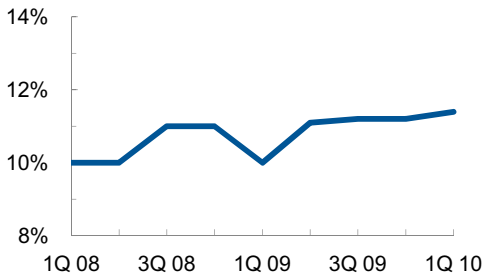
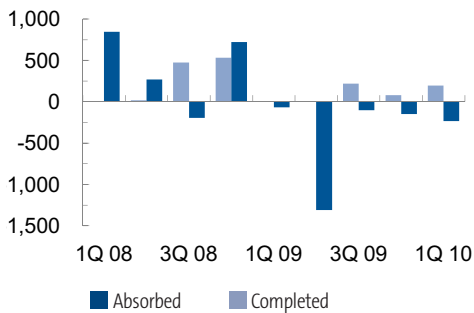


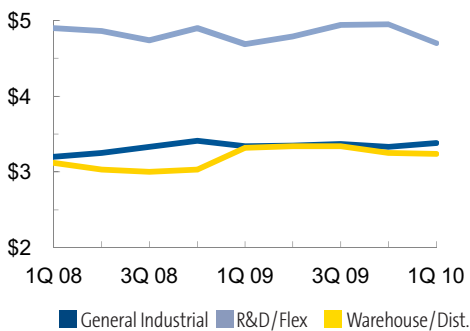
Vacancy Rate



Completions vs. Absorption (in Thousands of SF)



Asking Rental Rates (\$/SF/Yr. Triple Net)



Gearing Up For A Recovery

An economic turnaround is closer to reality in the Northeast Ohio Industrial sector. Although widespread plant closures have become less frequent, the residual impact on occupancy rates caused the vacancy rate to increase 20 basis points since year-end 2009. Amidst these closures, new construction for single-tenant users remains the new construction norm. Superior Beverage, for instance, is consolidating operations into a 511,000-square-foot build-to-suit by Geis Companies in Glenwillow, with an expected completion date later this year; this project represents the largest development since L'Oreal's 650,000-square-foot facility was completed in 2004.

Another indication of an uptick in manufacturing is the discernible increase in Great Lakes shipping. Lake Carriers Association announced in March of this year that Great Lakes shipping levels had quadrupled since March 2009. Because iron ore is the primary cargo being transported and inventories are low, this hints at a rebound in the steel industry. With increasing raw material costs—such as iron ore—manufacturers hesitate to implement a price increase and some have opted for an alternative materials surcharge to recoup some of their rising outlay. The Federal Reserve Beige Book reports that furloughed manufacturing workers are being recalled, while capacity utilization and production hours are being extended, although not yet to pre-recession levels. In the Cleveland-Elyria-Mentor metropolitan area, manufacturing employment numbers saw a 150 basis increase since January of this year. Despite these signs of expansion, companies remain cautious and it is anticipated significant capital expenditures will be approached with prudence by both lenders and manufacturers, until a sustained recovery is underway.

FORECAST

- New construction will remain limited to mostly build-to-suit projects.
- Capital investment expenditures by most manufacturers are expected to remain at minimal levels throughout 2010.

KEY TRANSACTIONS

Lessee/Buyer	Lessor/Seller	Property	Size (SF)/Price
WP Carey	Novosel	18001 Sheldon Rd.	100,000
Varigroup Ltd.	Jerry Tanner*	39405 Taylor Pkwy.	31,200
Control Techniques - Americas LLC*	Flying Merckle, LLC*	7800 Hub Pkwy.	25,600

■ Leasing ■ Sales

(R) = Renewal (S) = Sublease

* Indicates Transaction Represented by Grubb & Ellis

By Submarket	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
Downtown	78,603,971	7,646,928	9.7%	(48,178)	(48,178)	-	\$2.06	\$2.18
Northeast	48,766,461	5,014,009	10.3%	(127,492)	(127,492)	-	\$3.22	\$3.79
Northwest	24,359,242	4,462,020	18.3%	161,295	161,295	45,000	\$2.72	\$5.22
Southcentral	34,583,930	3,794,611	11.0%	174,231	174,231	-	\$4.04	\$6.11
Southeast	79,670,832	8,746,637	11.0%	141,006	141,006	631,000	\$3.56	\$5.25
Southwest	34,436,550	4,479,163	13.0%	(534,513)	(534,513)	-	\$4.23	\$5.05
Totals	300,420,986	34,143,368	11.4%	(233,651)	(233,651)	676,000	\$3.24	\$4.70

By Property Type	Total SF	Vacant SF	Vacancy %	NET ABSORPTION		Under Construction SF	ASKING RENT	
				Current	Year To Date		WH/Dist	R&D/Flex
General Industrial	184,734,594	18,143,844	9.8%	(447,165)	(447,165)	165,000	\$3.38	
Incubator	1,579,678	42,925	2.7%	(13,606)	(13,606)	-	\$3.75	
R&D/Flex	23,428,751	4,631,182	19.8%	(269,216)	(269,216)	-	\$4.70	
Warehouse/Distribution	90,677,963	11,325,417	12.5%	496,336	496,336	511,000	\$3.24	
Totals	300,420,986	34,143,368	11.4%	(233,651)	(233,651)	676,000	\$3.52	

Grubb & Ellis—Cleveland Real Estate Advisors

Bob Nosal

Executive Vice President
 Managing Director
 216.453.3000
 bob.nosal@grubb-ellis.com

Terry Coyne, CCIM

Director - Industrial Group
 Senior Vice President
 216.453.3001
 terry.coyne@grubb-ellis.com

Bruce Asmus

Vice President
 216.453.3073
 bruce.asmus@grubb-ellis.com

Mike Petrigan

Senior Vice President
 216.453.3017
 mike.petrigan@grubb-ellis.com

George Stevens

Senior Vice President
 216.453.3017
 george.stevens@grubb-ellis.com

Richard Bishop

Vice President
 216.453.3015
 rich.bishop@grubb-ellis.com

Joseph Fegen

Vice President
 216.453.3027
 joe.fegen@grubb-ellis.com

Jeff Kennedy

Associate
 216.453.3070
 jeff.kennedy@grubb-ellis.com

INDUSTRIAL TERMS AND DEFINITIONS

Total SF: Industrial Inventory includes all multi-tenant, single tenant and owner-occupied buildings at least 10,000 square feet.

Industrial Buildings Classifications: Industrial buildings are categorized as warehouse/distribution, general industrial, R&D/flex and incubator based on their physical characteristics including percent office build-out, clear height, typical bay depth, typical suite size, type of loading and typical uses.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of

California and selected other markets. Industrial rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis. The asking rent for each building in the market is weighted by the amount of available space in the building.

* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.