

## The Region's Premier Business Park

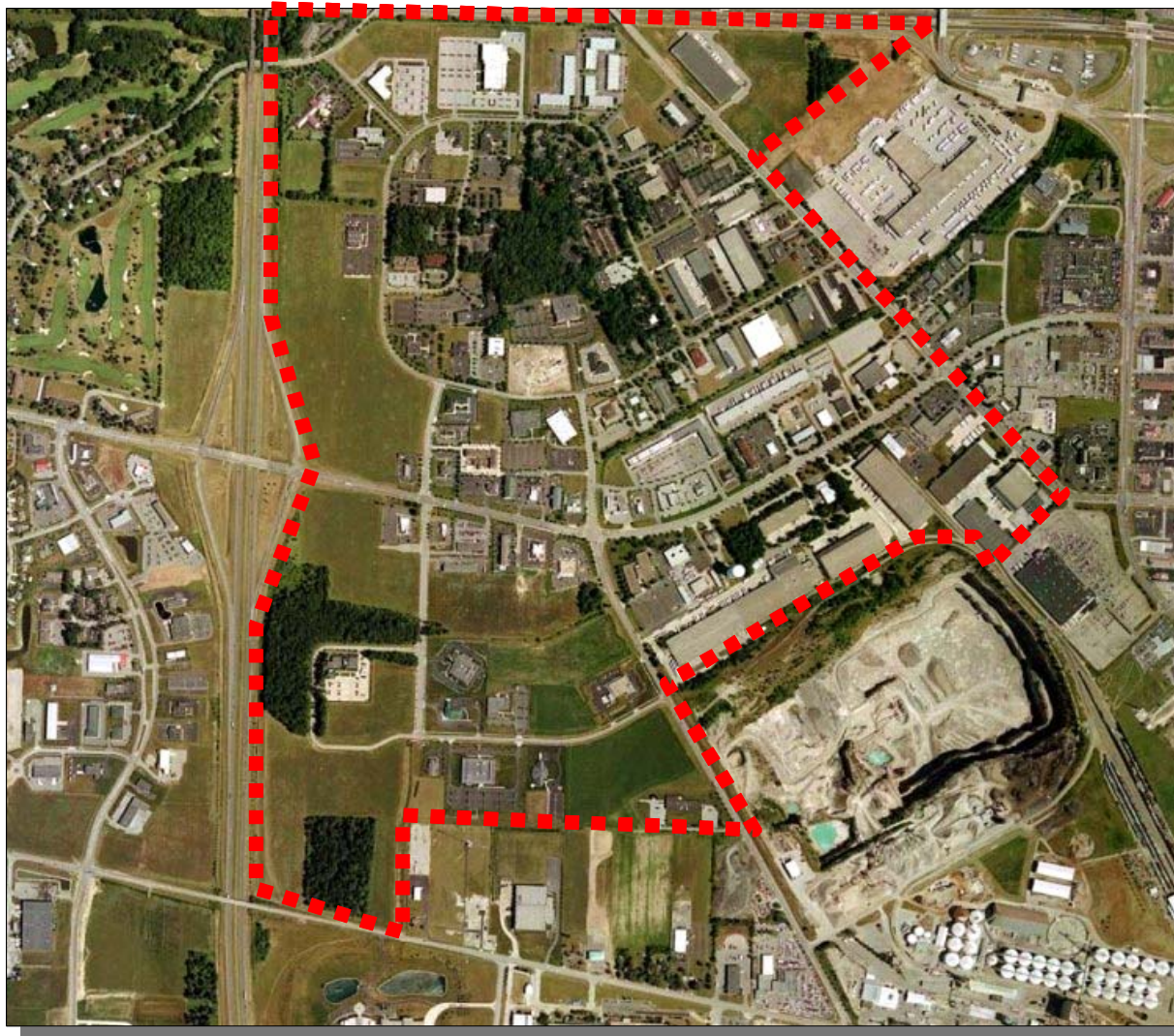


## Arrowhead Park



Office/Flex Space Market Analysis  
Presented to Arrowhead Park Association  
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Prepared by the Poulos-Klein Team  
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# Arrowhead Park



- Buildings in Survey = 65
- Average Building Size = 29,592 SF
- Total Square Footage = 1,923,469 SF

65 properties

1.9 million sf

- Total Square Footage = 1,923,469 SF
- Vacant Square Footage = 201,038 SF
- Vacancy Rate = 10.45%

10.45% vacancy

- Class A = 8.69%
- Class B = 14.59%

Class A: 8.69%

Class B: 14.59%

- There are only 22 buildings with vacancies in the Park
- There are only 6 properties (including flex/office/warehouse) that can accommodate a user of 10,000 SF or more

few large spaces

- Significant Transactions and Developments
  - 1545 Holland (Indian Oak) sold for \$1.9 million (\$35 PSF)
  - 1480 Ford (Dana) sold for \$3.3 million (\$100 PSF)
  - 1661 Holland (Promedica) sold for \$1.08 million (\$63 PSF)
  - 1625 Indian Wood (Mech. Design) sold for \$990K (\$114 PSF)
  - Dana bankruptcy may create vacancies or shadow space
    - 1064 Longbow – 55,000 SF
    - 1796 Indian Wood – 42,000 SF
  - Highway and roadway improvements will create short-term challenges, but long-term it will strengthen the Park

# Observations

## What Does This Mean For Arrowhead:

### Lenders

### Developers

### Investors

### Landlords

### Tenants

- Arrowhead continues to be a sound place to invest – quality buildings, quality tenants

- There is little land left for private development in Arrowhead
- As Arrowhead ages, existing buildings may create redevelopment opportunities (and already are)

- Will still be attracted to Arrowhead, in part following or bringing quality tenants
- National investors continue to see the value in the Park

- Landlords of office space should see opportunities to lease space in a relatively tight market, especially Class A
- Lease rates may creep up
- But they will have to compete with other area suburban office developments; there are other choices now

- With little new construction, tenants with competitive rental rates and expiring leases in the coming few years should consider early renewal as the markets will tighten
- There will always be structural vacancy in the Park – the question is this: Is there enough space for incoming tenants and is it of a quality sufficient for tenants?

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