

## Inside this Issue

ACTIVE LENDING SOURCES  
IN COMMERCIAL PROPERTY

CRESCO NOTEWORTHY  
TRANSACTIONS

OFFICE AND INDUSTRIAL  
FACTS AND STATS

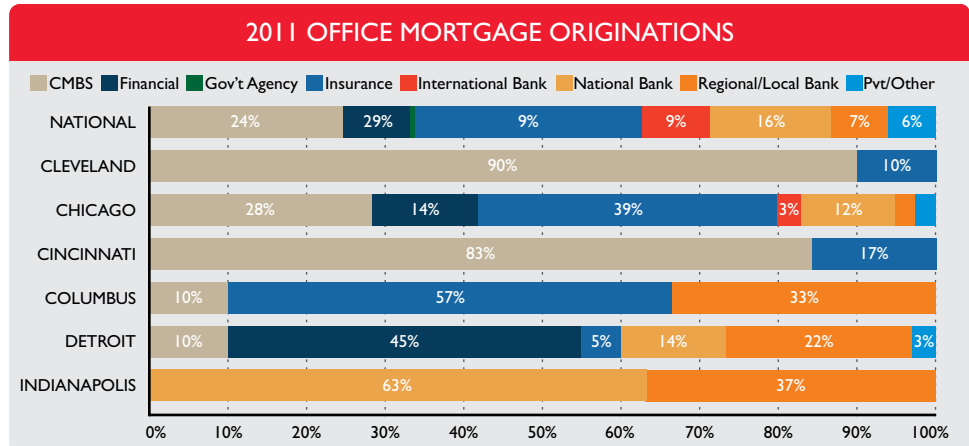
TOP DESTINATIONS FOR  
INVESTMENT PROPERTY

NORTHEAST OHIO  
SUMMARY STATISTICS

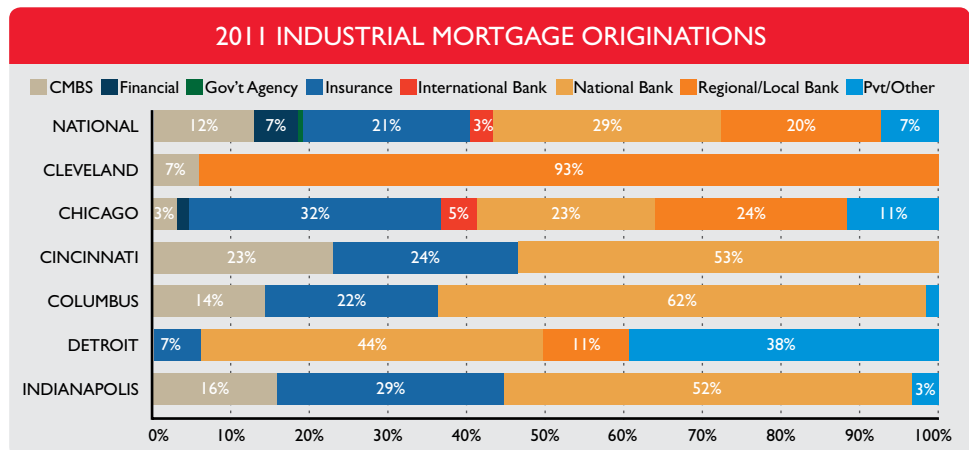
FEATURED PROPERTIES

CELEBRATING 20 YEARS

## LENDING SOURCES FOR COMMERCIAL DEALS OVER \$2.5 MILLION



Source: Real Capital Analytics



Source: Real Capital Analytics

Since 2008, entirely new underwriting assumptions have been adopted causing lending sources for commercial real estate to shift their focus and priorities. The 2011 charts above illustrate lender activity in the Mid West for deals over \$2.5 Million in volume. A close look at the data outlines which lender categories are sourcing capital, which markets they prefer and what specific type of property they are focused on.

The data clearly illustrates lender preference not only varies by product type but by location as well. By example, Cleveland clearly attracts CMBS origination for office space but CMBS barely makes the chart for

Industrial loans. Conversely, Columbus attracts a 90% share of Insurance and Regional Bank loans for office space but only a 22% share from the same lenders on Industrial properties.

As vacancy rates lower and risk is more clearly defined, we expect lenders themselves to evaluate this data and begin to spread their originations to markets they are currently under serving. At CRESCO we anticipate more Insurance, Local and Private Equity originations on office deals and increased participation by Insurance companies and Private Equity on the industrial side.



**BRYANT & STRATTON COLLEGE**

CRESO represented Bryant & Stratton College in the long term lease of a new office building. CRESO presented a number of available sites before performing a comprehensive evaluation of the alternatives. CRESO then successfully negotiated a long term lease for a property in Montrose, Ohio.



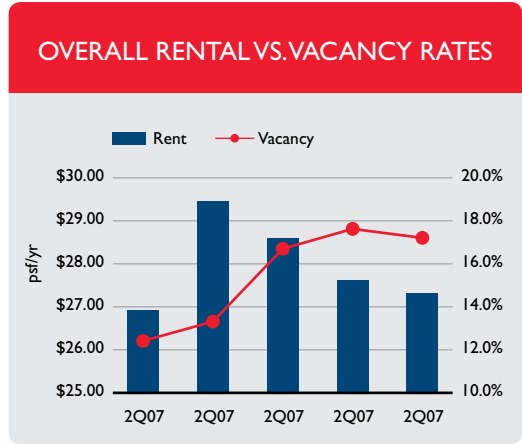
**TWINSBURG, OHIO**

CRESO represented both the buyer and seller in the sale of a 55,000 SF facility in Twinsburg, Ohio. The property was purchased by an end user who will occupy roughly one-third of the building with the balance being leased to tenants.

**ADDITIONAL NOTEWORTHY TRANSACTIONS**

- Dresser Rand
- Dollar Bank
- Performance Food Group
- Lianda Corporation
- The Cleveland Plain Dealer
- CO-AX
- Ohio Farmers Insurance
- Concept Schools
- Horizon Child Development
- Flexalloy
- Puckmasters
- Liberty Glove
- Travel Centers of America
- True Value
- Westfield Insurance

**OFFICE MARKET** Source: C&W Research



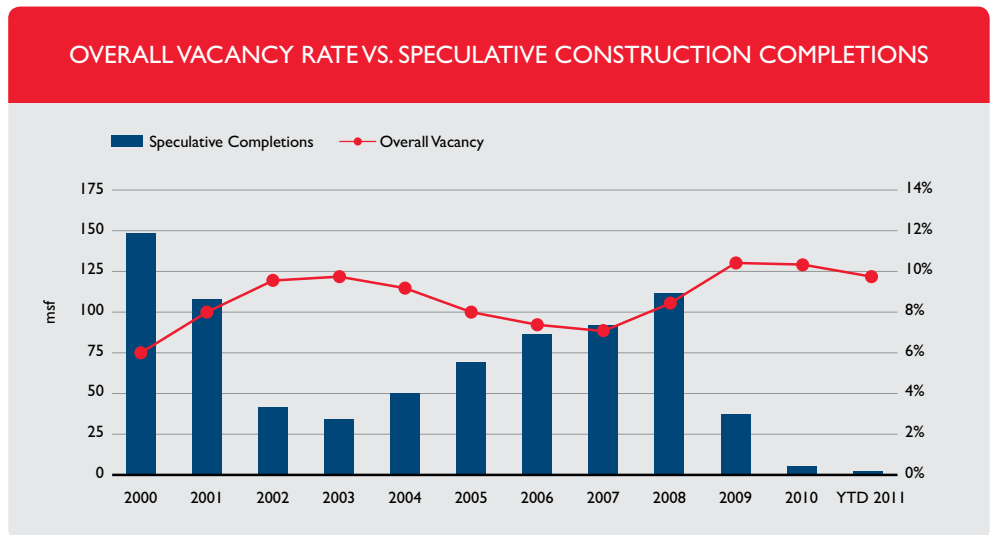
The overall average vacancy rate for U.S. CBDs fell to 13.9% at midyear 2011, down 0.7 percentage points at the end of the first quarter of this year, and its lowest level since midyear 2009. Vacancy rates declined in 71% of the markets tracked by Cushman & Wakefield.

The trigger for the significant decline in vacancy was a notable increase in new leasing activity in U.S. CBDs, up 43.9% from midyear 2010 levels. The first half of 2011 proved to be the strongest

in terms of leasing activity since 1998, when 44.5 million square feet in leases were completed in the first half of the year.

Soaring levels of leasing activity and no new construction boded well for absorption, totaling 7.1 million square feet year-to-date, compared to negative 441,498 square feet at this time last year.

**INDUSTRIAL MARKET** Source: C&W Research



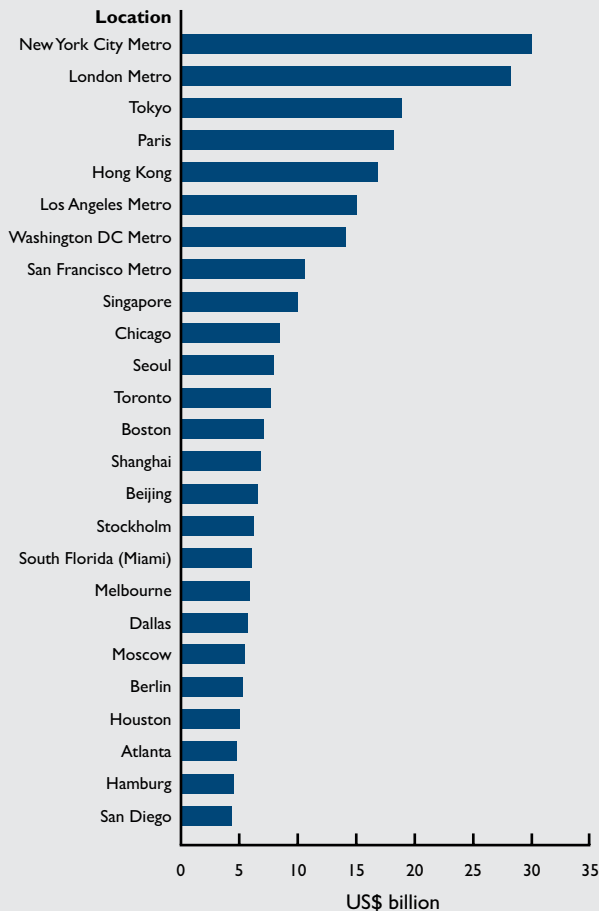
Three consecutive quarterly decreases in overall vacancy - the first such occurrence since early 2007 - have thus far failed to resurrect the historical relationship between available inventory and speculative development. After peaking at 83.4% in 2007 when overall vacancy was at a seven-year low of 7.2%, speculative activity as a percentage of all construction completions fell to just 12.0% in the last six months.

New and expansion leasing totaled 144.8 msf through the first six months of 2011, its highest mid-year total since 2007. Ironically, much of that leasing occurred in first-generation space as competitive lease terms continue to support a flight to quality in markets across the country.

With only 2.2 msf of speculative product slated for delivery in 2011, improved leasing activity will result in steady declines in overall vacancy for the remainder of 2011.

TOP 25 INVESTMENT CITIES Source: C&W Research

TOP 25 CITIES FOR GLOBAL PROPERTY INVESTMENT



The wider New York City Metro area nudged ahead of London in to first place in terms of global cities attracting the most capital into real estate (excluding development sites). The top five locations of NYC Metro, London Metro, Tokyo, Paris and Hong Kong, were the same as those in last year's ranking although now occupying different slots - with London and Tokyo the only cities to move one place each to 2nd and 3rd respectively. Regionally the top 6 places are evenly distributed across the globe, with each securing two places. The next six months are likely to see increased levels of capital looking at the top ranked cities as investors continue their flight to quality and look for safe opportunities in core, regulated markets. Over

the next 12-18 months however, interest will start to spread up the risk curve. Offices were the dominant sector last year taking a 40% share of the total investment volume, followed by retail (25%), with industrial (11%) narrowly surpassed by apartments (14.6%).

## Northeast Ohio Summary Statistics

**Cleveland:**  
45<sup>th</sup> largest city in North America:  
Population 396,815.

**Northeast Ohio Region:**  
14<sup>th</sup> largest in North America:  
Population 2,945,831.

**Cleveland Clinic:**  
#1 non government employer  
with over 37,000 employees.

**Port of Cleveland:**  
Generates \$1 Billion per year in trade.

**CLE Hopkins Airport:**  
39<sup>th</sup> largest airport in North America.

**Cleveland Office Market:**  
23<sup>rd</sup> largest in U.S. - 127,697,799 SF.

**Cleveland Industrial Market:**  
10<sup>th</sup> largest in U.S. - 415,822,749 SF.



CLEVELAND, OHIO



HIGHLAND HILLS, OHIO



SOLON, OHIO



INDEPENDENCE, OHIO



AMHERST, OHIO



3 Summit Park Drive  
Suite 200  
Cleveland, Ohio 44131  
216.520.1200

Presorted Standard  
U.S. Postage Paid  
Cleveland, OH  
Permit No. 283

**CRESCO** provides more than just great service; we strive to provide innovative solutions resulting from a collaborative effort between our brokers and clients. **CRESCO's** expertise, along with our alliance with Cushman & Wakefield, solidifies our position as a leader in the commercial real estate market.

**CRESCO** offers full-service assistance to handle all aspects of commercial real estate, including:

- **Sale and Leasing of Office / Industrial Property**
- **Tenant / Buyer / Landlord / Seller Representation**
- **Land Acquisition and Assemblage**
- **Location and Incentive Analysis**
- **Development**
- **Property Valuation**
- **Consulting Services / Strategic Advisory**
- **Research and Surveys**
- **Property Management**
- **Site Selection and Build-to-Suits**
- **Corporate Services**

**CRESCO CELEBRATES 20 YEARS OF  
EXCELLENCE IN COMMERCIAL REAL ESTATE**



CRESCO Real Estate, a two time winner of the Weatherhead 100 Award, recently celebrated its 20<sup>th</sup> anniversary. During the past 20 years CRESCO has successfully provided professional real estate services and consultation to its commercial real estate clients throughout the world.

Founded in 1991 as a four person real estate company, CRESCO has grown into a full service real estate provider with 25 professionals. In 2005, CRESCO was selected as the strategic alliance partner with Cushman & Wakefield,

the world's largest privately held commercial real estate service provider. The Cushman & Wakefield platform allows CRESCO professionals to provide its clients with the most complete level of services available in the industry.

With a lineage of local ownership, CRESCO Real Estate will not rest on its laurels as the company continues to search for strategic professionals and industry alliances that will provide additional benefits to its commercial real estate clients.