



2011 FORT WAYNE, IN OFFICE MARKET SURVEY

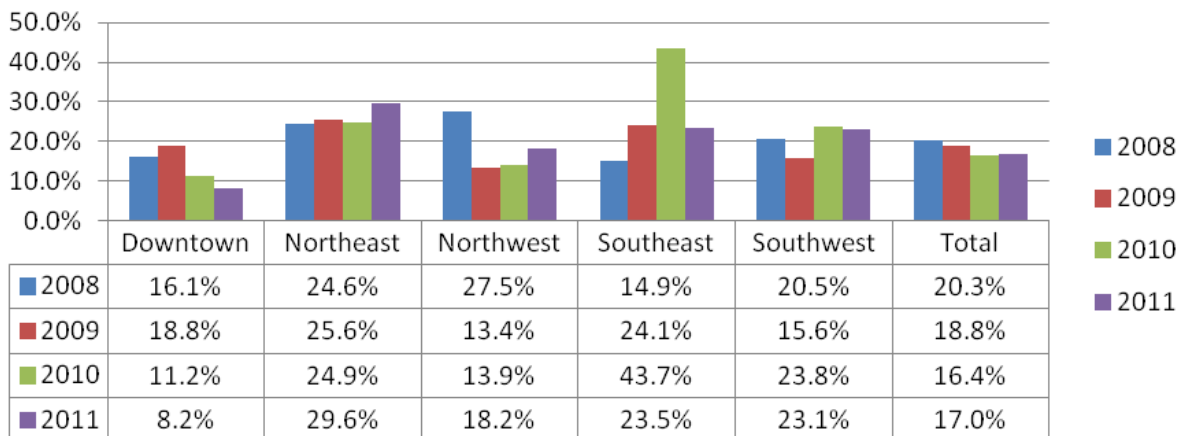


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	2011 Office Total Sq. Ft. for Lease	2011 Office Total Sq. Ft. for Sale	2011 Office Total Sq. Ft. for Sale or Lease	2011 Office Total Square Footage	2011 Office Vacancy Rates
By Class					
Class A	696,028	253,843	792,483	4,031,168	19.7%
Class B	1,026,680	228,458	1,148,439	7,684,414	15.0%
Class C	159,092	110,486	194,549	881,818	22.1%
Totals	1,881,800	592,787	2,135,471	12,597,400	17.0%
By Quadrant					
Downtown	335,914	140,515	462,322	5,609,760	8.2%
Northeast	514,981	312,166	595,587	2,014,807	29.6%
Northwest	258,928	54,835	276,052	1,519,947	18.2%
Southeast	216,570	57,297	230,796	983,793	23.5%
Southwest	555,407	27,974	570,714	2,469,093	23.1%
Totals	1,881,800	592,787	2,135,471	12,597,400	17.0%

Fort Wayne, IN Office Vacancy Rates by Quadrant



Market Overview

The overall office vacancy in the Fort Wayne area increased modestly from 16.4% to 17% in the period from September, 2010 to September, 2011. The vacancy increase was the result of a continuation of the severe economic downturn that has impacted the office market since 2008. Class A and Class C vacancies have been rising while Class B vacancies have been falling.

The downtown office vacancies decreased from 11.2% to 8.2%, which is the lowest vacancy of any section of Fort Wayne. The northeast quadrant has the highest vacancy rate increasing from 24.9% to 29.6%. There has not been any significant new office construction other than medical office space.

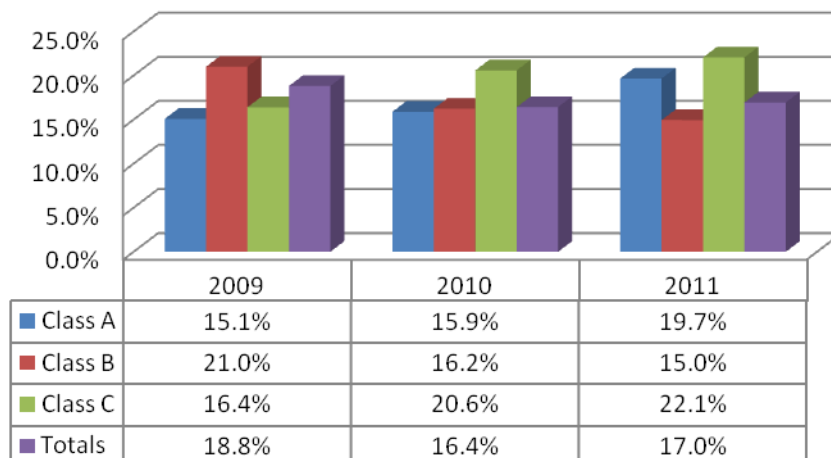
Overall lease rates have been stable or falling, especially for Class B & C buildings in secondary locations. Landlords have also been impacted by increasing operating costs, especially for property taxes and utilities.

Outlook

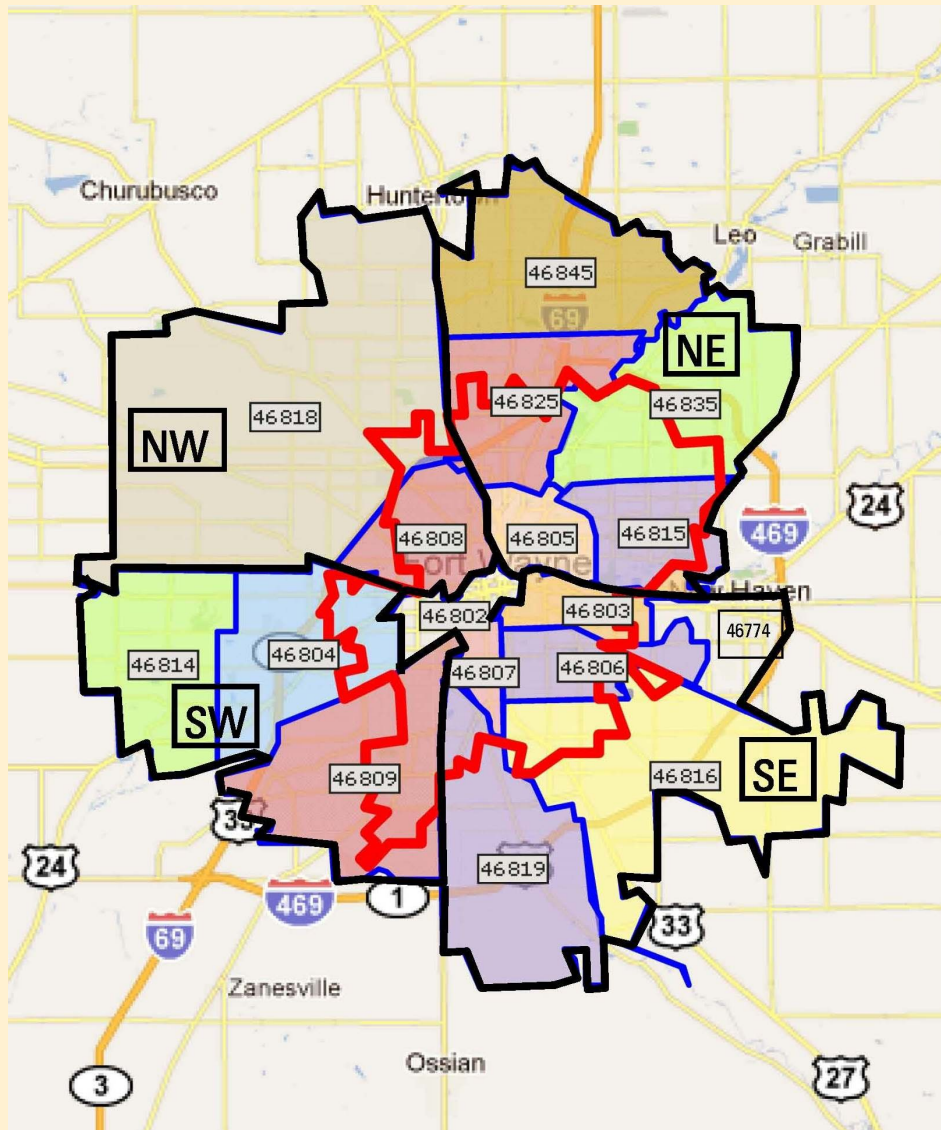
The Fort Wayne office market has endured several very challenging years, primarily due to economic circumstances. We expect landlords to continue to offer a variety of reduced rent variations such as aggressive rental rates, generous tenant improvement allowances, and concessions in order to keep cash flow intact. Despite these challenging economic times, the Fort Wayne office market continues to offer a selection of quality inventory and benefits from a skilled labor force and a lower cost of doing business. Factors such as decreasing construction prices, low interest rates, and a favorable business climate in Indiana will continue to create opportunities for growth in the Fort Wayne office market.

AVERAGE FULL SERVICE RENTAL RATES		
	Downtown	Suburban
Class A	\$15.00 - \$16.00	\$15.50 - \$17.00
Class B	\$9.00 - \$12.50	\$10.00 - \$13.50
Class C	\$8.00 - \$10.00	\$9.00 - \$11.00

Fort Wayne, IN Office Vacancy Rates by Class



2011 FORT WAYNE OFFICE MARKET SURVEY AREA



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