

Greater Cincinnati

Office Report | First Quarter 2009



CINCINNATI



TRENDS:

Vacancy Rate



Net Absorption



Construction



Asking Rents

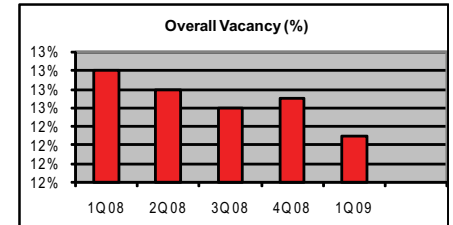


OVERVIEW:

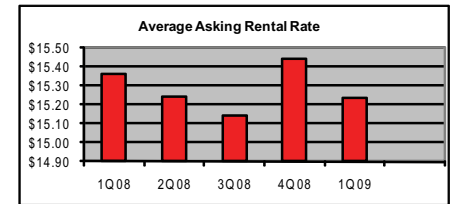
The Cincinnati office market in the first quarter of 2009 can best be described as “waking up”. Throughout the 4th quarter 2008 and beginning of the 1st quarter 2009 activity was extremely quiet. With fears of economic uncertainty running rampant throughout most businesses, companies favored doing nothing and staying the course. Once the stock market started to rebound slightly, companies began to take their heads out from under the sand and started to get back into the market-game. Although the activity has not been significant based on historical standards, there is finally a pulse to the market once again.

One market that is seeing activity in the suburbs is the Tri-County suburban market. What was once an older submarket that was thought to have seen its better days behind it, Tri-County is now seeing companies take a harder look at its class B buildings. These buildings, although a little older, still are providing provide companies an opportunity to move into aesthetically pleasing office space, at a significant reduction from their class A rents. With the move out of GE aimed for 3rd quarter of 2009, the Executive Center buildings are coming back to the market for the first time in many years. This could create a very interesting trickle down effect for the entire sub market. If the space can be absorbed quickly and at a reasonable rate, the rest of Tri-County should see an up tick. If, however, these buildings sit vacant for a long period of time, they could act as an anchor that will hold down the market. Only time will tell!

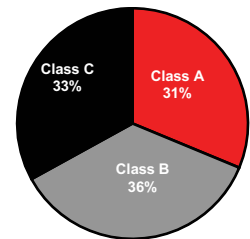
Overall Vacancy (%)



Average Asking Rental Rate



Net Absorption (SF)



NAI Bergman Office Team

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Andrew Kahn
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andy@bergman-group.com



Jameson Muth
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513 309 5983 cell
jameson@bergman-group.com

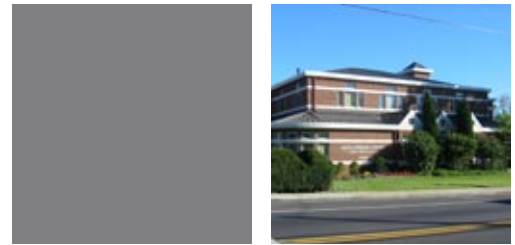


Kristin Dupps
513 322 8317 office
513 678 6987 cell
kristin@bergman-group.com

**All rents are per SF/per YR unless otherwise noted.*

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SUBMARKET/CLASS	# BLDGS	TOTAL RBA (SF)	TOTAL AVAIL. (SF)	TOTAL VACANT AVAIL. (%)	TOTAL NET Absorption (SF)	TOTAL AVERAGE RATE (\$/SF/YR)	UNDER CONSTRUCTION (SF)
CINCINNATI CBD							
Class A	19	9,055,252	1,022,404	11.3%	(7,529)	\$ 16.34	1,129,525
Class B	70	8,825,938	952,179	10.8%	5,429	\$ 14.67	-
Class C	137	5,410,431	232,335	4.3%	72	\$ 12.11	-
BLUE ASH							
Class A	22	2,393,803	403,938	16.9%	41,296	\$ 17.99	-
Class B	90	2,564,493	406,225	15.8%	13,248	\$ 14.50	-
Class C	66	707,958	54,715	7.7%	(1,885)	\$ 15.49	-
BUTLER COUNTY							
Class A	25	2,173,088	466,473	21.5%	58,801	\$ 15.45	-
Class B	132	2,519,060	605,087	24.0%	18,805	\$ 12.93	400,000
Class C	301	2,679,377	383,757	14.3%	(25,367)	\$ 11.90	-
CINCINNATI INTL AIRPORT							
Class A	28	1,649,090	479,985	29.1%	(2,577)	\$ 16.20	34,936
Class B	88	2,451,786	232,943	9.5%	(19,965)	\$ 16.56	-
Class C	339	2,130,912	226,272	10.6%	19,195	\$ 14.24	-
CLIFTON / MIDTOWN							
Class A	17	1,747,422	230,330	13.2%	(1,295)	\$ 20.98	-
Class B	66	2,620,037	376,262	14.4%	(103,482)	\$ 16.36	-
Class C	407	5,429,622	205,775	3.8%	(13,543)	\$ 12.22	-
COVINGTON / NEWPORT							
Class A	8	1,269,426	368,892	29.1%	(82,817)	\$ 20.33	-
Class B	32	1,477,589	116,906	7.9%	(3,064)	\$ 14.61	-
Class C	278	2,276,873	104,946	4.6%	1,112	\$ 14.18	-
EASTGATE / ANDERSON TWP							
Class A	3	346,500	7,257	2.1%	(2,397)	\$ 21.02	30,000
Class B	40	804,637	104,494	13.0%	17,426	\$ 19.01	-
Class C	129	917,516	57,619	6.3%	10,385	\$ 12.42	-
FAIRFAX MT. LOOKOUT							
Class A	5	309,909	58,189	18.8%	44,099	\$ 18.76	-
Class B	27	691,634	149,499	21.6%	(10,320)	\$ 15.79	-
Class C	99	849,992	44,001	5.2%	(7,409)	\$ 16.38	-
FOREST PARK / WEST							
Class A	2	63,576	3,975	6.3%	-	\$ 13.45	-
Class B	64	1,604,669	80,903	5.0%	(369)	\$ 15.89	-
Class C	320	2,121,548	275,329	13.0%	(30,277)	\$ 14.15	-
KENWOOD							
Class A	4	837,147	224,106	26.8%	16,141	\$ 18.95	-
Class B	56	1,064,833	110,718	10.4%	13,939	\$ 16.49	-
Class C	100	1,066,486	60,494	5.7%	(4,992)	\$ 17.75	-
MASON / MONTGOMERY							
Class A	28	3,478,162	487,923	14.0%	608	\$ 16.82	-
Class B	82	1,902,397	369,062	19.4%	(12,864)	\$ 15.43	-
Class C	49	363,490	32,966	9.1%	(7,330)	\$ 14.05	-
MILFORD / WARDS CORNER							
Class A	5	596,811	98,937	16.6%	(90)	\$ 8.95	-
Class B	30	624,093	104,046	16.7%	6,053	\$ 14.38	11,500
Class C	64	452,703	32,790	7.2%	(2,996)	\$ 12.85	-
READING / ROSELAWN							
Class A	2	149,621	40,175	26.9%	-	\$ 16.66	-
Class B	14	695,355	29,559	4.3%	(2,105)	\$ 9.76	-
Class C	67	711,158	174,844	24.6%	5,000	\$ 10.52	-
TRI COUNTY / I-275							
Class A	13	1,434,776	193,831	13.5%	4,133	\$ 12.46	-
Class B	40	1,673,812	460,114	27.5%	5,382	\$ 13.00	-
Class C	103	1,251,171	75,656	6.0%	50,044	\$ 12.07	-

The above information has been obtained from reliable sources, but is not guaranteed. It is subject to errors, omissions and withdrawals from the market without notice.

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Methodology / Definitions / Sub Market Map



Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company, For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

Building Class

Class A Product is office Space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office Space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy

Space currently available for lease directly with the landlord or building owner.

Market Size

Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

Overall Vacancy

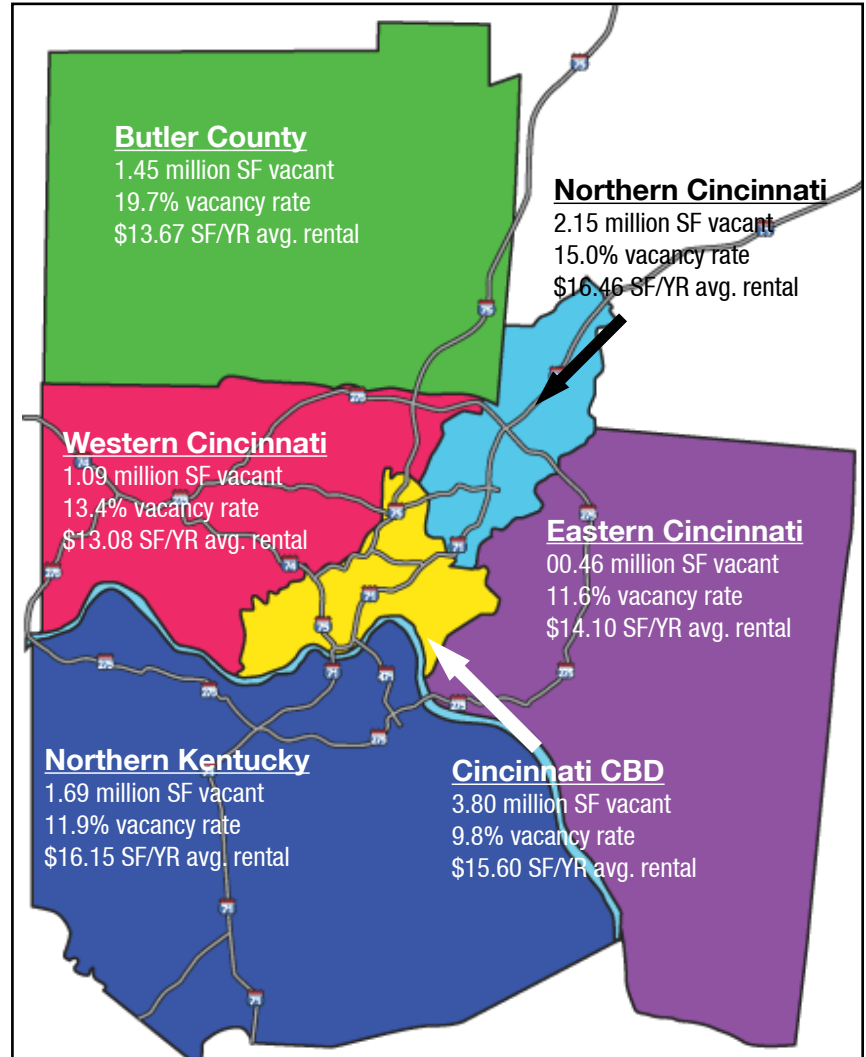
All unoccupied lease space, either direct or sublease.

SF/PSF

Square foot/per square foot, used as a unit of measurement.

Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.



Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers - only direct leases are included.

Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.