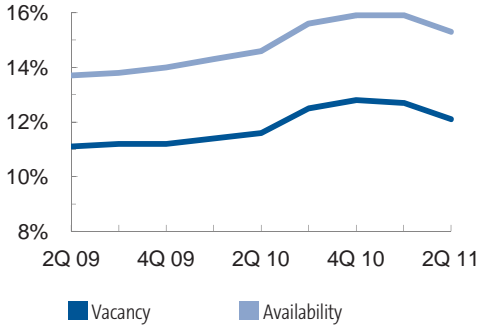
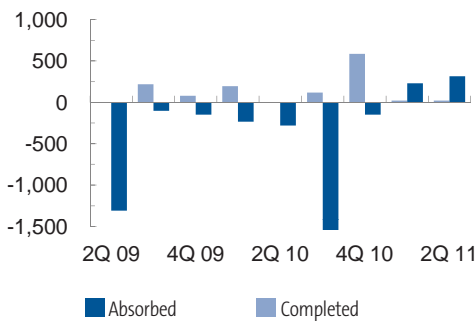


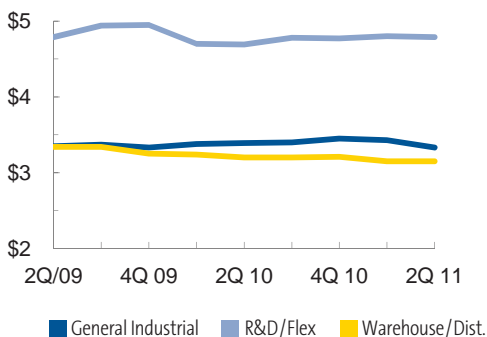
Vacancy & Availability Rates



Completions vs. Absorption (in Thousands of SF)



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



Manufacturing is Driving Recovery

The Northeast Ohio industrial market is continuing to show gradual signs of improvement. The second quarter vacancy dropped to 12 percent, down 70 basis points. Modern buildings with a minimum of 24-foot clearance continue to be scarce, accounting for only 2.15 percent of the overall vacancy. Absorption was a net positive 316,627 square feet, but vacancy was mainly impacted by the removal of 1.7 million square feet of vacant industrial product that was demolished. This decreased the statistical base and accompanying vacancy which accounted for 60 basis points of the quarterly improvement. Other long-vacant manufacturing buildings were converted to alternative use, also lowering vacancy. One significant example of this is 5500 Walworth in Cleveland. The 110,000-square-foot, 90-year-old, manufacturing building was purchased by New Wave Plastics for \$825,000 (\$7.50 per square foot). After outgrowing their 20,000-square-foot building in Medina, they purchased and are converting this building into a plastic and scrap metal recycling facility.

The largest sale during the second half of 2011 was the former Twinsburg Stamping Plant, which shuttered in 2010 as part of Chrysler's bankruptcy reorganization. Local developer DiGeronimo Cos. and Scannell Properties (out of Indianapolis) purchased the 2.2-million-square-foot building that sits on 167 acres for \$10.2 million (\$4.51 per square foot). This was also the largest demolition in the quarter, as the new owners demolished the 1.4-million-square-foot, low bay portion, leaving 800,000 square feet of high-bay space. The City of Twinsburg has limited land for industrial development, so this demolition provides 120 acres in a prime industrial and distribution corridor, adjacent to Interstate 480 and with rail access to the property. Another major demolition was the 260,000-square-foot cold storage building on West 14th Street, famous for its freeway signage, which was demolished to accommodate the new inner-belt bridge already underway. This trend will continue, as later this year, Ford plans to raze their one-million-square-foot casting plant, which is part of the larger complex on Henry Ford Boulevard in Brook Park.

New speculative development is still non-existent and projects remain in the planning stages, however, build-to-suits are beginning to gain steam. The largest build-to-suit is Best Buy's 368,000-square-foot distribution center in Streetsboro. (continued on next page)

KEY TRANSACTIONS

Buckeye Trailer Sales & Rentals, inc.
purchased
33100 Lakeland Blvd.
Eastlake, OH
from *Richards' Properties Inc.
for \$465,000

***Alexis Exhibits**
leased
60,732 SF at
825 Leona Street
Elyria, OH
from *MB 2, LLC

***IDI Distributors, Inc.**
purchased
6760 Eastland Road
Middleburg Hts., OH
from
Laurence Consolidated Trust
for \$1,212,500

* Indicates Transaction Represented by Grubb & Ellis

Industrial Trends Report—Second Quarter 2011

Cleveland, OH



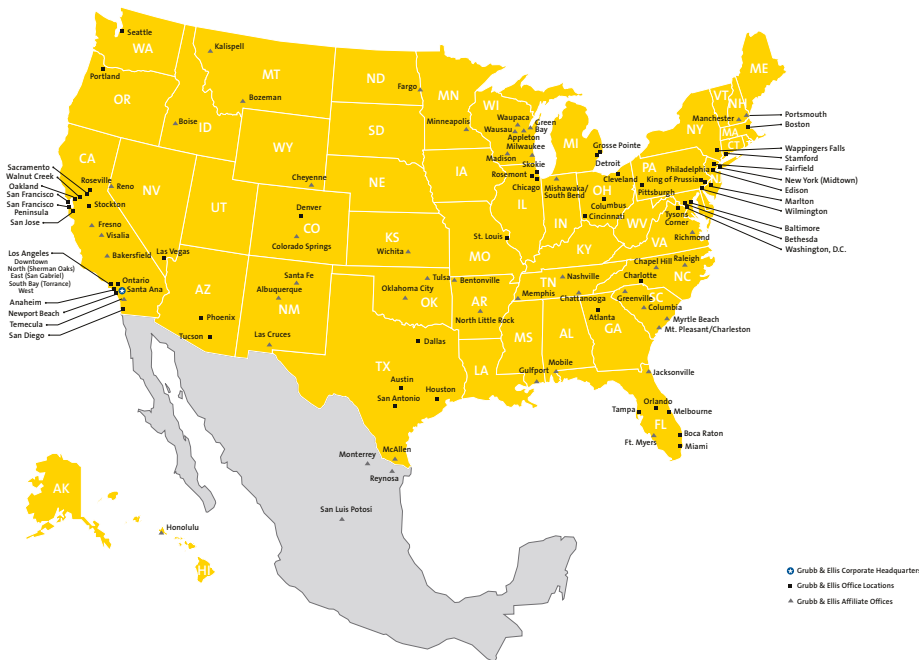
GRUBB & ELLIS
From Insight to Results

| By Submarket | Total SF | Vacant SF | Vacancy % | Available % | NET ABSORPTION | | | ASKING RENT | |
|---------------|--------------------|-------------------|--------------|--------------|----------------|----------------|-----------------------|---------------|---------------|
| | | | | | Current Qtr | Year To Date | Under Construction SF | WH/Dist | R&D/Flex |
| Downtown | 79,000,173 | 8,086,537 | 10.2% | 13.2% | 423,873 | 315,111 | - | \$1.92 | \$2.02 |
| Northeast | 48,819,194 | 6,013,754 | 12.3% | 14.7% | - | - | 46,878 | \$3.06 | \$4.76 |
| Northwest | 23,736,636 | 4,386,082 | 18.5% | 21.4% | 103,021 | - | 26,400 | \$2.60 | \$4.88 |
| Southcentral | 34,601,008 | 4,011,131 | 11.6% | 15.0% | - | - | - | \$3.16 | \$6.07 |
| Southeast | 80,017,467 | 8,829,043 | 11.0% | 14.5% | - | 332,796 | 533,875 | \$3.63 | \$5.50 |
| Southwest | 34,515,059 | 4,825,757 | 14.0% | 18.6% | 31,542 | 91,483 | - | \$4.26 | \$4.43 |
| Totals | 300,689,537 | 36,152,304 | 12.0% | 15.3% | 316,627 | 546,697 | 607,153 | \$3.15 | \$4.79 |

| By Property Type | Total SF | Vacant SF | Vacancy % | Available % | Current Qtr | Year To Date | Under Construction SF | ASKING RENT | |
|------------------------|--------------------|-------------------|--------------|--------------|----------------|----------------|-----------------------|---------------|----------|
| | | | | | | | | WH/Dist | R&D/Flex |
| General Industrial | 185,093,406 | 19,812,549 | 10.7% | 13.1% | 249,928 | 245,977 | 73,278 | \$3.33 | |
| Incubator | 1,579,678 | 63,993 | 4.1% | 5.9% | - | - | - | \$8.00 | |
| R&D/Flex | 23,516,990 | 4,690,315 | 19.9% | 23.3% | 66,862 | - | - | \$4.79 | |
| Warehouse/Distribution | 90,499,463 | 11,585,447 | 12.8% | 17.8% | 17,907 | 423,703 | 533,875 | \$3.15 | |
| Totals | 300,689,537 | 36,152,304 | 12.0% | 15.3% | 316,627 | 546,697 | 607,153 | \$3.46 | |

Grubb & Ellis Office Locations

as of 2nd Quarter 2011



(continued from front) Several manufacturers need to increase capacity, but are choosing to expand in their existing location if possible. One example is Engineered Material Handling (EMH Inc.); the Valley City based company is doubling its size and beginning to build a 60,000-square-foot addition. They produce cranes for manufacturing facilities and EMH's expansion is required to accommodate increased demand for their product, which is expected to surpass pre-recession levels.

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 weighed 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.*

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