

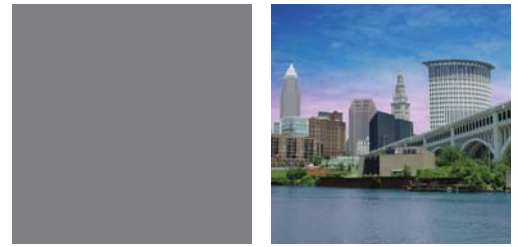
NAI Daus

Retail Report | First Quarter 2010



Cleveland

Retail Report | First Quarter 2010



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents

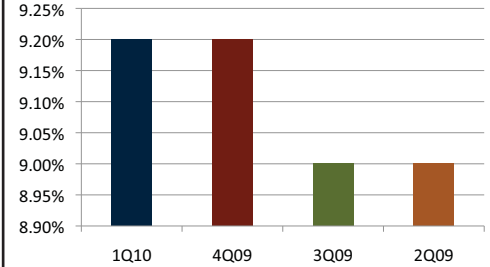


OVERVIEW:

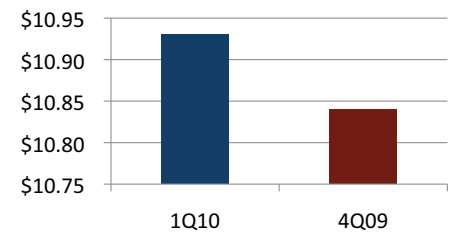
The Cleveland retail market was very quiet during the first quarter of 2010. After a tough 2009, the market seemed to pause to catch its collective breath and regroup for the coming year. The overall vacancy rate was unchanged from the 9.2 percent rate achieved at year-end 2009. Moreover, net absorption was a scant 60,375 square feet and, while this may seem insignificant, it represents a drastic improvement over the steady stream of negative absorption that was a hallmark of 2009. The average asking rate for retail space in the Cleveland market for the first quarter 2010 was \$10.93 per square foot. This is a slight increase from the average of \$10.84 per square foot from year-end 2009. And although there was a little over 200,000 square feet of retail space under construction during the quarter, all of this is the result of projects that commenced during 2009. These include projects under construction in Avon and Strongsville.

Some of the larger leases concluded during the quarter included Discount Drug Mart leasing 40,000 square feet at the Shoppes at Alpha Park in Mayfield Heights and Family Dollar leasing 11,695 square feet in Brooklyn. Several fitness centers have also made a push into the Cleveland market over the last 6 months, with Fitness 19, Anytime Fitness and Planet Fitness all opening multiple locations.

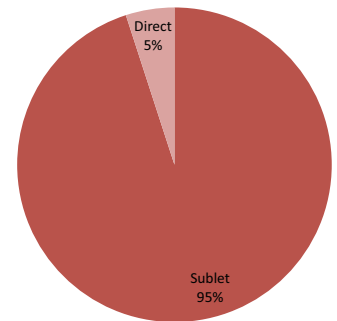
Overall Vacancy 9.2%



Average Asking Rental Rate \$10.93



Vacancy By Available Space Type



Major Lease Transactions

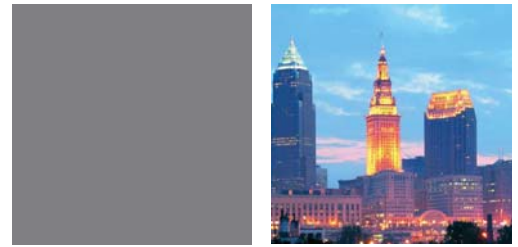
| Tenant: | Building: | Size (SF): | Submarket: |
|---------------|---------------------------|------------|------------|
| Drug Mart | The Shoppes at Alpha Park | 40,000 SF | Northeast |
| Family Dollar | 2124 Brookpark Road | 11,695 SF | Southwest |
| Fitness 19 | Town Square | 10,395 SF | Northeast |

Major Sale Transactions

| Building | Size | Price (PSF) | Sale Date | User/Investor |
|------------------|-----------|-------------------------|-----------|---------------|
| 3415 Clark | 14,748 SF | \$5,450,000.00 (\$370) | 2/4/2010 | Investor |
| 7919 Day Dr. | 93,000 SF | \$18,000,000.00 (\$193) | 2/24/2010 | Investor |
| 24254 Lorain Rd. | 9,964 SF | \$990,000.00 (\$99) | 3/24/2010 | User |

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Cleveland's Retail Submarket Statistics

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Construction | Quoted Rates |
|---|--------------------|-------------|------------|------------|-------|--------------------|----------------|--------------------|--------------|
| | # Bids | Total GLA | Direct SF | Total SF | Vac % | | | | |
| General Retail Submarket Statistic | 8,273 | 82,405,858 | 4,356,579 | 4,503,926 | 5.5% | 194,587 | 10,000 | 173,070 | \$9.76 |
| Mall Submarket Statistic | 21 | 16,441,012 | 3,121,167 | 3,121,167 | 19.0% | 6,698 | 0 | 0 | \$8.80 |
| Power Center Submarket Statistic | 26 | 12,377,186 | 1,043,374 | 1,080,512 | 8.7% | (91,264) | 0 | 0 | \$15.61 |
| Shopping Center Submarket Statistic | 929 | 51,178,214 | 5,751,754 | 6,347,549 | 12.4% | (49,948) | 24,800 | 27,958 | \$11.68 |
| Specialty Center Submarket Statistic | 5 | 1,244,887 | 41,432 | 45,232 | 3.6% | 302 | 0 | 0 | \$12.07 |
| Total Retail Submarket Statistic | 10,333 | 163,647,157 | 14,314,306 | 15,098,386 | 9.2% | 60,375 | 34,800 | 201,028 | \$10.93 |



Cleveland Submarkets

- Lorain County**
Vacancy: 8.6% YTD Abs: 64 K SF Avg. Rent: \$9.82 PSF
- West**
Vacancy: 6.5% YTD Abs: 11 K SF Avg. Rent: \$12.55 PSF
- Downtown Cleveland**
Vacancy: 3% YTD Abs: 88 K SF Avg. Rent: \$15.55 PSF
- Northeast**
Vacancy: 11.1% YTD Abs: 51 K SF Avg. Rent: \$9.47 PSF
- East**
Vacancy: 6.2% YTD Abs: 39 K SF Avg. Rent: \$12.20 PSF
- South**
Vacancy: 22.4% YTD Abs: (33) K SF Avg. Rent: \$10.82 PSF
- Southeast**
Vacancy: 21% YTD Abs: (133) K SF Avg. Rent: \$13.57 PSF
- Southwest**
Vacancy: 7.2% YTD Abs: 47 K SF Avg. Rent: \$11.45 PSF
- Medina County**
Vacancy: 6.6% YTD Abs: (630) K SF Avg. Rent: \$12.20 PSF
- Summit County**
Vacancy: 9.2% YTD Abs: (72) K SF Avg. Rent: \$10.02 PSF

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