

QUICK STATS

	Current	Change from	
		Mid 06	End 06
Vacancy	16.66%	↑	↑
Lease Rates	\$16.62	↑	↑
Net Absorption* (154,537)		↓	↓
Construction	87,820	↓	→

* The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive trend over a specified period.)

HOT TOPICS

- The new arena project will create excitement downtown
- One SeaGate will attempt to rise again as Fifth Third moves in
- Over one-third of the square footage or space downtown is for sale
- The Sky Bank — Huntington Bank merger will impact the marketplace
- The West Toledo/Sylvania Submarket is underperforming

The 2007 midyear office survey finds the Toledo area office market full of opportunities, coupled with a handful of challenges.

Several large local firms are in the news and impact the office markets. Fifth Third Bank's lease of a large block of space at The Fifth Third Center at One SeaGate will shore up almost half of the vacancy created by Owens Illinois' departure last year. At press time, there are several parties interested in purchasing the building. Fifth Third's commitment to this building will help to stabilize it.

Sky Bank's merger into Huntington Bank will also affect the office market. Sky's insurance arm will relocate to Bowling Green to fill the void in the Sky Bank headquarters building. Also, there will be operations center and banking center consolidations and dispositions of overlap properties. Arrowhead Park availability will be impacted extensively, as it houses several large current Sky Bank operations (vacancy will not be immediately affected, though — Sky Bank has one shorter-term lease in Arrowhead and one longer-term lease).

In our Central Business District, more than one-third of the available stock of CBD office space

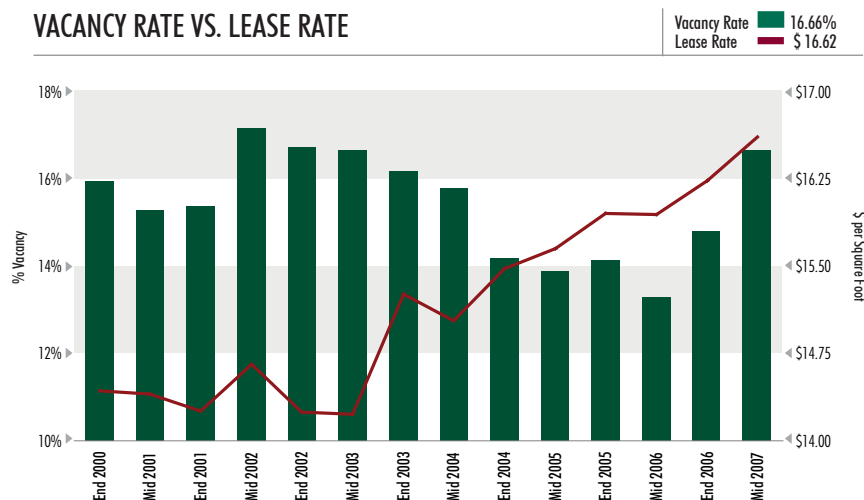
is for sale (including Four SeaGate and One SeaGate). If most of these trade in the coming year, this will mean change for downtown. It may mean an injection of energy and new ideas as new owners seek to add value to their purchases.

Also, in the CBD, to make way for the arena project, seven buildings will be demolished. This reduces the stock of buildings in a submarket with higher than desired vacancies. The pruning of the stock is a good thing. We also foresee redevelopment in the area surrounding the new arena, much like what we saw with Fifth Third Field (the redevelopment project at 25 South St. Clair is a great example of this).

The South/Southwest submarket saw stable vacancy in Class A and Class B space. The Perrysburg/Northwood submarket experienced an increase in Class A vacancy, from 13.5% to 14.7%. The West Toledo/Sylvania submarket Class A vacancy has increased 340 basis points and absorption has moved from positive to negative. This is a situation to monitor closely.

Office building developers are still acting prudently, and relative to the market as a whole, there is very little new construction.

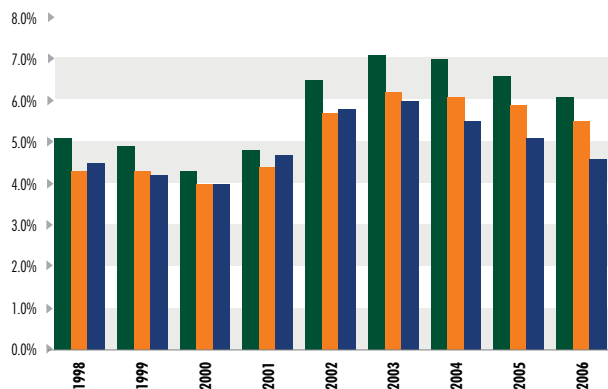
VACANCY RATE VS. LEASE RATE



Market	Submarket	Rentable Area	Vacancy Rate %	Net Absorption SF	Under Construction SF	Average Asking Lease Rate \$ SF/YR	Availability Rate %
CBD	Class A	3,067,119	23.60%	(47,162)	19,680	\$19.17	23.60%
	Class B	1,229,866	21.06%	(55,511)	—	\$14.21	21.06%
	Class C	1,423,425	23.00%	(47,841)	—	\$11.87	23.36%
	Flex	—	—	—	—	—	—
	TOTAL CBD	5,720,410	22.90%	(150,514)	19,680	\$16.36	22.99%
North Toledo/East Toledo/Oregon	Class A	80,344	22.01%	2,875	—	\$15.89	22.02%
	Class B	53,826	14.67%	—	—	\$17.08	26.38%
	Class C	49,426	5.91%	925	—	\$12.83	22.09%
	Flex	114,270	10.50%	—	—	\$8.05	10.50%
Perrysburg/Northwood	Class A	383,720	14.74%	(1,110)	18,140	\$19.81	16.76%
	Class B	142,022	7.50%	3,885	—	\$16.46	10.32%
	Class C	100,320	5.78%	126	—	\$14.18	5.78%
	Flex	7,745	—	—	—	—	—
South/Southwest	Class A	2,325,336	10.64%	(1,888)	—	\$18.10	12.91%
	Class B	459,011	18.98%	9,137	—	\$14.55	21.02%
	Class C	527,538	15.95%	(18,579)	—	\$12.33	16.44%
	Flex	1,006,869	9.18%	17,373	—	\$16.40	9.73%
West Toledo/Sylvania	Class A	1,708,857	15.55%	(18,389)	50,000	\$19.22	19.21%
	Class B	545,178	8.83%	(4,447)	—	\$13.01	9.63%
	Class C	321,970	3.54%	6,069	—	\$14.25	4.21%
	Flex	44,408	10.55%	—	—	\$17.30	10.55%
Suburban Total		7,870,840	12.13%	(4,023)	68,140	\$16.97	14.23%
Market Total		13,591,250	16.66%	(154,537)	87,820	\$16.62	17.92%

AVERAGE ANNUAL UNEMPLOYMENT RATE

Toledo MSA 6.1%
Ohio 5.5%
US 4.6%



The April 2007 unemployment rate for the Toledo MSA was 6.0%, which was lower than last month's rate of 6.7%. Ohio's April 2007 unemployment rate of 5.6% was nearly level with last month's rate of 5.5%. The U.S. unemployment rate for April 2007 was 4.3%, which was lower than last month's rate of 4.5%.

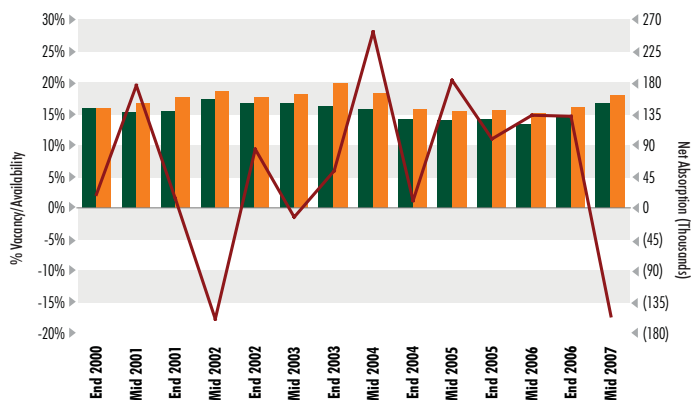
The average sale price for a home in the Toledo MSA in April 2007 (\$120,177) decreased 3.9% from \$125,038 last month. The current average home sale price is down by 16.7% from last year.

April's manufacturing employment for the Toledo MSA was 50,400, which is 0.2% higher than March's 50,300 and was lower than last year's manufacturing employment by 1.4%.

For these estimates: Toledo MSA consists of Lucas, Fulton, Ottawa and Wood Counties.
Source: Regional Growth Partnership

VACANCY/AVAILABILITY/NET ABSORPTION

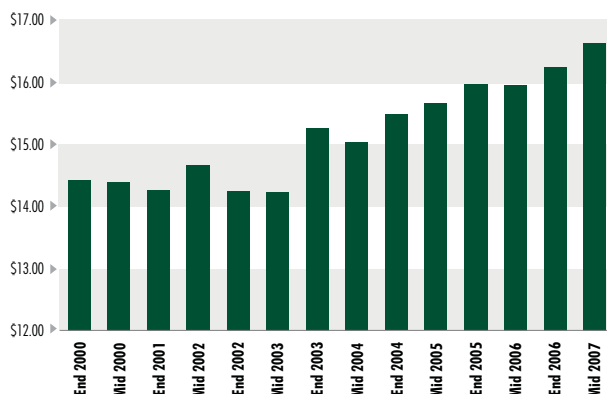
Vacancy 16.66%
 Availability 17.92%
 Absorption (154,537)



Suburban market vacancy stands at 12.13% and CBD vacancy stands at 22.90%. Availability statistics are tracking vacancy numbers. The South/Southwest submarket saw stable vacancy in Class A and Class B space. The Perrysburg/Northwood submarket experienced an increase in Class A vacancy, from 13.5% to 14.7%. The West Toledo/Sylvania submarket Class A vacancy has increased 340 basis points and absorption has moved from positive to negative. Overall, absorption has declined significantly, to a level not seen since a spike in 2002.

AVERAGE ASKING LEASE RATES

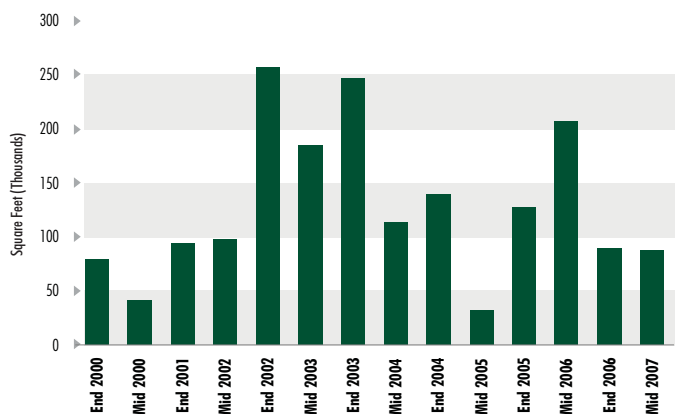
Average Asking Lease Rent \$16.62



Asking rental rates increased again. In the CBD, this is due to the One SeaGate space coming online at higher average rental rates than the CBD market as a whole, thereby driving the asking rates up. Note that average asking lease rates have increased approximately 15% since 2000.

CONSTRUCTION ACTIVITY

SF Under Construction 87,820



Construction activity mirrored the prior reporting period. Construction activity is low. This is a good thing – developers are attempting to closely match new projects with market demand.

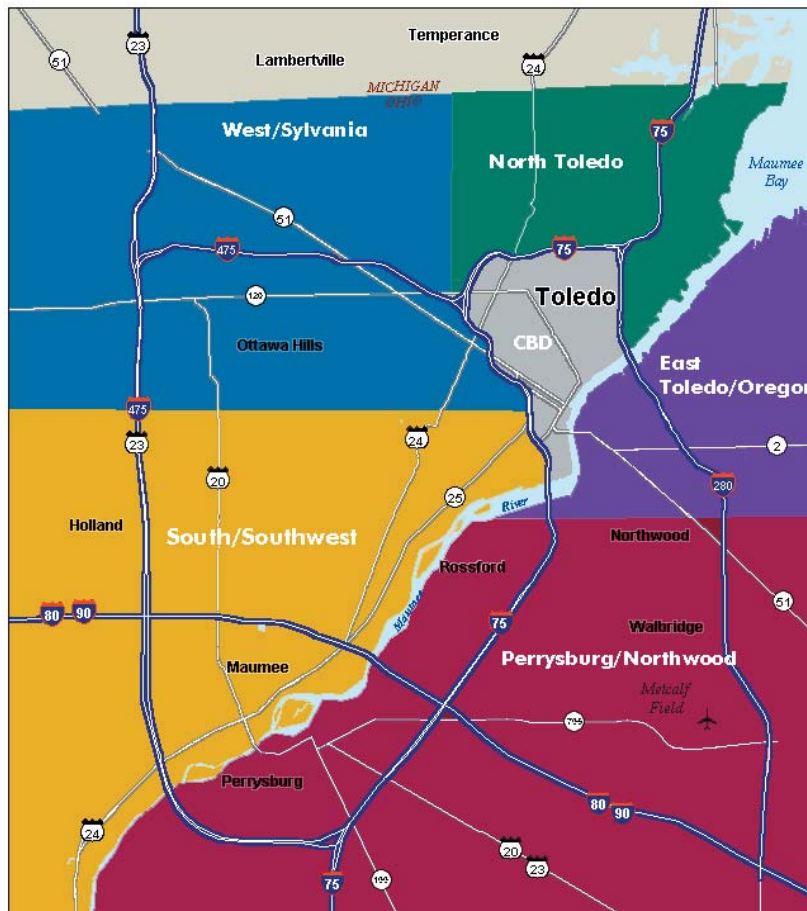
MARKET OUTLOOK

We expect the market to continue to soften somewhat over the next six months. Landlords will attempt to hold rents at current levels. This may lead to an increase in landlord concessions such as free rent and higher tenant improvement allowances. In the CBD, we project more activity than average, especially in sales/purchases of assets. We believe construction will continue to be quite measured and conservative.

TOLEDO SIGNIFICANT OFFICE TRANSACTIONS

Sale/Lease	Size (Sq. Ft.)	Tenant/Buyer	Address
Lease	114,000	Fifth Third Bank	One SeaGate
Lease	42,000	Stautzenberger College	1796 Indian Wood Circle
Sale	30,000	Liberty Square PG	4149-4169 Holland Sylvania
Lease	16,000	Applied Technologies	1722 Indian Wood Circle
Lease	12,000	Libbey Glass	401 Adams
Lease	10,000	Waterford Bank	McCord & Sylvania

TOLEDO SUBMARKET MAP



AVERAGE ASKING LEASE RATE

Rate determined by multiplying the asking net lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary.

NET LEASES

Includes all lease types whereby the tenant pays an agreed rent plus most, or all, of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.

MARKET COVERAGE

Includes all competitive office buildings 5,000 square feet and greater in size.

NET ABSORPTION

The change in occupied square feet from one period to the next.

NET RENTABLE AREA

The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies, and stairwell areas.

OCCUPIED SQUARE FEET

Building area not considered vacant.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

AVAILABLE SQUARE FEET

Available Building Area which is either physically vacant or occupied.

AVAILABILITY RATE

Available Square Feet divided by the Net Rentable Area.

VACANT SQUARE FEET

Existing Building Area which is physically vacant or immediately available.

VACANCY RATE

Vacant Building Feet divided by the Net Rentable Area.

NORMALIZATION

Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and Vacancy figures for those buildings have been adjusted in previous quarters.