



XCELIGENT™
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OFFICE MARKET REPORT

Columbus



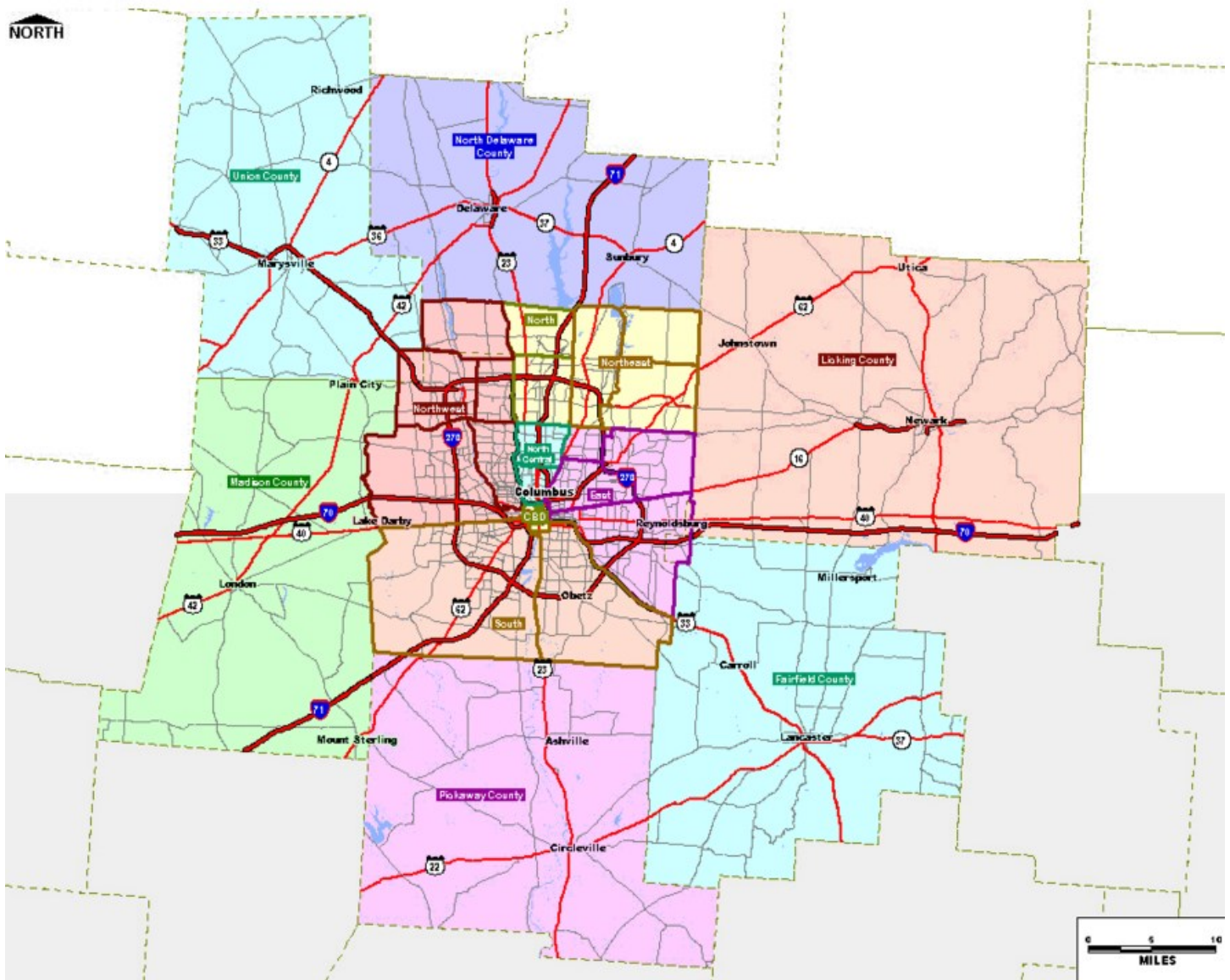
4th Quarter 2015

Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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The Columbus tracked set consists of an inventory of buildings considered to be competitive within the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for each market area.

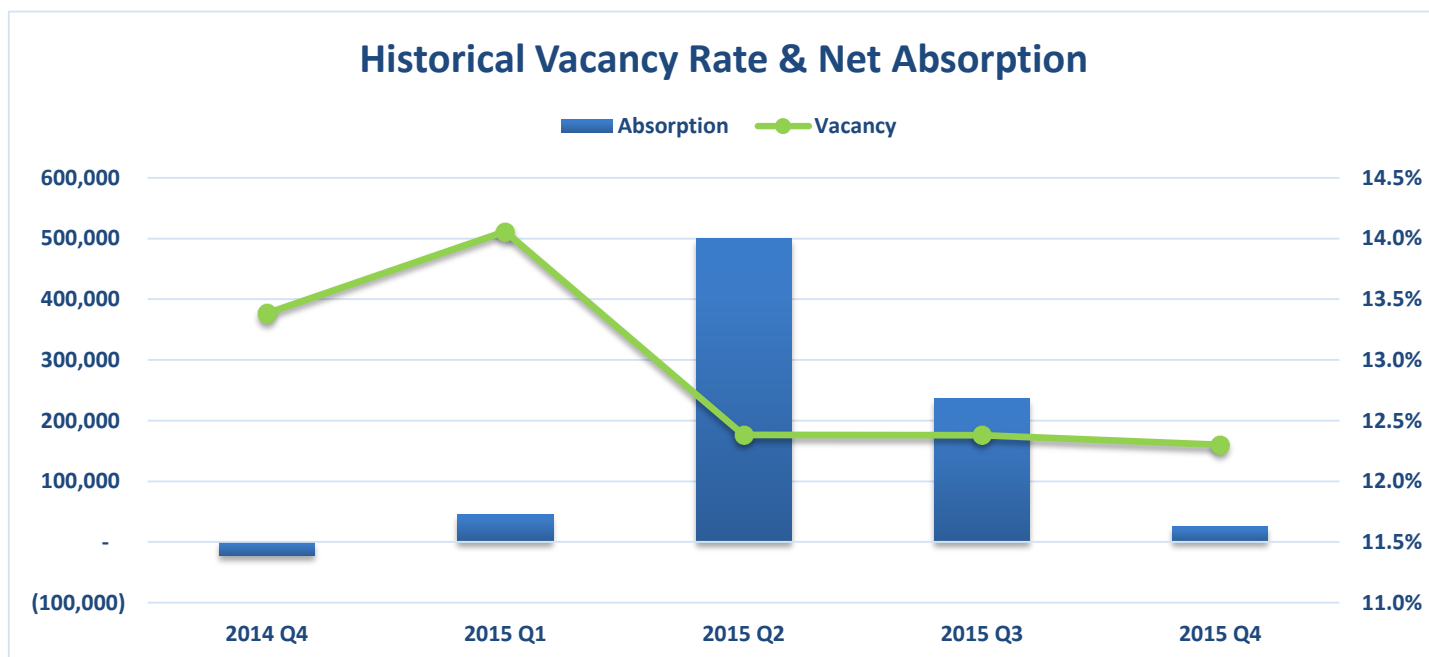
| | |
|---|---|
| Inventory | The total square feet of all existing single and multi tenant office buildings greater than 20,000 SF, excluding medical, government and owner occupied buildings. |
| Class A | Most prestigious buildings competing for premier office users with rents above the market average. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence. |
| Class B | Buildings competing for a wide range of office users with average market rents. Building finishes are fair to good for the area and systems are adequate, but the property does not compete with Class A product. |
| Total Available SF | All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move. |
| Total Vacant SF | The total of all of the vacant square footage within a building, including both direct and sublease space. |
| Direct Vacant SF | The total of the vacant square footage in a building that is being marketed by an agent representing the landlord. |
| Sublease SF | Space that is offered for lease by a current tenant, or his agent, within a property. |
| Net Absorption | The net change in occupancy from quarter to quarter, expressed in square feet. |
| Weighted Average Direct Lease Rate | The weighted average of all direct asking lease rates expressed as a full service/gross rental rate and weighted on total direct available square feet. Non-full service rates (such as NNN) have been grossed up to reflect a full service/gross rate. |



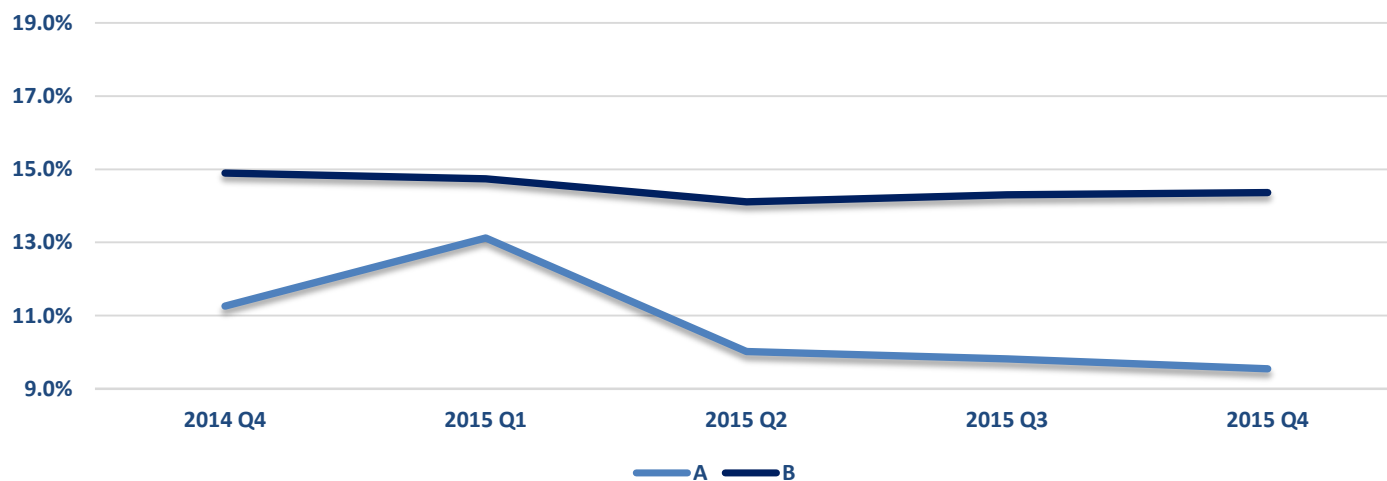
Overview

- During the fourth quarter of 2015 the Columbus office market reported positive net demand totaling 25,136 square feet.
- At 12.3%, the regional vacancy rate continues to show signs of improvement during the fourth quarter. Class A and B rates have also shown improvement during the quarter; 9.5% and 14.4%, respectively.
- The CBD submarket observed the highest levels of positive net absorption during the quarter totaling 53,868 square feet.
- The overall asking rate in the office market has been increasing over the past five consecutive quarters, ending fourth quarter 2015 at \$19.86 psf.

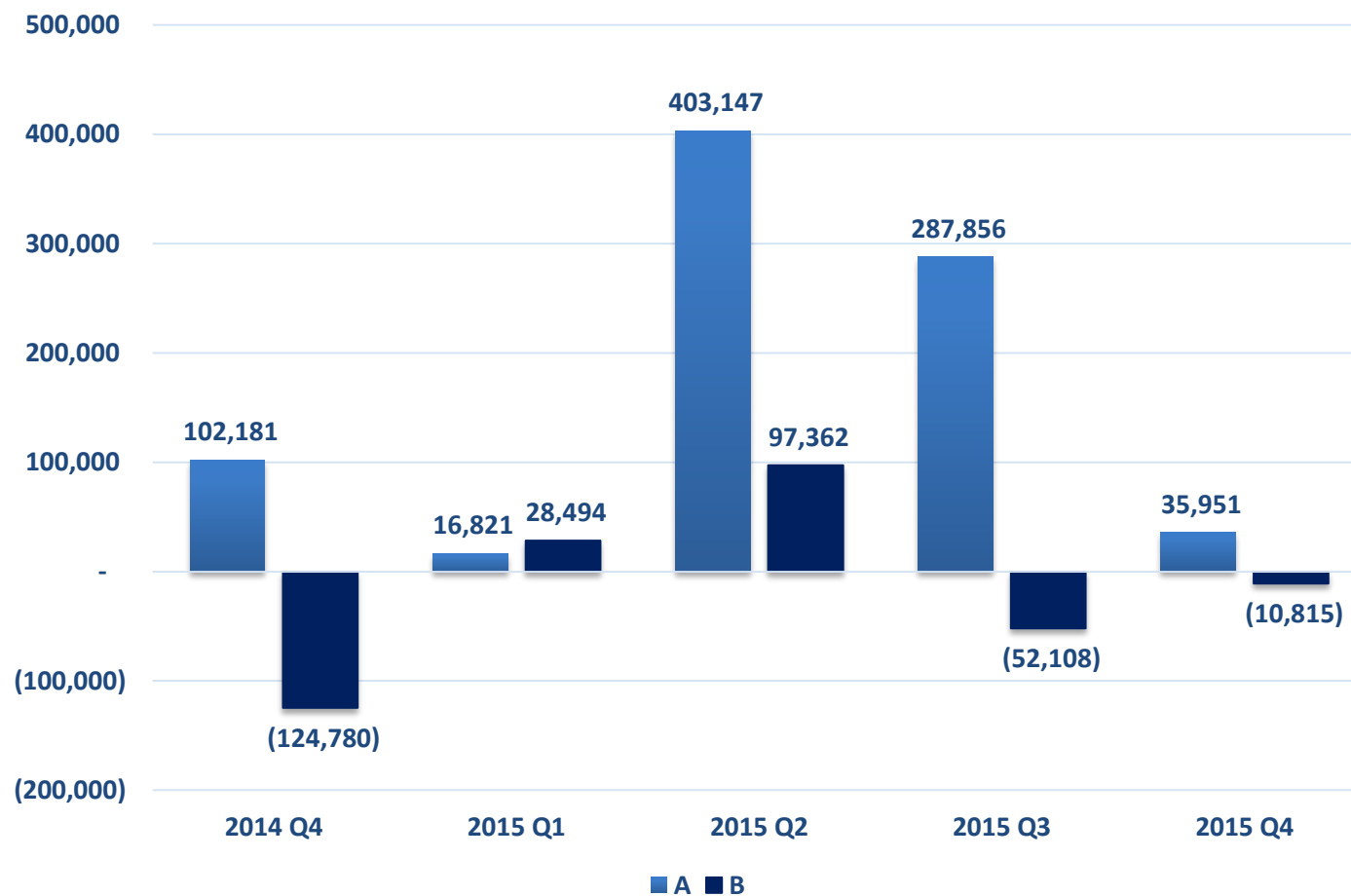
| | # of Bldgs | Inventory (SF) | Total Available (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Direct Vacant (SF) | Direct Vacancy Rate (%) | Available Sublease (SF) | Quarterly Net Absorption (SF) | YTD Net Absorption |
|-------------|------------|----------------|----------------------|-------------------|------------------------|--------------------|-------------------------|-------------------------|-------------------------------|--------------------|
| A | 91 | 13,395,956 | 2,591,606 | 1,278,846 | 9.5% | 1,218,122 | 9.1% | 243,844 | 35,951 | 743,775 |
| B | 231 | 17,904,383 | 3,357,169 | 2,571,294 | 14.4% | 2,546,206 | 14.2% | 161,564 | -10,815 | 54,328 |
| Grand Total | 322 | 31,300,339 | 5,948,775 | 3,850,140 | 12.3% | 3,764,328 | 12.0% | 405,408 | 25,136 | 798,103 |



Historical Vacancy Rates by Class



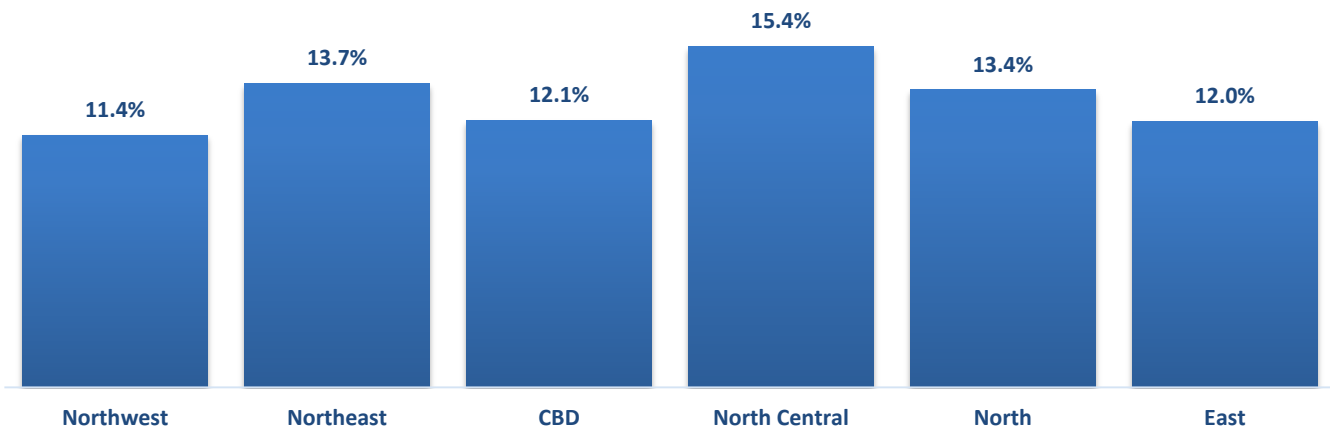
Historical Net Absorption by Class



| | # of Bldgs | Inventory (SF) | Total Available (SF) | Available Sublease (SF) | Vacancy Rate (%) | Net Absorption (SF) | YTD Net Absorption |
|----------------------|------------|-------------------|----------------------|-------------------------|------------------|---------------------|--------------------|
| Northwest | 108 | 9,206,052 | 1,919,884 | 197,285 | 11.4% | (41,691) | 195,427 |
| A | 35 | 4,797,323 | 1,220,890 | 193,742 | 10.9% | (5,103) | 150,144 |
| B | 73 | 4,408,729 | 698,994 | 3,543 | 11.9% | (36,588) | 45,283 |
| Northeast | 56 | 4,283,125 | 692,631 | 47,350 | 13.7% | (33,105) | (26,468) |
| A | 20 | 2,251,726 | 259,221 | 10,988 | 9.9% | (3,006) | 33,474 |
| B | 36 | 2,031,399 | 433,410 | 36,362 | 18.0% | (30,099) | (59,942) |
| CBD | 70 | 10,642,085 | 1,633,596 | 133,582 | 12.1% | 53,868 | 502,379 |
| A | 20 | 4,203,448 | 492,139 | 29,656 | 9.0% | 19,581 | 421,440 |
| B | 50 | 6,438,637 | 1,141,457 | 103,926 | 14.1% | 34,287 | 80,939 |
| North Central | 3 | 223,093 | 39,369 | - | 15.4% | (20,000) | (13,460) |
| B | 3 | 223,093 | 39,369 | - | 15.4% | (20,000) | (13,460) |
| North | 51 | 4,150,064 | 827,813 | 12,969 | 13.4% | 33,715 | 107,391 |
| A | 3 | 568,227 | 119,097 | 758 | 9.5% | (2,953) | 19,686 |
| B | 48 | 3,581,837 | 708,716 | 12,211 | 14.1% | 36,668 | 87,705 |
| East | 34 | 2,795,920 | 835,482 | 14,222 | 12.0% | 32,349 | 32,834 |
| A | 13 | 1,575,232 | 500,259 | 8,700 | 6.4% | 27,432 | 119,031 |
| B | 21 | 1,220,688 | 335,223 | 5,522 | 19.3% | 4,917 | (86,197) |
| Grand Total | 322 | 31,300,339 | 5,948,775 | 405,408 | 12.3% | 25,136 | 798,103 |

| | 2014 Q4 | 2015 Q1 | 2015 Q2 | 2015 Q3 | 2015 Q4 | | 2014 Q4 | 2015 Q1 | 2015 Q2 | 2015 Q3 | 2015 Q4 |
|----------------------|--------------|--------------|--------------|--------------|--------------|--|----------------|----------------|----------------|----------------|----------------|
| Northwest | 14.0% | 13.7% | 11.7% | 10.9% | 11.4% | | \$18.57 | \$19.57 | \$20.25 | \$20.18 | \$20.40 |
| A | 14.1% | 13.5% | 11.6% | 10.8% | 10.9% | | \$20.09 | \$20.76 | \$21.57 | \$21.61 | \$21.66 |
| B | 13.8% | 13.8% | 11.7% | 11.1% | 11.9% | | \$16.98 | \$17.49 | \$17.93 | \$17.84 | \$18.15 |
| Northeast | 8.5% | 9.3% | 9.8% | 13.0% | 13.7% | | \$16.17 | \$17.38 | \$17.88 | \$17.90 | \$18.16 |
| A | 5.1% | 6.4% | 6.9% | 9.7% | 9.9% | | \$17.81 | \$19.16 | \$20.00 | \$20.08 | \$20.34 |
| B | 12.1% | 12.3% | 13.0% | 16.5% | 18.0% | | \$15.03 | \$16.02 | \$16.05 | \$16.64 | \$16.64 |
| CBD | 13.9% | 16.2% | 12.8% | 12.6% | 12.1% | | \$19.37 | \$19.74 | \$19.90 | \$20.58 | \$20.27 |
| A | 9.8% | 16.6% | 9.2% | 9.4% | 9.0% | | \$21.71 | \$21.79 | \$22.35 | \$22.82 | \$22.26 |
| B | 16.2% | 16.0% | 15.2% | 14.6% | 14.1% | | \$18.28 | \$18.75 | \$18.67 | \$19.36 | \$19.08 |
| North Central | 9.4% | 9.4% | 6.4% | 6.4% | 15.4% | | \$18.43 | \$18.43 | \$19.10 | \$19.00 | \$19.72 |
| A | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| B | 9.4% | 9.4% | 6.4% | 6.4% | 15.4% | | \$18.43 | \$18.43 | \$19.10 | \$19.00 | \$19.72 |
| North | 16.0% | 15.2% | 15.2% | 14.3% | 13.4% | | \$17.77 | \$18.23 | \$17.79 | \$17.88 | \$18.19 |
| A | 13.0% | 11.3% | 9.5% | 9.0% | 9.5% | | \$19.75 | \$20.39 | \$20.42 | \$20.50 | \$20.48 |
| B | 16.5% | 15.8% | 16.1% | 15.1% | 14.1% | | \$17.43 | \$17.81 | \$17.30 | \$17.27 | \$17.71 |
| East | 13.2% | 12.7% | 13.0% | 13.2% | 12.0% | | \$19.66 | \$19.45 | \$20.52 | \$21.00 | \$20.86 |
| A | 13.9% | 12.4% | 11.8% | 8.1% | 6.4% | | \$23.07 | \$23.05 | \$23.70 | \$23.88 | \$22.78 |
| Grand Total | 13.4% | 14.1% | 12.4% | 12.4% | 12.3% | | \$18.57 | \$19.21 | \$19.64 | \$19.80 | \$19.86 |

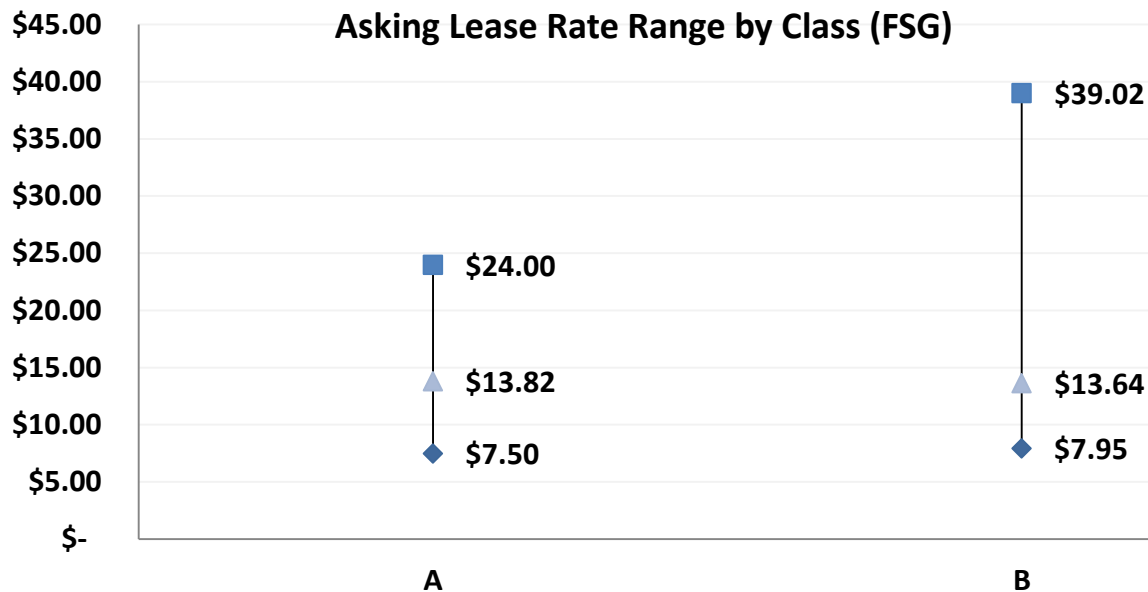
Vacancy Rate by Submarket

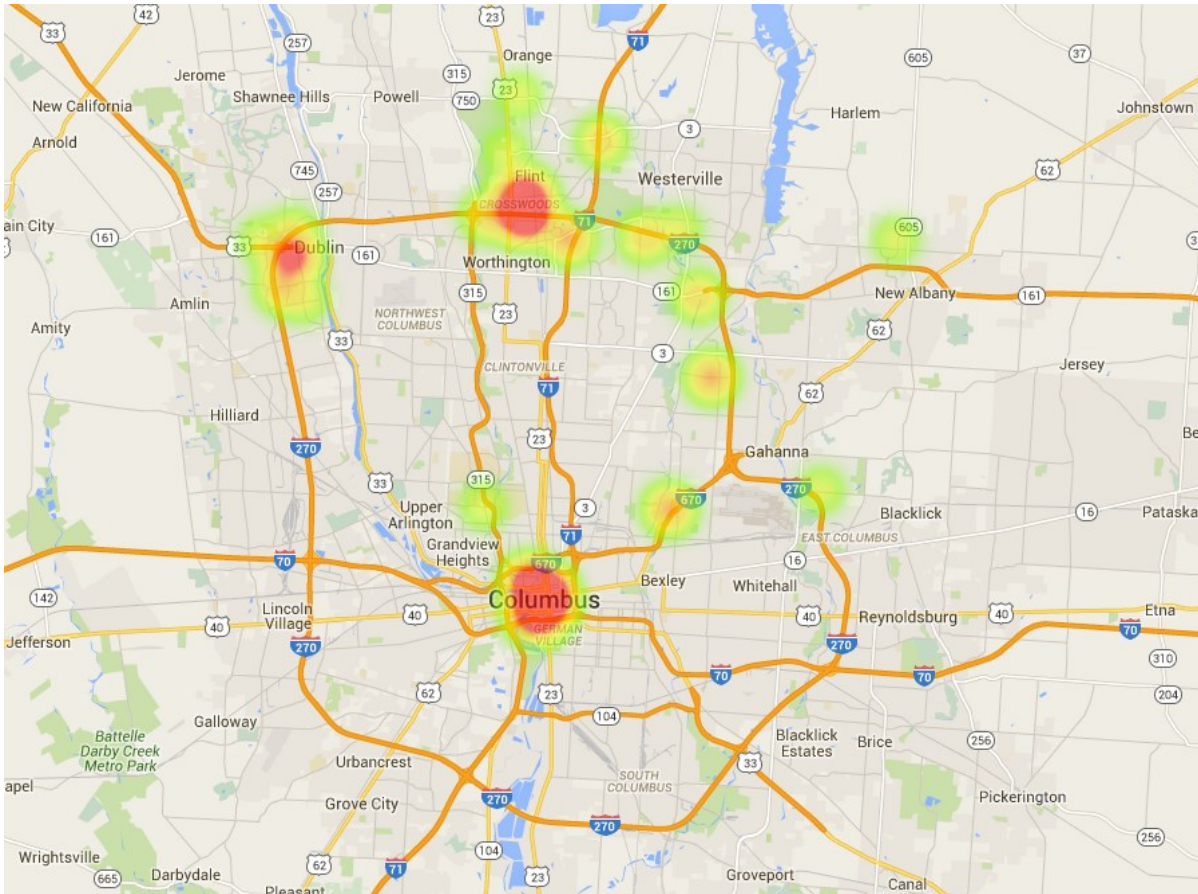


Weighted Asking Rates by Submarket



Asking Lease Rate Range by Class (FSG)

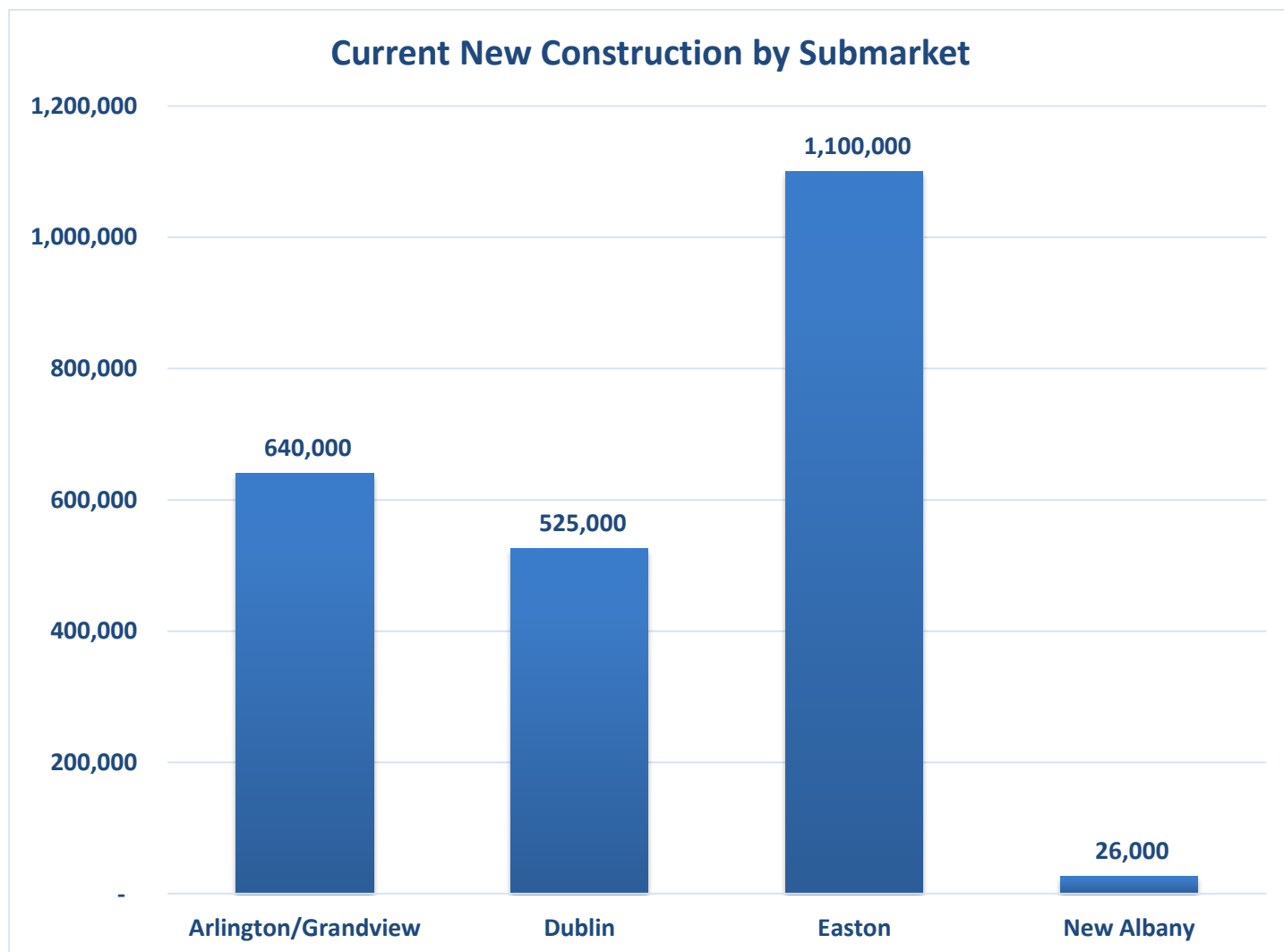




Largest Absorption Changes

| Property Name | SF Occupied or Vacated | Tenant Name | Submarket | Building Class |
|----------------------------|------------------------|--|---------------|----------------|
| 5165 Emerald Pkwy | 63,000 | Intermodal | Northwest | A |
| Atrium II | 25,134 | NY Life ; Exact Software | Northwest | A |
| Columbia Gas of Ohio | 24,861 | Reminger Attorneys at Law | CBD | B |
| 191 W Nationwide Blvd | 24,100 | Dinsmore ; Abbot Laboratories | CBD | A |
| Easton Way Three | 20,867 | Ohio Society of CPA | East | A |
| Continental Plaza | 15,895 | Glimcher | CBD | B |
| 3650 Olentangy River Rd | -20,000 | 3650 ECP Olentangy LLC (owner) | North Central | B |
| 3781 Park Mill Run Dr | -31,191 | Dublin Crew Erg Room | Northwest | B |
| 2800 Corporate Exchange Dr | -41,344 | National Kidney Foundation; Arch Insurance; Franklin Computer Services Group | Northeast | B |
| Sterling IV | -94,219 | IBM | Northwest | A |

| Top Transactions | | | | | | |
|-------------------------|-------------|---------|--|--|---------------|----------------|
| Property Name | Sale Price | SF Sold | Buyer | Seller | Submarket | Building Class |
| 3650 Olentangy River Rd | \$8,500,000 | 79,680 | 3650 ECP Olentangy LLC | Impressions Building LLC | North Central | B |
| 274 E 1st Ave | \$7,700,000 | 133,053 | Wood Stone Columbus First Avenue LLC | JPMCC 2007-LDP10 Columbus Office LLC | North Central | B |
| 400 E Campus View Blvd | \$7,400,000 | 142,246 | Wood Stone Columbus Campus View LLC | JMPCC 2007-LDP10 Columbus | North | B |
| Center at Northwoods II | \$5,600,000 | 115,250 | Wells Fargo Bank | NNN Northwoods LLC et al | North | B |
| 4605-4625 Morse Rd | \$3,500,000 | 28,800 | 86-02 Park Lane South LLC | Chestnut Hill Development Partners LLC | East | B |
| Westar Crossing | \$3,100,000 | 45,940 | Cleveland Avenue Valley Equity Group LLC | 465 Cleveland Avenue Holdings LLC | Northeast | A |



| Columbus | | Research | |
|------------------------------|---------------|-------------|-----------------|
| Alterra Real Estate Advisors | Brad Kitchen | | |
| | | Continental | Heather Mason |
| Capitol Equities | Todd Kemmerer | CBRE | Dan Askew |
| | | CW | Robin Mitchell |
| | | Colliers | Loren DeFilippo |
| CBRE | Don Matsanoff | | Cal Axe |
| | Kirk Smith | | |
| | | | |
| Colliers | Chris Potts | | |
| | | | |
| Cushman & Wakefield | Brian Douglas | | |
| | | | |
| Continental | Wayne Harer | | |
| | Brent Stamm | | |
| | | | |
| HER Commercial | Scott Hrabcak | | |
| | | | |
| JLL | Paul Tingley | | |
| | | | |
| Lion Real Estate | Laura Spears | | |
| | | | |
| NAI Ohio Equities | Matt Gregory | | |
| | | | |
| NGKF | Ted Hobson | | |
| | | | |
| | | | |
| The Daimler Group | Greg Weber | | |

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