



Demographics & Economics

Population

	Population	Unemployment Rate (March 2007)	
Cleveland MSA	2.2 million	Cleveland	5.6%
Cleveland Growth ¹	0.10%	Ohio	5.5%
National Growth ¹	1.30%	National	4.3%

Household Income & Value

Per Capita Income	\$35,806	2006 Households	864,000
3-year Job Growth ²	-1.10%	Household Growth ¹	0.20%
Net Migration (2005)	-12,800	Median Home Price	\$140,000

Major Employers

Progressive Corp.
Cleveland Clinic Foundation
University Hospital of Cleveland
Cleveland City Hall
Key Bank

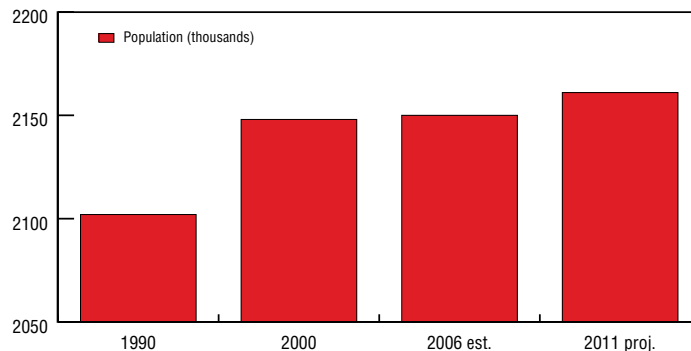
Sources: Bureau of Labor Statistics May 14, 2007 report, Career Info Net, NAR, STDB Online.
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¹Projected annual growth over 5 years (2006-2011).
²Total cumulative job creation of last 3 years.

Noteworthy Transactions

	Sale Date	Sale Price	SF/Units	\$ Per SF/Unit
Office				
Rose Building	Mar. 07	\$79,179,078	592,000	\$134
East Side Package	Mar. 07	\$32,984,720	321,257	\$103
Industrial				
4582 Willow Pkwy.	Feb. 07	\$1,075,000	37,698	\$29
6230 Cochran Rd.	Mar. 07	\$4,500,000	100,300	\$45
Retail				
158-218 Euclid Ave.	Jan. 07	\$11,000,000	129,124	\$85
13217 Superior Ave.	Mar. 07	\$3,350,000	25,412	\$132
Apartment				
2722 Mayfield Rd.	Mar. 07	\$2,986,857	63	\$47,410

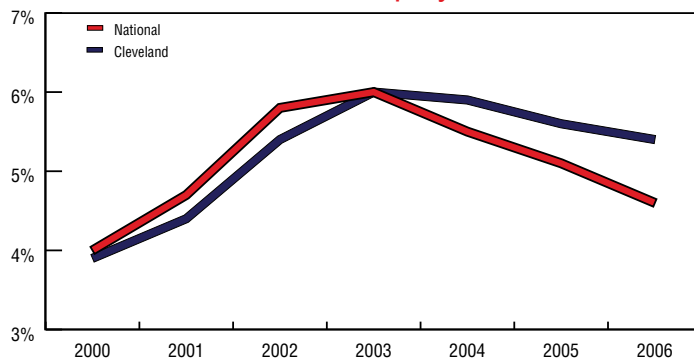
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.

Cleveland Population Growth



Source: STDB Online

Cleveland Unemployment Rate



Source: Bureau of Labor Statistics

Changes from Previous Quarter

	Office	Industrial
Vacancy	↓	↑
Inventory	↑	↑
Expected 1-Year Rents	↓	↓
Asking Rents	↓	=

Data compiled from various sources, including RERC, Torto Wheaton Research, Grubb & Ellis, CBRE, and Marcus & Millichap.

RERC's Take on the Market

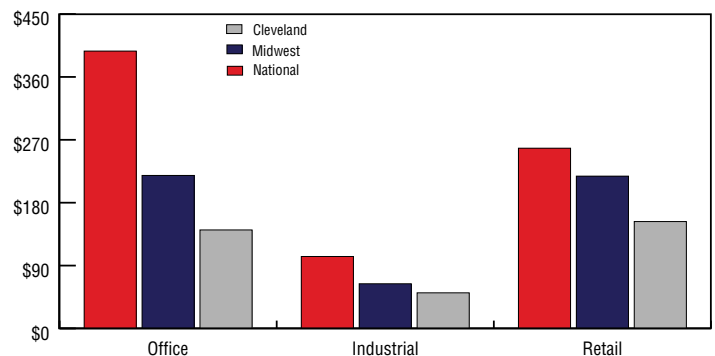
- Given the area's high unemployment rate, negative job growth, and expected slow population growth, the Cleveland economy is much weaker than the national economy.
- Generally, prices for commercial property in the area are lower than regional and national averages prices. Cleveland area capitalization rates are higher than both Midwest regional and national averages, except for the industrial capitalization rate, which is lower than the regional average.
- Although prices for commercial properties in the Cleveland area are low, the area economy is slow, and commercial real estate performance may suffer as a result.

Cleveland Transaction Breakdown (4/1/06 - 3/31/07)

	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$77	\$197	\$152	\$61	\$10
Size-Weighted Avg.	\$75	\$34	\$97	\$34,993	-
Price-Weighted Avg.	\$123	\$44	\$148	\$45,945	-
Median	\$70	\$35	\$73	\$33,750	-
> \$5 Million					
Volume (Mil)	\$634	\$293	\$703	\$275	\$10
Size-Weighted Avg.	\$118	\$51	\$128	\$51,769	-
Price-Weighted Avg.	\$143	\$56	\$154	\$59,961	-
Median	\$125	\$52	\$108	\$48,181	-
All Transactions					
Volume (Mil)	\$711	\$490	\$856	\$336	\$20
Size-Weighted Avg.	\$111	\$43	\$121	\$47,615	\$59,242
Price-Weighted Avg.	\$141	\$51	\$153	\$57,411	\$75,726
Median	\$95	\$37	\$84	\$36,025	\$65,000
Capitalization Rates % (All Transactions)					
Weighted Average	8.0	7.3	7.1	8.9	-
Median	8.2	7.1	7.5	8.7	-

Source: RERC

RERC Price-Weighted Average Price Per SF/Unit - 1Q 2007



RERC Weighted Average Cap Rates - 1Q 2007

