



Commercial Report

Jason Westendorf
Senior Associate
Office Properties

Office Report

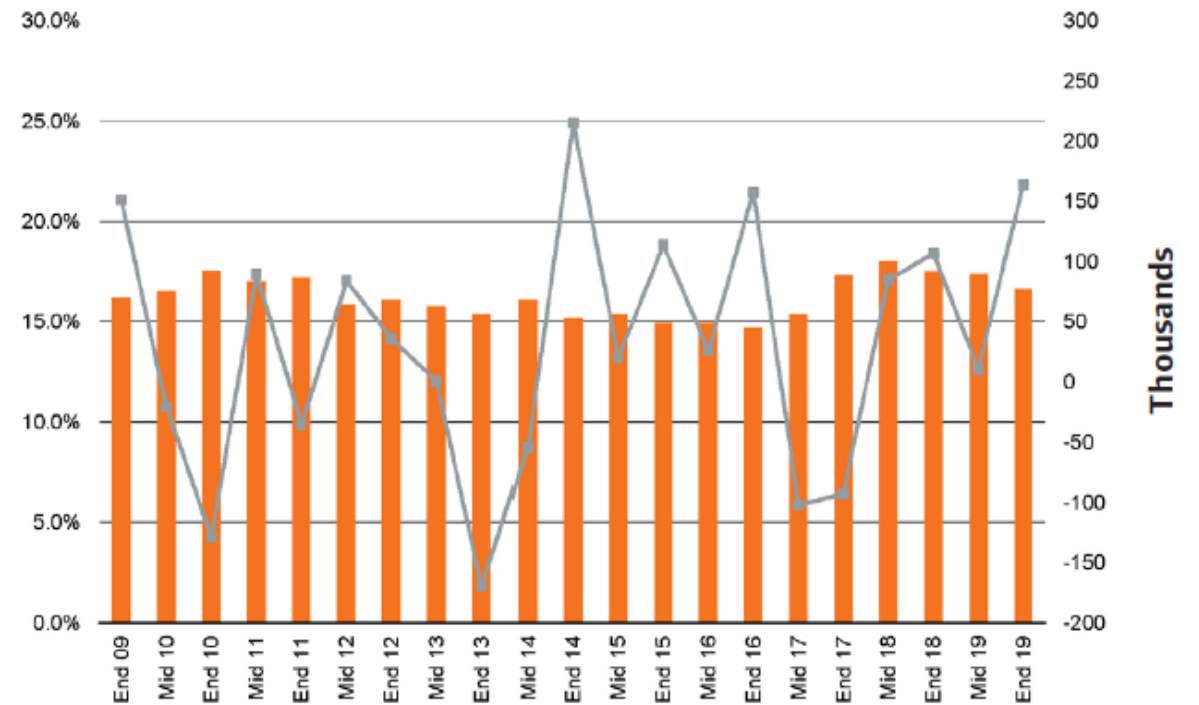
Overall market vacancy fell for the third consecutive period in the second half of 2019 as the market absorbed 164,712 SF of office space. While the CBD gained in the second half, the suburban submarkets did better, with the South/Southwest submarket showing the greatest improvement, particularly among Class A and flex buildings.



	Current	Change from	
		End 18	Mid 19
Vacancy	16.6%	↓	↓
Lease Rates	\$18.06	↑	↑
Net Absorption*	164,712	↑	↑
Construction	0	↓	→

Vacancy/Net Absorption

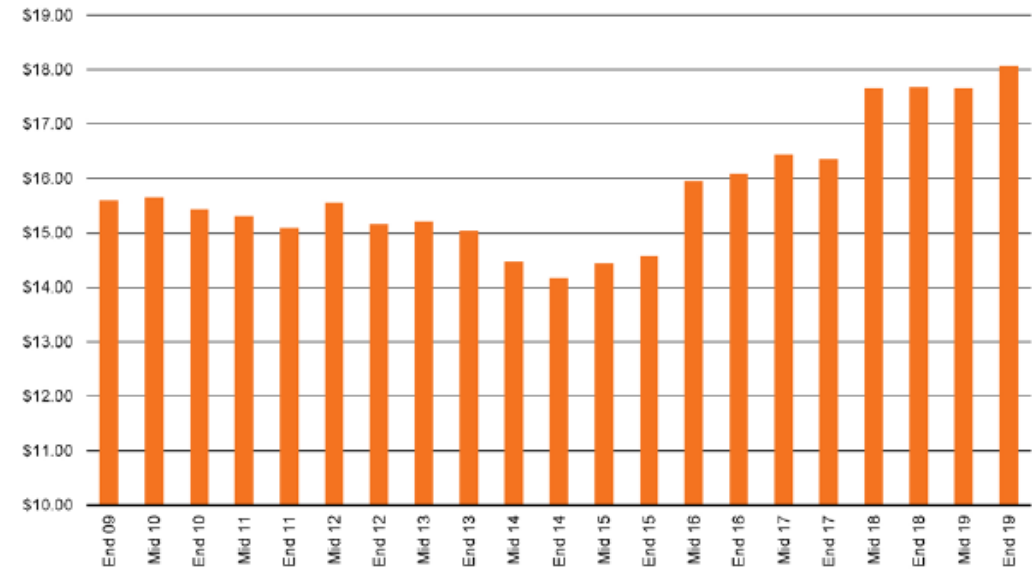
Vacancy 16.6%
Absorption 164,712 SF



After having been flat for the prior three reporting periods, the average asking rental rate for Toledo, Ohio, area office spaces increased in the second half of 2019 by \$0.40 per square foot. The biggest gains came in the suburban submarkets with Perrysburg/Northwood and West Toledo/Sylvania leading the way.

Average Asking Rental Rate

■ \$18.06



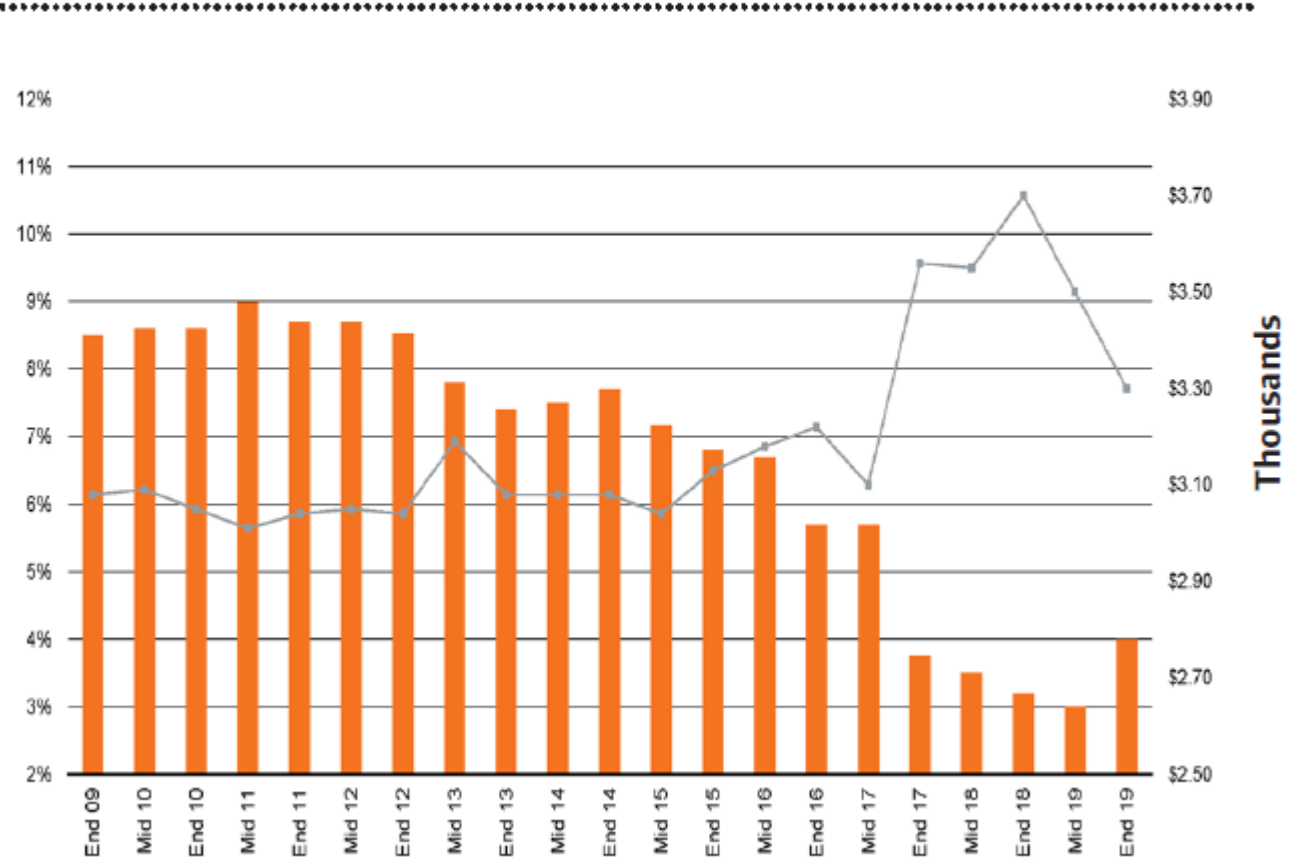
Industrial Report

While the vacancy rate for the overall market increased 24-basis points from 3.8% to 4% in the second half of 2019, it actually fell in every submarket except North Toledo. North Toledo registered negative net absorption of 403,755 SF and saw its vacancy rate increase from 2.9% to 4.6%, the highest rate in the entire market. The increase was not attributable to any single, large vacancy, but, rather, a smattering of smaller vacancies. All other submarkets recorded positive net absorption or no change (East Toledo/Oregon). Vacancy among Class A buildings stood at 2% at endyear.

	Current	Change from	
		End 18	Mid 19
Vacancy	4.0%	↑	↑
Lease Rates	\$3.30	↓	↓
Net Absorption*	872,584	↑	↑
Construction	3,311,000	↑	↑

Vacancy/Net Absorption

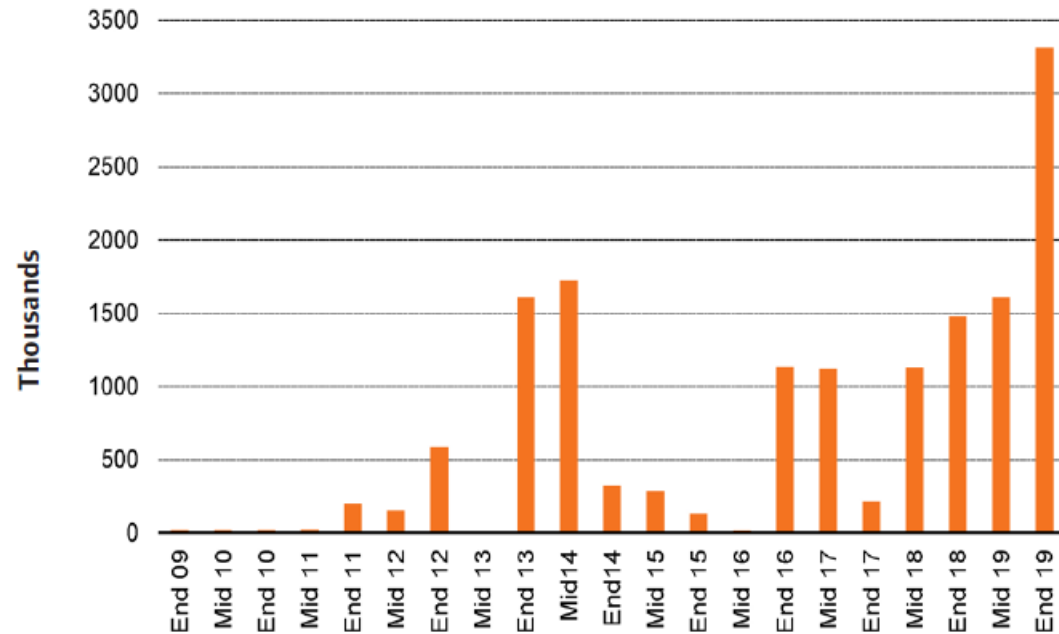
Vacancy Absorption **4.0%**
 872,584 SF



The average asking rental rate sank for the third straight reporting period as the more valuable, more competitive spaces are absorbed. The weighted average calculation of the rate includes little, if any, Class A availabilities that would serve to drive the rate higher as rates in those facilities have increased into the \$5-per-square-foot range or more.

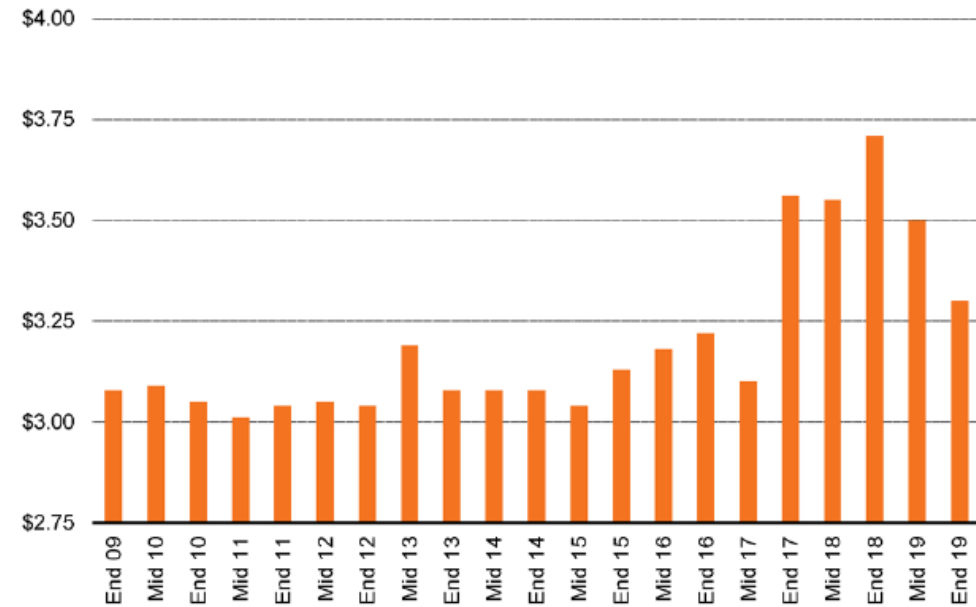
New Construction

3,311,000 SF



Average Asking Rental Rate

\$3.30



CBRE Analysis

*Return to Work Guidelines Stricter Than Local
Government Requirements*

Social distancing: Forty-five percent of the companies will follow guidance from local governments and health agencies on social distancing in the workplace. Another 34 percent have set their own global standard that may exceed local guidance most typically requiring at least six feet or two meters of separation.

Face Coverings: Fifty-nine percent of companies will provide face coverings for their employees. Twenty-eight percent of companies plan to require face coverings at all times at any company property. A larger portion – 42 percent – will require masks only at company facilities where mandated by local government or health-agency guidelines.

Visitors: Only 21 percent of companies will allow visitors to the workplace in the early phases of reopening.

Health screening: Forty-five percent will require off-site self-screening for COVID-19 symptoms by employees before they arrive at the workplace, while 13 percent will conduct screening of employees on-site at every facility. Of those allowing visitors, 35 percent will screen visitors on-site.

Reopening timeline: Only 20 percent of companies intend to reopen as soon as government restrictions are lifted. A larger portion – 42 percent – will do so after their internal standards are met.

Reopening approach: Seventy-two percent of companies will conduct a phased reopening with defined percentages or groups of employees admitted over weeks or months. Meanwhile, 52 percent expect to give employees the option to work from home for the foreseeable future – although this will vary widely by industry sector and type of operation.

Space preparation: Among the most common steps companies have taken to prepare their workplaces include installing signage (82 percent), establishing space-use policies and guidelines for social distancing (78 percent), outlining social-distancing zones with floor decals and other reminders (74 percent), and reconfiguring furniture layouts (61 percent).