Net cash used in investing activities decreased by $19,486,000 to $222,727,000 for the nine months ended September 30, 2011, compared to $242,213,000 for the nine months ended September 30, 2010. The decrease was mainly due to reduced cash flow invested in real estate properties during the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010.

Net cash provided by financing activities decreased by $86,861,000 to $310,301,000 for the nine months ended September 30, 2011, compared to $397,162,000 for the nine months ended September 30, 2010. The decrease was due to an increase in payment on loan payable of $85,000,000, a decrease in proceeds from the public offering of $36,274,000, an increase in principal payments on notes payable of $35,321,000, an increase in distributions to shareholders of $14,610,000, an increase in shareholder redemptions of $14,384,000, an increase in payment of offering costs of $8,063,000, a decrease in security deposit of $1,278,000, offset by an increase in proceeds from notes payable of $81,700,000, an increase in borrowing on loan payable of $25,000,000, and an increase in deferred financing costs of $1,369,000.

Non-GAAP Supplemental Financial Measure: Funds from Operations

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors consider presentations of operating results for REITs that use historical cost accounting to be insufficient by themselves. Consequently, the National Association of Real Estate Investment Trusts, or NAREIT, created Funds from Operations, or FFO, as a supplemental measure of REIT operating performance.

FFO is a non-GAAP measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net income. FFO, as we define it, is presented as a supplemental financial measure. Management believes that FFO is a useful supplemental measure of REIT performance. FFO does not present, nor do we intend for it to present, a complete picture of our financial condition and/or operating performance. We believe that net income, as computed under GAAP, appropriately remains the primary measure of our performance and that FFO, when considered in conjunction with net income, improves the investing public's understanding of the operating results of REITs and makes comparisons of REIT operating results more meaningful.

We compute FFO in accordance with standards established by NAREIT. Modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business and provide greater transparency to the investing public as to how our management team considers our results of operations. As a result, our FFO may not be comparable to FFO as reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do. The revised NAREIT White Paper on FFO defines FFO as net income or loss computed in accordance with GAAP, excluding extraordinary items, as defined by GAAP, and gains and losses from sales of depreciable operating property, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), and after adjustment for unconsolidated partnerships and joint ventures.

Management believes that NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time, and that depreciation charges required by GAAP do not always reflect the underlying economic realities. Likewise, the exclusion from NAREIT's definition of FFO of gains and losses from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. Thus, FFO provides a performance measure that, when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates and operating costs. Management also believes that FFO provides useful information to the investment community about our financial performance when compared to other REITs, since FFO is generally recognized as the industry standard for reporting the operations of REITs.

However, changes in the accounting and reporting rules under GAAP (for acquisition fees and expenses from a capitalization/ depreciation model to an expensed-as-incurred model) that have been put into effect since the establishment of NAREIT's definition of FFO have prompted an increase in the non-cash and non-operating items included in FFO. In addition, we view impairment charges as an item which is typically adjusted when assessing operating performance. Furthermore, publicly registered, non-traded REITs typically have a significant amount of acquisition activity during their initial years of investment and operation and therefore we believe require additional adjustments to FFO in evaluating performance. As a result, in addition to presenting FFO in accordance with the NAREIT definition, we also disclose FFO, as adjusted, which excludes the effects of acquisition costs and non-cash impairment charges.

FFO, as adjusted, is a useful measure to management's decision-making process. As discussed below, period to period fluctuations in the excluded items can be driven by short-term factors that are not particularly relevant to our long-term investment decisions, long-term capital structures or long-term tax planning and tax structuring decisions. We believe that adjusting FFO to exclude these acquisition costs and impairment charges more appropriately presents our results of operations on a comparative basis. The items that we exclude from net income are subject to significant fluctuations from period to period that cause both positive and negative effects on our results of operations, often in inconsistent and unpredictable directions. For example, our acquisition costs are primarily the result of the volume of our acquisitions completed during each period, and therefore we believe such acquisition costs are not reflective of our operating results during each period. Similarly, unrealized gains or non-cash impairment charges that we have recognized during a given period are based primarily upon changes in the estimated fair market value of certain of our investments due to deterioration in market conditions and do not necessarily reflect the operating performance of these properties during the corresponding period.

We believe that FFO, as adjusted, is useful to investors as a supplemental measure of operating performance. We believe that adjusting FFO to exclude acquisition costs provides investors a view of the performance of our portfolio over time, including after we cease to acquire properties on a frequent and regular basis and allows for a comparison of the performance of our portfolio with other REITs that are not currently engaging in acquisitions. In addition, as many other non-traded REITs adjust FFO to exclude acquisition costs and impairment charges, we believe that our calculation and reporting of FFO, as adjusted, will assist investors and analysts in comparing our performance with that of other non-traded REITs. We also believe that FFO, as adjusted, may provide investors with a useful indication of our future performance, particularly after our acquisition stage, and of the sustainability of our current distribution policy. However, because FFO, as adjusted, excludes acquisition costs, which are an important component in an analysis of our historical performance, such supplemental measure should not be construed as a historical performance measure and may not be as useful a measure for estimating the value of our common shares. In addition, the impairment charges that we exclude from FFO, as adjusted, may be realized as a loss in the future upon the ultimate disposition of the related properties or other assets through the form of lower cash proceeds.

Not all REITs calculate FFO and FFO, as adjusted (or an equivalent measure), in the same manner and therefore comparisons with other REITs may not be meaningful. Neither FFO, nor FFO as adjusted, represents cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to (i) net income (determined in accordance with GAAP), as indications of our financial performance, or (ii) to cash flow from operating activities (determined in accordance with GAAP) as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make cash distributions. We believe that to further understand our performance, each of FFO and FFO, as adjusted, should be compared with our reported net income and considered in addition to cash flows in accordance with GAAP, as presented in our Consolidated Financial Statements.

The following table presents our FFO and FFO, as adjusted for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Reconciliation of net loss funds from operations				
Net Loss Attributable to CB Richard Ellis Realty Trust Shareholders	$ (2,442)	$ (1,206)	$(14,414)	$ (5,282)
Adjustments:				
Non-controlling interest	(4)	(2)	(20)	(9)
Real estate depreciation and amortization	16,656	7,941	43,901	21,901
Realized gain from transfer of real estate to unconsolidated entities	0	0	0	(154)
Realized gain from sale of discontinued operations	(426)	0	(301)	0
Net effect of FFO adjustment from unconsolidated entities[(1)]	12,830	4,661	33,750	12,758
FFO	$26,614	$11,394	$ 62,916	$29,214
Other Adjustments:				
Acquisition expenses	1,044	2,592	12,537	8,504
Unrealized (gain) loss in unconsolidated entity	369	115	596	(234)
FFO, as adjusted	$28,027	$14,101	$ 76,049	$37,484

(1) Represents our share of the FFO adjustments allowable under the NAREIT definition (primarily depreciation) for each of our unconsolidated entities.

Notes Payable

In connection with our acquisition of the Carolina Portfolio on August 30, 2007, we assumed 13 loans with principal balances totaling $66,110,000 ($62,944,000 at estimated fair value including the discount of $3,166,000) from various lenders that are secured by first deeds of trust on the properties and the assignment of related rents and leases. Assumption fees and other loan closing costs totaling $765,500 were capitalized as incurred. The loans bear interest at rates ranging from 4.98% to 6.33% per annum and mature between March 1, 2013 and February 1, 2025. The loans require monthly payments of interest and principal, fully amortized over the lives of the loans. Principal payments totaling $2,982,000 were made during the nine months ended September 30, 2011. We indemnify the lenders against environmental costs and expenses and guarantee the loans under certain conditions.

On December 27, 2007, we entered into a $9,000,000 financing agreement secured by the Bolingbrook Point III property with the Northwestern Mutual Life Insurance Company. The loan is for a term of seven years and bears a fixed interest rate of 5.26% per annum with principal due at maturity. In addition, we incurred financing costs of approximately $91,000 associated with obtaining this loan. On January 14, 2011, we paid down $1,100,000 of principal in connection with the lease termination settlement with one of the tenants.

On May 30, 2008, we entered into a £7,500,000 financing arrangement with the Royal Bank of Scotland plc secured by the Thames Valley Five property. On July 27, 2010 we paid down the loan by £1,860,000 leaving a loan balance of £5,640,000 ($8,792,000 at September 30, 2011). The loan is for a term of five years (with a two year extension option) and bears interest at a variable rate adjusted quarterly, (based on nine month GBP-based LIBOR plus 1.01%. In addition, we incurred financing costs of approximately £67,000 ($104,000 at September 30, 2011) associated with obtaining this loan. On August 14, 2008, we entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 5.41% plus 1.01% or 6.42% per annum as of September 30, 2011, and expires on May 30, 2013. In conjunction with the loan paydown, we incurred a cost of £227,000 ($361,000 at August 3, 2010) to reduce the notional amount of the interest rate swap from £7,500,000 to £5,640,000. Interest only payments are due quarterly for the term of the loan with principal due at maturity.

On July 1, 2008, in connection with the acquisition of Enclave on the Lake, we assumed an $18,281,000 ($18,790,000 face value less discount of $509,000) loan from NorthMarq Capital, Inc. that bears interest at a fixed rate of 5.45% per annum and was scheduled to mature on May 1, 2011. Principal and interest payments were made monthly and principal payments totaling $17,906,000 were made during the nine months ended September 30, 2011. The loan was paid off in full in April 2011. In addition, we incurred financing costs totaling $241,000 in conjunction with the assumption of the loan.

On October 10, 2008, we entered into a £5,771,000 ($8,996,000 at September 30, 2011) financing agreement with the Royal Bank of Scotland plc secured by Albion Mills Retail Park property. The loan is for a term of five years and bears interest at a variable rate adjusted quarterly, based on three month GBP-based LIBOR plus 1.31%. In addition, we incurred financing costs of approximately £75,000 ($117,000 at September 30, 2011) associated with obtaining this loan. On November 25, 2008, we entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.94% plus 1.31% or 5.25% per annum as of September 30, 2011 and expires on October 10, 2013. Interest only payments are due quarterly for the term of the loan with principal due at maturity.

On November 18, 2008, in connection with the acquisition of Avion Midrise III & IV, we assumed $20,851,000 ($22,186,000 face value less discount of $1,335,000) fixed rate mortgage loan from Capmark Finance, Inc. that bears interest at a rate of 5.52% per annum and matures on April 1, 2014. Principal and interest payments are due monthly for the remaining loan term and principal payments totaling $323,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $344,000 in conjunction with the assumption of the loan.

On August 5, 2009, in connection with the acquisition of 12650 Ingenuity Drive, we assumed a $12,572,000 ($13,539,000 face value less a discount of $967,000) fixed rate mortgage loan from PNC Bank, National Association that bears interest at a rate of 5.62% and matures on October 1, 2014. Principal and interest payments are due monthly for the remaining loan term and principal payments totaling $286,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $284,000 in conjunction with the assumption of the loan.

On August 10, 2009, we entered into a £13,975,000 ($21,785,000 at September 30, 2011) financing agreement with the Abbey National Treasury Services plc secured by the Maskew Retail Park property. On September 24, 2009, we drew the full amount of the loan and concurrently entered into an interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.42% plus 2.26% or 5.68% per annum for the five-year term of the loan. Interest only payments are due quarterly for the term of the loan with principal due at maturity. In addition, we incurred financing costs of approximately £268,000 ($418,000 at September 30, 2011) associated with obtaining this loan.

On June 24, 2010, we assumed two loans in connection with the acquisition of One Wayside Road: (i) a $14,888,000 ($14,633,000 at face value plus a premium of $255,000) fixed rate mortgage loan from State Farm Life Insurance Company that bears interest at a rate of 5.66% and matures on August 1, 2015; and (ii) a $12,479,000 ($12,132,000 at face value plus a premium of $347,000) fixed rate mortgage loan from State Farm Life Insurance Company that bears interest at a rate of 5.92% and matures on August 1, 2015. Principal and interest payments are due monthly for the remaining loan terms and principal payments totaling $457,000 were made during the nine months ended September 30, 2011 on the two loans. In addition, we incurred financing costs totaling $342,000 in conjunction with the assumption of the loans.

On September 28, 2010, we assumed two loans in connection with the acquisition of 100 Tice Blvd.: (i) a $23,136,000 ($21,218,000 at face value plus a premium of $1,918,000) fixed rate loan from Principal Life Insurance Company that bears interest at a rate of 5.97%, matures on September 15, 2022 and the lender has the right to call the loan due and payable on September 15, 2017; (ii) a $23,136,000 ($21,217,000 at a face value plus a premium of $1,919,000) fixed rate mortgage from Hartford Life and Accidental

Insurance Company that bears interest at a rate of 5.97%, matures on September 15, 2022 and the lender has the right to call the loan due and payable on September 15, 2017. Principal and interest payments are due monthly for the remaining loan terms and principal payments totaling $727,000 were made during the nine months ended September 30, 2011 on the two loans. In addition, we incurred financing costs totaling $476,000 in conjunction with the assumption of the loans.

On December 7, 2010, we entered into a $85,000,000 secured term loan through a subsidiary with Wells Fargo Bank, National Association, or the Pacific Corporate Park Loan. The Pacific Corporate Park Loan has a seven-year term, monthly amortization of $250,000 and is secured by Pacific Corporate Park. Upon closing of the Pacific Corporate Park Loan on December 7, 2010, we entered into an interest rate swap agreement with Wells Fargo Bank, National Association to effectively fix the interest rate on the entire outstanding Pacific Corporate Park Loan amount at 4.89% for its seven-year term. Principal and interest payments are due monthly and principal payments totaling $2,500,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $1,515,000 in conjunction with obtaining the loan.

On December 29, 2010, we entered into a $12,600,000 secured term loan through Woodmen of The World Life Insurance Society secured by the Ten Parkway North property. The Ten Parkway North loan bears interest at a fixed rate of 4.75% per annum and matures on January 1, 2021. Principal and interest payments are due monthly and principal payments totaling $178,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $150,000 in conjunction with obtaining the loan.

Beginning January 2011, principal and interest payments are due monthly on the $9,725,000 term loan secured by the Deerfield Commons I property that was originally entered into on November 29, 2005. The loan bears interest at a fixed rate of 5.23% per annum and interest only payments were due monthly for the first 60 months. Principal payments totaling $103,000 were made during the nine months ended September 30, 2011.

On February 8, 2011, we entered into five cross-collateralized secured term loans totaling $37,000,000 with ING USA Annuity and Life Insurance Company secured by the following properties: 4701 Gold Spike Road, $10,650,000, Summit Distribution Center, $6,700,000, Tolleson Commerce Park II, $4,600,000, 3660 Deerpark Blvd., $7,650,000 and 1985 International Way, $7,400,000. The loans bear interest at a fixed rate of 4.45% and mature on March 1, 2018. Principal and interest payments are due monthly and principal payments totaling $298,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $767,000 in conjunction with obtaining the five loans.

On February 28, 2011, we entered into a $33,000,000 secured term loan with TD Bank secured by the 100 Kimball Drive property. Upon closing the 100 Kimball Drive loan, we simultaneously entered into an interest rate swap agreement with TD Bank to effectively fix the interest rate on the entire outstanding loan amount to 5.25% for its 10 year term. Principal and interest payments are due monthly and principal payments totaling $314,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $512,000 in conjunction with obtaining the loan.

On April 11, 2011, in connection with the acquisition of 70 Hudson Street, we assumed a $124,113,000 ($120,857,000 face value plus a premium of $3,256,000) fixed rate mortgage loan from Lehman Brothers Bank, FSB that bears interest at a rate of 5.645% and matures on April 11, 2016. Principal and interest payments are due monthly and principal payments totaling $684,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $161,000 in conjunction with the assumption of the loan.

On April 11, 2011, in connection with the acquisition of 90 Hudson Street, we assumed a $120,247,000 ($117,562,000 face value plus a premium of $2,685,000) fixed rate mortgage loan from Teachers Insurance and Annuity Association of America that bears interest at a rate of 5.66% and matures on May 1, 2016. On July 14, 2011, we and Teachers Insurance and Annuity Association of America agreed to modify the $117,562,000 existing mortgage loan assumed by us. The loan was modified to extend its maturity by three years, from May 1, 2016 to May 1, 2019. The 5.66% annual interest rate was unchanged but is subject to a new 30 year amortization schedule. We pre-paid approximately $8,600,000 of loan's balance (with no pre-payment penalty) in connection with the modification. Principal and interest payments are due monthly and principal payments totaling $9,177,000, including prepayment of approximately $8,600,000, were made during the nine months ended September 30, 2011. In addition, we incurred financing costs totaling $702,000 in conjunction with the assumption and modification of the loan.

On June 24, 2011, we entered into a $11,700,000 secured term loan with TD Bank secured by the Kings Mountain III property. Effective July 1, 2011, we entered into an interest rate swap agreement with TD Bank to effectively fix the interest rate on the entire outstanding loan amount to 4.47% for its 7 year term maturing on July 1, 2018. Principal and interest payments are due monthly and principal payments totaling $41,000 were made during the nine months ended September 30, 2011. In addition, we incurred financing costs of approximately $247,000 in conjunction with obtaining the loan.

Loan Payable

On May 26, 2010, we entered into a $70,000,000 revolving credit facility with Wells Fargo Bank, N.A., or the Wells Fargo Credit Facility. The initial maturity date of the Wells Fargo Credit Facility is May 26, 2014, however we may extend the maturity date to May 26, 2015, subject to certain conditions. $15,000,000 of the Wells Fargo Credit Facility was initially drawn upon closing on May 26, 2010, with $55,000,000 initially remaining available for disbursement during the term of the facility. We have the right to prepay any outstanding amount of the Wells Fargo Credit Facility, in whole or in part, without premium or penalty at any time during the term of this Wells Fargo Credit Facility, however, we initially could not reduce the outstanding principal balance below a minimum outstanding amount of $15,000,000, without reducing the total $70,000,000 Wells Fargo Credit Facility capacity. Initially, the Wells Fargo Credit Facility had a floating interest rate of 300 basis points over LIBOR, however this interest rate would be at least 4.00% for any of the outstanding balance that was not subject to an interest rate swap with an initial term of at least two years. Upon closing on May 26, 2010, we entered into an interest rate swap agreement with Wells Fargo Bank, N.A. to effectively fix the interest rate on the initial $15,000,000 outstanding loan amount at 5.10% for the four-year term of the facility. The interest rate swap was designated as a qualifying cash flow hedge at the start date of the hedge relationship as described in Note 15 to the consolidated financial statements "Derivative Instruments." The Wells Fargo Credit Facility was initially secured by our 13201 Wilfred, 3011, 3055 & 3077 Comcast Place, 140 Depot Street, Crest Ridge Corporate Center I and West Point Trade Center properties. In addition, CBRE OP provides a limited guarantee for the Wells Fargo Credit Facility. The Wells Fargo Credit Facility is subject to certain customary financial covenants, including certain negative financial covenants, which we believe we were in compliance with as of September 30, 2011. A commitment fee of $1,050,000 was paid to Wells Fargo Bank, N.A. at the initial closing.

On August 31, 2010, we entered into an amended and restated credit agreement with Wells Fargo Bank, N.A. to expand the Wells Fargo Credit Facility from its initial capacity of $70,000,000 to an amended capacity of $125,000,000 (the "Amended Wells Fargo Credit Facility"). In connection with the Amended Wells Fargo Credit Facility, the minimum outstanding amount was increased to $25,000,000 and as such an additional $10,000,000 was drawn (in addition to the $15,000,000 initially drawn on May 26, 2010) with the remaining $100,000,000 available for disbursement during the term of the facility. The Amended Wells Fargo Credit Facility is secured by an additional three of our properties, for a total of eight properties in all: 13201 Wilfred Lane, 3011, 3055 & 3077 Comcast Place, 140 Depot Street, Crest Ridge Corporate Center, West Point Trade Center, 5160 Hacienda Drive, 10450 Pacific Center Court and 225 Summit Avenue. The interest rate was reduced by 25 basis points to 275 basis points over LIBOR (which rate will apply to all withdrawals from the Amended Wells Fargo Credit Facility other than the initial $15,000,000 that was drawn on May 26, 2010) and the initial interest rate floor of 4.00% was eliminated. The initial maturity date remains May 26, 2014, however we may extend the maturity date to May 26, 2015, subject to certain conditions. The Amended Wells Fargo Credit Facility is subject to certain representations and warranties and customary financial covenants (including certain negative financial covenants) with which we believe we were in compliance as of September 30, 2011. A commitment fee of $632,500 was paid to Wells Fargo Bank, N.A. at closing of the Amended Wells Fargo Credit Facility.

During the nine months ended September 30, 2011, $30,000,000 was drawn and $65,000,000 was repaid in connection with the amended Wells Fargo Credit Facility leaving a $25,000,000 balance at September 30, 2011, with the remaining $100,000,000 available for disbursement during the term of the facility. The $25,000,000 is included in Loan Payable on our condensed consolidated balance sheet.

Our organizational documents contain a limitation on the amount of indebtedness that we may incur, so that unless our shares are listed on a national securities exchange, our aggregate borrowing may not exceed 300% of our net assets unless any excess borrowing is approved by a majority of our independent trustees and is disclosed to shareholders in our next quarterly report.

Distribution Policy

In order to qualify as a REIT under the Internal Revenue Code, we generally must make distributions to our shareholders each year in an amount at least equal to 90% of our REIT taxable income (as determined without regard to the dividends paid deduction and excluding net capital gain).

It is anticipated that distributions generally will be taxable as ordinary income to our shareholders, although a portion of such distributions may be designated by us as a return of capital or as capital gain. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital or capital gains.

2011 Quarters	First	Second	Third
Total distributions declared and paid	$25,306,000	$27,125,000	$29,911,000
Distributions per share	$ 0.15	$ 0.15	$ 0.15
Amount of distributions per share funded by cash flows provided by operating entities	$ 0.0758	$ 0.0707	$ 0.0888
Amount of distributions per share funded by uninvested proceeds from financings of our properties	$ 0.0742	$ 0.0793	$ 0.0612

2010 Quarters	First	Second	Third	Fourth
Total distributions declared and paid	$16,841,000	$19,266,000	$21,623,000	$24,053,000
Distributions per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Amount of distributions per share funded by cash flows provided by operating entities	$ 0.1212	$ 0.0540	$ 0.0826	$ 0.0444
Amount of distributions per share funded by uninvested proceeds from financings of our properties	$ 0.0288	$ 0.0960	$ 0.0674	$ 0.1056

Our board of trustees has approved a quarterly distribution to shareholders of $0.15 per common share for the fourth quarter of 2011. The distribution will be calculated on a daily basis and paid on January 13, 2012 to shareholders of record during the period from October 1, 2011 through and including December 31, 2011.

For the quarter ended September 30, 2011, distributions were funded 59.22% by cash flows provided by operating activities and 40.78% from uninvested proceeds from financings of our properties. In addition, distributions totaling $13,269,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during the quarter ended September 30, 2011.

For the quarter ended June 30, 2011, distributions were funded 47.10% by cash flows provided by operating activities and 52.90% from uninvested proceeds from financings of our properties. In addition, distributions totaling $11,806,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during the quarter ended June 30, 2011.

For the quarter ended March 31, 2011, distributions were funded 50.51% by cash flows provided by operating activities and 49.49% from uninvested proceeds from financings of our properties. In addition, distributions totaling $10,861,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during the quarter ended March 31, 2011.

Our 2010 distributions were funded 48.38% by cash flows provided by operating activities and 51.62% from uninvested proceeds from financings of our properties. In addition, 2010 distributions totaling $35,317,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during 2010.

Total distributions declared and paid for the period from inception (July 1, 2004) through September 30, 2011 were $257,386,000 and total Funds from Operations for the period from inception (July 1, 2004) through September 30, 2011 were $153,465,000. For a discussion of our supplemental financial measures, see "—Non-GAAP Supplemental Financial Measure: Funds from Operations."

To the extent that our cash available for distribution is less than the amount we are required to distribute to qualify as a REIT, we may consider various funding sources to cover any shortfall, including borrowing funds on a short-term, or possibly long-term, basis or selling properties. In addition, we may utilize these funding sources to make distributions that exceed the amount we are required to distribute to qualify as a REIT.

Off-Balance Sheet Arrangements

As of September 30, 2011, we had five Investments in Unconsolidated Entities: (i) a 5.07% ownership interest in CBRE Strategic Partners Asia; (ii) an 80% ownership interest in the Duke joint venture; (iii) a 90% ownership interest in Afton Ridge; (iv) an 80% ownership interest in the UK JV; and (v) an 80% ownership interest in the European JV. Our investments are discussed in Note 5 to the consolidated financial statements "Investments in Unconsolidated Entities."

In connection with various leases, we have received irrevocable stand-by letters of credit totaling $17,108,000 and $6,515,000 as security for such leases at September 30, 2011 and December 31, 2010.

Contractual Obligations and Commitments

The following table provides information with respect to our consolidated property contractual obligations at September 30, 2011 (in thousands):

Contractual Obligations	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
Note Payable (and interest payments) Collateralized by 300 Constitution Drive	$ (12,290)	$(12,290)	$ —	$ —	$ —
Note Payable (and interest payments) Collateralized by Deerfield Commons I	(11,692)	(643)	(1,286)	(9,763)	—
Note Payable (and interest payments) Collateralized by Bolingbrook Point III	(9,286)	(416)	(831)	(8,039)	—
Notes Payable (and interest payments) Collateralized by the Carolina Portfolio	(68,156)	(6,960)	(13,503)	(13,351)	(34,342)
Note Payable (and interest payments) Collateralized by Lakeside Office Center	(11,116)	(704)	(1,299)	(9,113)	—
Note Payable (and interest payments) Collateralized by Thames Valley Five[1]	(9,911)	(560)	(9,351)	—	—
Note Payable (and interest payments) Collateralized by Albion Mills Retail Park[1]	(10,058)	(472)	(9,586)	—	—
Note Payable (and interest payments) Collateralized by Avion Midrise III & IV	(23,989)	(1,618)	(22,371)	—	—
Note Payable (and interest payments) Collateralized by 12650 Ingenuity Drive	(14,912)	(1,118)	(2,237)	(11,557)	—
Note Payable (and interest payments) Collateralized by Maskew Retail Park[1]	(25,802)	(1,236)	(2,472)	(22,094)	—
Loan Payable (and interest payments) Wells Fargo Credit Facility[1][2]	(28,386)	(1,275)	(27,111)	—	—
Note Payable (and interest payments) Collateralized by One Wayside Road	(31,612)	(2,127)	(4,254)	(25,231)	—
Note Payable (and interest payments) Collateralized by 100 Tice Blvd.	(55,143)	(3,469)	(6,939)	(6,939)	(37,796)
Note Payable (and interest payments) Collateralized by Ten Parkway North	(17,281)	(862)	(1,724)	(1,724)	(12,971)
Note Payable (and interest payments) Collateralized by Pacific Corporate Park	(104,685)	(6,392)	(13,518)	(12,932)	(71,843)
Note Payable (and interest payments) Collateralized by 4701 Gold Spike Drive	(13,443)	(644)	(1,287)	(1,288)	(10,224)
Note Payable (and interest payments) Collateralized by 1985 International Way	(9,341)	(447)	(895)	(895)	(7,104)
Note Payable (and interest payments) Collateralized by Summit Distribution Center	(8,457)	(405)	(810)	(810)	(6,432)
Note Payable (and interest payments) Collateralized by 3660 Deerpark Boulevard	(9,656)	(462)	(925)	(925)	(7,344)
Note Payable (and interest payments) Collateralized by Tolleson Commerce Park II	(5,806)	(278)	(556)	(556)	(4,416)
Note Payable (and interest payments) Collateralized by 100 Kimball Drive	(47,382)	(2,391)	(4,783)	(4,783)	(35,425)
Note Payable (and interest payments) Collateralized by 70 Hudson	(150,622)	(8,585)	(17,169)	(124,868)	—
Note Payable (and interest payments) Collateralized by 90 Hudson	(152,771)	(7,524)	(15,048)	(15,048)	(115,151)
Note Payable (and interest payments) Collateralized by Kings Mountain III	(14,977)	(783)	(1,567)	(1,567)	(11,060)
Total	$(846,774)	$(61,661)	$(159,522)	$(271,483)	$(354,108)

(1) These contractual obligations included the expected net payments due under interest rate swap agreements where in each case we have swapped our variable interest rate payments due under the debt agreements for fixed rates of interest payments.

(2) Includes the eight properties (see Note 7 "Debt") that secure the Wells Fargo Credit Facility.

The following table provides information with respect to our unconsolidated property contractual obligations at September 30, 2011 (in thousands):

Contractual Obligations	Total	Less than One Year	One to Three Years	Three to Five Years	More than Five Years
Note Payable (and interest payments) Collateralized by Duke joint venture	$(396,647)	$(25,672)	$(165,470)	$(101,615)	$(103,890)
Note Payable (and interest payments) Collateralized by Afton Ridge Joint Venture	(25,675)	(1,308)	(24,367)	—	—
Total Notes Payable Collateralized by Unconsolidated Properties[1]	(422,322)	(26,980)	(189,837)	(101,615)	$(103,890)

[1] Unconsolidated payment amounts are at our pro rata share of effective ownership and exclude our investment in CBRE Strategic Partners Asia.

As of September 30, 2011, we were committed to pay $1,555,000 in accrued offering costs. The timing of future payments is uncertain.

As of September 30, 2011, we had an unfunded investment commitment in CBRE Strategic Partners Asia totaling $4,503,000. The timing of future payments is uncertain.

Income Taxes

We have elected to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2004. As a REIT, we generally will not be subject to U.S. federal income tax on income that we distribute currently to our shareholders. Under the Internal Revenue Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they generally distribute at least 90% of their annual net taxable income (excluding net capital gains) to their shareholders. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, and we may be precluded from qualifying for treatment as a REIT for the four-year period following our failure to qualify. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state, local and foreign taxes on our income and property and to U.S. federal income and excise taxes on our undistributed gross income. Included as a component of our tax provision, we have incurred income and other taxes (franchise, local and state government and international) related to our continuing operations in the amount of $85,000 and $163,000, $385,000 and $248,000 for California, Georgia, Massachusetts, Minnesota, Texas and North Carolina impacting our operations during the three and nine months ended September 30, 2011 and 2010, respectively.

Inflation

The real estate market has not been affected significantly by inflation in the past several years due to the relatively low inflation rate. With the exception of leases with tenants in multifamily properties, we expect to include provisions in the majority of our tenant leases designed to protect us from the impact of inflation. These provisions will include reimbursement billings for operating expense pass-through charges, real estate tax and insurance reimbursements, or in some cases, annual reimbursement of operating expenses above a certain allowance. Due to the generally long-term nature of these leases, annual rent increases may not be sufficient to cover inflation and rent may be below market. Leases in multifamily properties generally turn over on an annual basis and do not typically present the same issue regarding inflation protection due to their short-term nature.

Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk.

We may be exposed to the effects of interest rate changes primarily as a result of long-term debt used to maintain liquidity and fund expansion of our real estate investment portfolio and operations. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we will borrow primarily at fixed rates or variable rates and, in some cases, with the ability to convert variable rates to fixed rates. We may also enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. We will not enter into derivative or interest rate transactions for speculative purposes.

Notes payable secured by real property are summarized as follows (in thousands):

Property	Interest Rate as of September 30, 2011	Interest Rate as of December 31, 2010	Maturity Date	Notes Payable as of September 30, 2011	Notes Payable as of December 31, 2010
REMEC[(1)]	— %	4.79%	November 1, 2011	$ —	$ 13,250
300 Constitution	4.84	4.84	April 1, 2012	12,000	12,000
Deerfield Commons I	5.23	5.23	December 1, 2015	9,623	9,725
Bolingbrook Point III	5.26	5.26	January 1, 2015	7,900	9,000
Fairforest Bldg. 5[(2)]	6.33	6.33	February 1, 2024	9,495	9,864
Fairforest Bldg. 6[(2)]	5.42	5.42	June 1, 2019	2,775	2,987
HJ Park—Bldg. 1[(2)]	4.98	4.98	March 1, 2013	440	648
North Rhett I[(2)]	5.65	5.65	August 1, 2019	3,638	3,906
North Rhett II[(2)]	5.20	5.20	October 1, 2020	2,050	2,180
North Rhett III[(2)]	5.75	5.75	February 1, 2020	1,646	1,759
North Rhett IV[(2)]	5.80	5.80	February 1, 2025	9,545	9,892
Mt Holly Bldg.[(2)]	5.20	5.20	October 1, 2020	2,050	2,180
Orangeburg Park Bldg.[(2)]	5.20	5.20	October 1, 2020	2,085	2,217
Kings Mountain I[(2)]	5.27	5.27	October 1, 2020	1,775	1,887
Kings Mountain II[(2)]	5.47	5.47	January 1, 2020	5,230	5,594
Union Cross Bldg. I[(2)]	5.50	5.50	July 1, 2021	2,602	2,749
Union Cross Bldg. II[(2)]	5.53	5.53	June 1, 2021	7,946	8,398
Thames Valley Five[(3)(4)]	6.42	6.42	May 30, 2013	8,792	8,781
Lakeside Office Center[(5)]	6.03	6.03	September 1, 2015	9,000	9,000
Enclave on the Lake[(6)]	—	5.45	May 1, 2011	—	17,906
Albion Mills Retail Park[(3)(7)(8)]	5.25	5.25	October 10, 2013	8,996	8,985
Avion Midrise III & IV[(9)]	5.52	5.52	April 1, 2014	21,032	21,354
12650 Ingenuity Drive[(10)]	5.62	5.62	October 1, 2014	12,775	13,061
Maskew Retail Park[(3)(11)]	5.68	5.68	August 10, 2014	21,785	21,759
One Wayside Road[(12)]	5.66	5.66	August 1, 2015	14,205	14,465
One Wayside Road[(12)]	5.92	5.92	August 1, 2015	11,810	12,006
100 Tice Blvd[(13)]	5.97	5.97	September 15, 2017	20,737	21,100
100 Tice Blvd[(13)]	5.97	5.97	September 15, 2017	20,736	21,100
Ten Parkway North	4.75	4.75	January 1, 2021	12,422	12,600
Pacific Corporate Park[(14)]	4.89	4.89	December 7, 2017	82,500	85,000
4701 Gold Spike Drive[(15)]	4.45	—	March 1, 2018	10,564	—
1985 International Way[(15)]	4.45	—	March 1, 2018	7,340	—
Summit Distribution Center[(15)]	4.45	—	March 1, 2018	6,646	—
3660 Deerpark Boulevard[(15)]	4.45	—	March 1, 2018	7,588	—
Tolleson Commerce Park II[(15)]	4.45	—	March 1, 2018	4,563	—
100 Kimball Drive[(16)]	5.25	—	March 1, 2021	32,686	—
70 Hudson[(17)]	5.65	—	April 11, 2016	120,173	—
90 Hudson[(17)]	5.66	—	May 1, 2019	108,385	—
Kings Mountain III[(18)]	4.47	—	July 1, 2018	11,660	—
Notes Payable				635,196	365,353
Plus Premium				9,247	4,155
Less Discount				(3,070)	(3,700)
Less Albion Mills Retail Park Fair Value Adjustment				(256)	(216)
Notes Payable Net of Premium/Discount and Fair Value Adjustment				$641,117	$365,592

(1) The REMEC loan was paid in full on September 6, 2011.

(2) These notes payable were assumed from the seller of the Carolina Portfolio on August 30, 2007 as part of the property acquisitions and were recorded at estimated fair value which includes the discount.

(3) These loans are subject to certain financial covenants (interest coverage and loan to value).

(4) We entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 5.41% plus 1.01%, or 6.42% per annum as of September 30, 2011, which expires on May 30, 2013. The stated rates on the mortgage note payable were 1.84%

and 1.74% at September 30, 2011 and December 31, 2010, respectively, and were based on GBP-based LIBOR plus a spread of 1.01%.

(5) Interest only payments are due monthly for the first 36 months of the loan term. Principal and interest payments are due monthly for the remaining 48 months of the loan term.

(6) The loan was assumed from the seller of Enclave on the Lake on July 1, 2008 and was recorded at estimated fair value which included the discount. The loan was paid in full on April 4, 2011.

(7) The Albion Mills Retail Park notes payable balance is presented at cost basis. This loan is carried on our balance sheet at fair value (see Note 17).

(8) We entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.94% plus 1.31%, or 5.25% per annum as of September 30, 2011, which expires on October 10, 2013. The stated rates on the mortgage note payable were 2.14% and 2.04% at September 30, 2011 and December 31, 2010, respectively, and were based on GBP-based LIBOR plus a spread of 1.31%.

(9) The loan was assumed from the seller of Avion Midrise III & IV on November 18, 2008 and was recorded at estimated fair value which includes the discount.

(10) The loan was assumed from the seller of 12650 Ingenuity Drive on August 5, 2009 and was recorded at estimated fair value which includes the discount.

(11) We entered into the interest rate swap agreement that fixed the GBP-based LIBOR rate at 3.42% plus 2.26%, or 5.68% per annum as of September 30, 2011, which expires on August 10, 2014. The stated rates on the mortgage note payable was 3.08% and 2.99% at September 30, 2011 and December 31, 2010, respectively, and were based on GBP-based LIBOR plus a spread of 2.26%.

(12) The two loans were assumed from the seller of One Wayside road on June 24, 2010 and were recorded at estimated fair value which include the premiums.

(13) The two loans were assumed from the seller of 100 Tice Blvd. on September 28, 2010 and were recorded at estimated fair value which include the premiums.

(14) We entered into an interest rate swap agreement that fixed the LIBOR rate at 2.69% plus 2.20%, or 4.89% per annum as of September 30, 2011 which expires on December 7, 2017. The stated rates on the mortgage note payable were 2.45% and 2.52% at September 30, 2011 and December 31, 2010, and were based on LIBOR plus a spread of 2.20%.

(15) We entered into five loans totaling $37,000,000 on February 8, 2011 that are cross-collateralized by these properties.

(16) We entered into an interest rate swap agreement that fixed the LIBOR rate at 3.50%, plus 1.75%, or 5.25% per annum as of September 30, 2011 which expires on March 1, 2021. The stated rate on the mortgage note payable was 1.97% at September 30, 2011 and was based on LIBOR plus a spread of 1.75%.

(17) The two loans were assumed from the seller of 70 Hudson and 90 Hudson, respectively, on April 11, 2011 and were recorded at estimated fair value which include the premiums.

(18) We entered into a loan totaling $11,700,000 on June 24, 2011 that is collateralized by the property. Effective July 1, 2011, we entered into an interest rate swap that fixed the LIBOR rate at 2.47% plus 2.00%, or 4.47% per annum, which expires on July 1, 2018. The stated rate on the mortgage note payable was 2.22% at September 30, 2011 and was based on LIBOR plus a spread of 2.00%.

Upon the maturity of our debt, there is a market risk as to the prevailing rates at the time of refinancing. Changes in market rates on our fixed-rate debt affect the fair market value of our debt but it has no impact on interest expense or cash flow.

The fair value of long-term debt was estimated based on current interest rates available to us for debt instruments with similar terms. The following table summarizes our financial instruments and their calculated fair value at September 30, 2011 and December 31, 2010 (in thousands):

	As of September 30, 2011	
	Carrying Value	Total Fair Value
Financial Assets (Liabilities):		
Interest Rate Swaps—Non Qualifying	$ (1,179)	$ (1,179)
Interest Rate Swaps—Qualifying	(12,107)	(12,107)
Notes Payable	(641,117)	(668,530)
Loan Payable	(25,000)	(25,000)

A 100 basis point increase or decrease in interest rates would increase or decrease the fair market value of our notes payable by $29,481,000 at September 30, 2011. In addition, a 100 basis point increase or decrease in interest rates would either increase or decrease annual variable interest expense as follows; approximately $88,000 on the Thames Valley Five property, approximately $90,000 on the Albion Mills Retail Park property and approximately $218,000 on the Maskew Retail Park property.

	As of December 31, 2010	
	Carrying Value	Total Fair Value
Financial Assets (Liabilities):		
Interest Rate Swaps—Non Qualifying	$ (1,349)	$ (1,349)
Interest Rate Swaps—Qualifying	(1,932)	(1,932)
Notes Payable	(365,592)	(370,187)
Loan Payable	(60,000)	(60,000)

In addition to changes in interest rates, the value of our real estate is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of lessees, which may affect our ability to refinance our debt if necessary.

Debt Maturities

The following table details our consolidated and unconsolidated debt maturities as of September 30, 2011 (in thousands):

	Consolidated Debt			Unconsolidated Debt(1)			Consolidated & Unconsolidated Debt(1)		
	Scheduled Amortization	Term Maturities	Total	Scheduled Amortization	Term Maturities	Total	Scheduled Amortization	Term Maturities	Total
2011 (Three months Ending December 31, 2011)	$ 3,427	$ —	$ 3,427	$ 1,052	$ —	$ 1,052	$ 4,479	$ —	$ 4,479
2012	15,078	12,000	27,078	4,890	—	4.890	19,968	12,000	31,968
2013(2)	15,564	17,787	33,351	5,071	102,310	107,381	20,635	120,097	140,732
2014	15,741	78,097	93,838	5,262	40,640	45,902	21,003	118,737	139,740
2015	15,540	48,738	64,278	5,337	66,959	72,296	20,877	115,697	136,574
2016	14,011	111,276	125,287	4,137	8,052	12,189	18,148	119,328	137,476
2017	13,518	98,326	111,844	4,031	—	4,031	17,549	98,326	115,875
2018	9,247	41,789	51,036	3,640	23,822	27,462	12,887	65,611	78,498
2019	7,494	95,265	102,759	3,121	4,416	7,537	10,615	99,681	110,296
2020	5,421	—	5,421	3,273	—	3,273	8,694	—	8,694
2021	2,650	34,032	36,682	2,518	118,257	120,775	5,168	152,289	157,457
Thereafter	5,194	—	5,195	—	—	—	5,194	—	5,195
Total	$122,885	$537,310	$660,196	$42,332	$364,456	$406,788	$165,217	$901,766	$1,066,984
Weighted Average Maturity (years)			5.68			5.71			5.69
Weighted Average Interest Rate			5.34%			5.00%			5.21%

(1) Unconsolidated debt amounts are at our pro rata share of effective ownership.

(2) The Thames Valley Five consolidated debt ($9,062,000 at September 30, 2011) maturity date may be extended for an additional two years from May, 2013 to May, 2015. In addition, Afton Ridge has the option to extend the maturity date of the unconsolidated debt ($22,950,000 at September 30, 2011—our share) for one additional year from October, 2013 to October, 2014.

(3) Assumes the exercise of an option to extend the maturity date of the Duke joint venture unsecured term loan.

Encumbered and Unencumbered Properties

The following table details our Encumbered and Unencumbered properties as of September 30, 2011 (Approximate Acquisition Cost and Debt Balance in thousands):

	Consolidated Properties			Unconsolidated Properties[1]			Consolidated & Unconsolidated Properties[1]		
	Properties	Approximate Acquisition Cost	Debt Balance	Properties	Approximate Acquisition Cost	Debt Balance	Properties	Approximate Acquisition Cost	Debt Balance
Encumbered Properties[2]	44	$1,397,238	$660,196	35	$815,266	$406,788	79	$2,212,504	$1,066,984
Unencumbered Properties	30	291,810	—	8	103,505	—	38	395,315	—
Total Properties	74	$1,689,048	$660,196	43	$918,771	$406,788	117	$2,607,819	$1,066,984

(1) Number of Properties at 100%. Approximate Acquisition Cost and Debt Balance for Unconsolidated Properties is at our pro rata share of effective ownership. Does not include our investment in CBRE Strategic Partners Asia.

(2) Includes eight properties secured by the Wells Fargo Credit Facility.

Subsequent Events

From October 1, 2011 through November 4, 2011, we received gross proceeds from our current public offering of approximately $87,610,356 from the sale of 8,830,872 common shares.

On October 24, 2011, we entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Sabal Pavilion, located in the Sabal Park development in Tampa Bay, Florida, for approximately $21,500,000, exclusive of customary closing costs. We will assume a interest-only mortgage loan in connection with the acquisition of Sabal Pavilion that will have a principal balance at closing of $14,700,000, maturing on August 1, 2013 and with an interest rate of 6.38%. We anticipate that the balance of the acquisition amount will be funded using the net proceeds from our current public offering. We deposited $500,100 into an escrow account upon the execution of the agreement that is refundable in the event certain closing conditions are not met. Sabal Pavilion is a 120,500 square foot, four-story office building constructed in 1998 that is 100% leased to Ford Motor Credit Company through March 2021 and is used as a regional call center. Ford Motor Credit Company is a subsidiary of Ford Motor Company (NYSE: F), and provides consumer auto financing through dealers of Ford, Lincoln and Mercury brand vehicles. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 27, 2011, the European JV entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Graben Distribution Center I, located in Graben, Bavaria, Germany, outside of Munich. The European JV will acquire Graben Distribution Center I for approximately €54,700,000 (approximately $75,486,000 assuming an exchange rate of €1.00:$1.38, or $60,388,800 at our 80% pro rate share), exclusive of customary closing costs. We expect that our 80% pro rata share of the acquisition will be funded using the net proceeds from our current public offering. Graben Distribution Center I is a 1,017,868 square foot warehouse/distribution building that will be completed in the fourth quarter of 2011 and will be 100% leased to Amazon Fulfillment GmbH through April 2022. Amazon Fulfillment GmbH will use Graben Distribution Center I as a regional fulfillment center. Amazon Fulfillment GmbH lease will be guaranteed by Amazon EU S.a.r.l., Amazon.com's primary European operating subsidiary. Amazon Fulfillment GmbH and Amazon EU S.a.r.l. are subsidiaries of Amazon.com, one of the world's largest internet retailers. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 27, 2011, the European JV entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Graben Distribution Center II, located in Graben, Bavaria, Germany, outside of Munich. The European JV will acquire Graben Distribution Center II for approximately €6,860,000 (approximately $9,466,800 assuming an exchange rate of €1.00:$1.38, or $7,573,440 at our 80% pro rata share), exclusive of customary closing costs. We expect that our 80% pro rata share of the acquisition will be funded using the net proceeds from our current public offering. Graben Distribution Center II is a 73,367 square foot warehouse/distribution building that we expect will be completed in the fourth quarter of 2011. Graben Distribution Center II will be adjacent to and linked, via a connector bridge, with Graben Distribution Center I. Graben Distribution Center II will be 100% leased to Deutsche Post Immobilien GmbH, conducting business under the DHL brand, through November 2021. DHL will use Graben Distribution Center II as a distribution center for goods coming from Graben Distribution Center I. Deutsche Post Immobilien GmbH is a subsidiary of Deutsche Post AG, one of the world's leading suppliers of mail and logistics services. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 28, 2011, we entered into a joint venture with a subsidiary of the Trammell Crow Company, or TCC, a subsidiary of CBRE Group, Inc., (NYSE: CBG) and an affiliate of the Investment Advisor, to develop 1400 Atwater Drive, located in the Atwater Business Park development in East Whiteland Township, Pennsylvania, a suburb of Philadelphia. The joint venture will develop 1400 Atwater Drive for approximately $66,422,520. We anticipate that the development will be funded using the net proceeds from our current public offering, but the joint venture may also fund a portion of the development from financing provided by a third party. The joint venture will pay TCC a customary fee for developing 1400 Atwater Drive equal to a percentage of the total development cost, excluding certain costs associated with the acquisition of the land for the development, construction interest and financing fees. CBRE Group, Inc. will provide a guarantee for certain of TCC's obligations under the joint venture. We will own 95% of the joint venture through the development period and upon completion of the development, subject to certain conditions, we may purchase TCC's 5% interest in the joint venture at which point we would own 100% of 1400 Atwater Drive.

We anticipate that 1400 Atwater Drive will consist of two, 150,000 square foot, five-story office buildings, connected by a common lobby. Upon completion, 1400 Atwater Drive will be 100% leased to Endo Pharmaceuticals, Inc. through October 2025, for use as its headquarters. Endo Pharmaceuticals, Inc. is a subsidiary of Endo Pharmaceuticals Holdings Inc. (NASDAQ: ENDP), which is a specialty healthcare solutions company focused on branded products, generic pharmaceuticals and medical devices and services. Endo Pharmaceuticals, Inc.'s lease will be guaranteed by Endo Pharmaceuticals Holdings, Inc. While 1400 Atwater Drive is expected to be completed during the first quarter of 2013, the joint venture development is subject to a number of contingencies and there can be no assurance that the development will be completed.

On November 3, 2011, we entered into a purchase and sale agreement to acquire, subject to customary closing conditions, Aurora Commerce Center Bldg. C, located at 22100 E. 26th Avenue in Aurora, Colorado, a suburb of Denver. We will acquire Aurora Commerce Center Bldg. C for approximately $24,500,000, exclusive of customary closing costs. We anticipate that the acquisition will be funded using the net proceeds from our current public offering. We deposited $500,000 into an escrow account upon the execution of the agreement that is refundable in the event certain closing conditions are not met. Aurora Commerce Center Bldg. C is a 406,959 square foot, multi-tenant warehouse/distribution building constructed in 2007 that is 100% leased. 79% of Aurora Commerce Center Bldg. C is leased to Subaru of America, Inc., a subsidiary of Fuji Heavy Industries, Ltd., through September 2019. Subaru of America, Inc. uses Aurora Commerce Center Bldg. C as its Western regional headquarters and automotive parts distribution center. While we anticipate this acquisition will close during the fourth quarter of 2011, the agreement to acquire the property is subject to a number of contingencies and therefore there can be no assurances that this acquisition will occur.

On October 3, 2011, CB Richard Ellis Group, Inc. (NYSE: CBG) announced that it had changed its corporate name to CBRE Group, Inc., in order to align its corporate name with its industry-leading CBRE brand. On November 1, 2011, CB Richard Ellis Investors, L.L.C., our sponsor and an indirect wholly-owned subsidiary of CBRE Group, Inc., announced that it had changed its corporate name to CBRE Global Investors, Inc. in order to align its corporate name with its parent company brand.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of quantitative and qualitative disclosures about market risk, see the "Quantitative and Qualitative Disclosures About Market Risk" section of Management's Discussion and Analysis of Financial Condition and Results of Operations above.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We have formally adopted a policy for disclosure controls and procedures that provides guidance on the evaluation of disclosure controls and procedures and is designed to ensure that all corporate disclosure is complete and accurate in all material respects and that all information required to be disclosed in the periodic reports submitted by us under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods and in the manner specified in the Securities and Exchange Commission's rules and forms and that disclosure controls and procedures were effective to ensure that the information required to be disclosed by us is accumulated and communicated to our management, including our chief executive officer and chief financial offer, as appropriate to allow timely decisions regarding required disclosure. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within our company to disclose material information otherwise required to be set forth in our periodic reports.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, as required by the Securities Exchange Act Rule 13(a)-15(e), our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this report.

Changes in Internal Controls Over Financial Reporting

No changes in internal control over financial reporting occurred during the fiscal quarter ended September 30, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not party to any material legal proceedings as of September 30, 2011.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors set forth in Item 1A. to Part I of our Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Securities and Repurchases of Securities

During the three months ended September 30, 2011, we did not sell any equity securities that are not registered under the Securities Act of 1933, as amended.

The following table provides information with respect to our Share Redemption Program for the three months ended September 30, 2011:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or approximate dollar value) of Shares that May Yet Be Purchased Under the Plans or Programs
July	996,002.33	$9.29	N/A	N/A
August	—	—	N/A	N/A
September	—	—	N/A	N/A
Total	996,002.33	$9.29	N/A	N/A

Use of Proceeds from Sale of Registered Securities

The registration statement relating to our initial public offering (No. 333-127405) was declared effective on October 24, 2006. CNL Securities Corp. is the Dealer Manager of our offering. The registration statement covered up to $2,000,000,000 in common shares of beneficial interest, 90% of which were offered at a price of $10.00 per share, and 10% of which were offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose. Our initial public offering was terminated effective as of the close of business on January 29, 2009. As of the close of business on January 29, 2009, we had sold a total of 60,808,967 common shares in the initial public offering, including 1,487,943 common shares which were issued pursuant to our dividend reinvestment plan. We withdrew from registration a total of 140,243,665 common shares that were registered but not sold in connection with the initial public offering. From October 24, 2006 (effective date) through January 29, 2009 (termination date), we had accepted subscriptions from 13,270 investors, issued 60,808,967 common shares and received $607,345,702 in gross offering proceeds pursuant to our initial public offering. After payment of approximately $8,290,000 in acquisition fees and related expenses, payment of approximately $26,335,000 in selling commission, $8,898,000 in dealer manager fees, $4,008,000 in marketing support fees and payment of approximately $12,147,000 in organization and offering expenses, as of January 29, 2009, we had raised aggregate net offering proceeds of approximately $548,000,000.

The registration statement relating to our follow-on public offering (No. 333-152653) was declared effective on January 30, 2009. CNL Securities Corp. is the Dealer Manager of our follow-on offering. The registration statement covers up to $3,000,000,000 in common shares of beneficial interest, 90% of which will be offered at a price of $10.00 per share, and 10% of which will be offered pursuant to our dividend reinvestment plan at a purchase price equal to the higher of $9.50 per share or 95% of the fair market value of a common share on the reinvestment date, as determined by the Investment Advisor or another firm we choose for that purpose. We reserve the right to reallocate the shares between the primary offering and our dividend reinvestment plan. From January 30, 2009 (effective date) through September 30, 2011, we had accepted subscriptions from 38,691 investors, issued 148,029,604 common shares and received $1,476,184,746 in gross offering proceeds pursuant to our public offering after payment of $36,380,711 in acquisition fees and related expenses, payment of approximately $81,207,000 in selling commissions, $29,836,000 in dealer manager fees, $12,069,000 in marketing support fees and payment of approximately $20,781,000 in organization and offering expenses, as of September 30, 2011, we had raised aggregate net offering proceeds of approximately $1,295,911,035. Our Board of Trustees has confirmed that our follow-on offering will close on January 30, 2012. We expect to offer common shares through our dividend investment plan beyond January 30, 2012.

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1 Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.2 Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

101* The following materials from CB Richard Ellis Realty Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Cash Flows, (iv) the Condensed Consolidated Statements of Shareholders' Equity and Non-Controlling Interest and (v) the Notes to the Condensed Consolidated Financial Statements, furnished herewith.

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* Users of this data are advised that pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	CB RICHARD ELLIS REALTY TRUST
Date: November 14, 2011	/s/ JACK A. CUNEO **Jack A. Cuneo** **President and Chief Executive Officer**
Date: November 14, 2011	/s/ LAURIE E. ROMANAK **Laurie E. Romanak** **Chief Financial Officer**

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

CB Richard Ellis
RealtyTrust

Supplement No. 12 dated December 7, 2011

to the Prospectus dated May 2, 2011

We are providing this Supplement No. 12 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 12 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011, Supplement No. 8 dated September 20, 2011, Supplement No. 9 dated October 4, 2011, Supplement No. 10 dated November 4, 2011 and Supplement No. 11 dated November 15, 2011. Capitalized terms used in this Supplement No. 12 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Aurora Commerce Center Bldg. C

On November 30, 2011, we acquired Aurora Commerce Center Bldg. C, located at 22100 E. 26th Avenue in Aurora, Colorado, a suburb of Denver, for $24,500,000, exclusive of customary closing costs, using the net proceeds from this offering. Upon closing, we paid the Investment Advisor a $367,500 acquisition fee. Aurora Commerce Center Bldg. C is a 406,959 square foot, multi-tenant warehouse/ distribution building constructed in 2007 that is 100% leased. Approximately 79% of Aurora Commerce Center Bldg. C is leased to Subaru of America, Inc., a subsidiary of Fuji Heavy Industries, Ltd., through September 2019. Subaru of America, Inc. uses Aurora Commerce Center Bldg. C as its Western regional headquarters and automotive parts distribution center. The estimated cap rate for Aurora Commerce Center Bldg. C is 7.1%.[1]

[1] Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

Supplement No. 13 dated December 15, 2011

to the Prospectus dated May 2, 2011

We are providing this Supplement No. 13 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 13 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011, Supplement No. 8 dated September 20, 2011, Supplement No. 9 dated October 4, 2011, Supplement No. 10 dated November 4, 2011, Supplement No. 11 dated November 15, 2011 and Supplement No. 12 dated December 7, 2011. Capitalized terms used in this Supplement No. 13 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Our declaration of trust requires that if our shares are not listed on a national securities exchange, the NASDAQ Global Select Market or the NASDAQ Global Market on or before December 31, 2011, our board of trustees must consider (but is not required to commence) an orderly liquidation of our assets. In 2010, our board of trustees established a special committee of the board of trustees, or the special committee, consisting of all of the board's independent trustees, and the special committee engaged Robert A. Stanger & Co., Inc. as its financial advisor, to assist with its exploration and review of our strategic alternatives and liquidity events in accordance with our investment objectives. During 2011, with the assistance of its financial advisor and in consultation with the Investment Advisor and our board of trustees, the special committee discussed and considered various strategic alternatives, including potentially continuing as a going concern under our current business plan, a potential liquidation of our assets either through a sale or merger of our company (including through either a bulk sale of our portfolio or through a sale of our individual properties) as well as a potential listing of our shares on a national securities exchange.

After consideration of the recent general economic and capital market conditions, market conditions for listed REITs, credit market conditions, our operational performance, the status of our portfolio, this offering, and our current and anticipated deployment of available capital to investments, the special committee and our board of trustees believe it is in the best interest of our shareholders for our shares to remain unlisted at this time and to continue operations rather than commencing a liquidation of our assets. We anticipate continuing to raise capital through this offering until its scheduled closing on January 30, 2012. We believe that remaining unlisted at this time and continuing our operations will provide us with the ability to purchase additional properties in order to continue to expand and diversify our portfolio and thus better position us for a favorable liquidity event.

We believe that the ability to provide our shareholders with potential liquidity in the near term is outweighed by the longer term benefits of completing this offering, allowing for the full deployment of our available capital, increasing our size and portfolio diversification, maturing our portfolio and continuing to monitor market conditions for an opportune time to commence a liquidity event. We cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future and there can be no assurance that our continuing operation will result in any particular outcome or that we will be able to successfully execute strategies relating to capital deployment, additional property acquisitions, or other investment or operational strategies in part or at all. Although our board of trustees and the special committee will continue to monitor market conditions and explore strategic alternatives and liquidity options, we cannot provide any assurance or suggested timing as to when we will proceed with any particular transaction.

First Quarter Distribution

Our board of trustees has approved a quarterly distribution to shareholders of $0.15 per common share for the first quarter of 2012. The distribution will be calculated on a daily basis and paid on April 13, 2012 to shareholders of record during the period from January 1, 2012 through and including March 31, 2012.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152653

CB RICHARD ELLIS REALTY TRUST

CB Richard Ellis RealtyTrust

Supplement No. 14 dated December 27, 2011

to the Prospectus dated May 2, 2011

We are providing this Supplement No. 14 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 14 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011, Supplement No. 8 dated September 20, 2011, Supplement No. 9 dated October 4, 2011, Supplement No. 10 dated November 4, 2011, Supplement No. 11 dated November 15, 2011, Supplement No. 12 dated December 7, 2011 and Supplement No. 13 dated December 15, 2011. Capitalized terms used in this Supplement No. 14 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Acquisition of Graben Distribution Center I

On December 20, 2011, the European JV acquired the Graben Distribution Center I, located in Graben, Bavaria, Germany, outside of Munich, for €52,815,892 ($68,702,912 assuming an exchange rate of €1.00:$1.3008, $54,962,330 at our 80% pro rate share), exclusive of customary closing costs. We funded our 80% pro rata share of the acquisition using the net proceeds from this offering. Graben Distribution Center I is a 1,017,868 square foot warehouse/distribution building completed in the fourth quarter of 2011 and is leased 100% leased to Amazon Fulfillment GmbH through April 2022. Amazon Fulfillment GmbH uses Graben Distribution Center I as a regional fulfillment center. The Amazon Fulfillment GmbH lease is guaranteed by Amazon EU S.a.r.l., Amazon.com's primary European operating subsidiary. Amazon Fulfillment GmbH and Amazon EU S.a.r.l. are subsidiaries of Amazon.com, one of the world's largest internet retailers. Upon closing we paid the Investment Advisor a $824,435 acquisition fee. The estimated acquisition cap rate for Graben Distribution Center I is 7.5%.[1]

Acquisition of Graben Distribution Center II

On December 20, 2011, the European JV acquired the Graben Distribution Center II, located in Graben, Bavaria, Germany, outside of Munich, for €6,600,000 ($8,585,280 assuming an exchange rate of €1.00:$1.3008, $6,868,224 at our 80% pro rata share), exclusive of customary closing costs. We funded our 80% pro rata share of the acquisition using the net proceeds from this offering. Graben Distribution Center II is a 73,367 square foot warehouse/distribution building that was completed in the fourth quarter of 2011. Graben Distribution Center II is adjacent to and linked, via a connector bridge, with Graben Distribution Center I. Graben Distribution Center II is 100% leased to Deutsche Post Immobilien GmbH, conducting business under the DHL brand, through November 2021. DHL uses Graben Distribution Center II as a distribution center for goods coming from Graben Distribution Center I. Deutsche Post Immobilien GmbH is a subsidiary of Deutsche Post AG, one of the world's leading suppliers of mail and logistics services. Upon closing we paid the Investment Advisor a $103,023 acquisition fee. The estimated acquisition cap rate for Graben Distribution Center I is 8.7%.[1]

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1 Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.

300 Constitution Drive Loan

We previously disclosed that, in March 2005, we had entered into an approximately $12,000,000 secured mortgage loan with The Northwestern Mutual Life Insurance Company with regard to the acquisition of 300 Constitution Drive. The maturity date of this loan was scheduled to be April 1, 2012. The loan bore interest payable monthly at a fixed rate of 4.84% per annum. No payments of principal were required until the maturity date, at which time the entire principal balance together with any accrued interest thereon would have been due and payable. On December 19, 2011, we paid down the entire balance of the secured mortgage loan.

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CB RICHARD ELLIS REALTY TRUST

Supplement No. 15 dated January 4, 2012

to the Prospectus dated May 2, 2011

We are providing this Supplement No. 15 to you in order to supplement our prospectus dated May 2, 2011. This Supplement No. 15 provides information that shall be deemed part of, and must be read in conjunction with, the prospectus, which was supplemented by Supplement No. 7 dated September 1, 2011, which superseded and replaced all prior supplements to the registrant's prospectus dated May 2, 2011, Supplement No. 8 dated September 20, 2011, Supplement No. 9 dated October 4, 2011, Supplement No. 10 dated November 4, 2011, Supplement No. 11 dated November 15, 2011, Supplement No. 12 dated December 7, 2011, Supplement No. 13 dated December 15, 2011 and Supplement No. 14 dated December 27, 2011. Capitalized terms used in this Supplement No. 15 have the same meanings in the prospectus unless otherwise stated herein. The terms "we," "our" and "us" include CB Richard Ellis Realty Trust and its subsidiaries.

RECENT DEVELOPMENTS

Acquisition of Sabal Pavilion

On December 30, 2011, we acquired Sabal Pavilion, located in the Sabal Park development in Tampa, Florida, for approximately $21,368,000, exclusive of customary closing costs. We assumed a interest-only mortgage loan in connection with the acquisition of Sabal Pavilion that has a principal balance at closing of $14,700,000, maturing on August 1, 2013 and an interest rate of 6.38%. We funded the remaining approximate $6,668,000 of the acquisition amount using the net proceeds from this offering. Sabal Pavilion is a 120,500 square foot, four-story office building constructed in 1998 that is 100% leased to Ford Motor Credit Company through March 2021 and is used as a regional call center. Ford Motor Credit Company is a subsidiary of Ford Motor Company (NYSE: F), and provides consumer auto financing through dealers of Ford, Lincoln and Mercury brand vehicles. Upon closing we paid the Investment Advisor a $320,527 acquisition fee. The estimated acquisition cap rate for Sabal Pavilion is 7.9%.[1]

[1] Acquisition cap rate equals annualized in-place net operating income divided by total acquisition cost for the property. Annualized in-place net operating income equals, on an annualized cash basis as derived from leases in-place at the time we acquire the property, rental income and tenant reimbursements less property and related expenses (operating maintenance, management fees and real estate taxes) and excludes other non-property income and expenses, interest expense, depreciation and amortization and our company-level general and administrative expenses. Property and related expenses (operating maintenance, management fees and real estate taxes) are estimated on an annualized basis at the time we acquire the property and are based on management's review of the prior operator's historical costs and existing market conditions at the time of acquisition. The acquisition cap rate is meant as a measure of in-place annualized net operating income yield at the time we acquire the property, and is not meant to be either an indication of historical, or a projection of anticipated future, net operating income yield for the acquisition.