

Market Trends Analysis 2009

John M. Thistlethwaite Interests, LLC



Going “Green” with the Proposed SwissRe Office Center

Fort Wayne, Indiana Real Estate Marketplace 15th Annual Reporting

In this Fort Wayne, Indiana, marketplace we're holding our own in the slowest activity economy in 50 years. But not all is good here.

Our situation is not one of falling prices but one of inactivity, as our owners are not forced to sell, for the most part.

We have learned that housing seems to drive the local and national economies. House sales have increased for 4 months in a row---the first time in 5 years.

“Pending sales” of houses in Allen County according to the Fort Wayne Area Multiple Listing Service has been over 900 for several weeks. So, doesn't it seem that someone is buying? Year-to-Date Allen County house sales to June, 2009 were 13.1% below that of 2008 and Median Sale Prices were down 5.9%. Not bad.

Development Plats submitted for residential subdivision lots, on the other end of the spectrum, is at an all time low—with only 132 lots in the county; and 23 lots in the city in 2008 (only 23 lots total thru July, 2009).

The Secondary Development Plans submitted for approval center around health, assisted-living and nursing/hospital services. For the most part, our area is receiving minimal development attention from all other sectors of the real property market.

And, what about the wind turbine industry? Will it replace the 4,368 jobs lost due to industrial closings/downsizings in northeast Indiana in 2008? Some estimate 19,000 new jobs!

But not all is silent, according to Lincoln Schrock's 2009 Annual Northeast Indiana Industrial Survey; in that 145 industrial projects pumped \$250 million worth of investment in our area with an additional 1,690,000 additional sq.ft. of work space and created 2,853 new jobs. The net effect of closings/downsizings vs. new jobs created is a 1,515 job loss. We continue to have 90% employment, the apartments are rented, buyer hesitation is beginning to dissolve.



Major Employers Fort Wayne, Indiana Area 1997-2009							
	1997	2001	2003	2007	2008	2009	Current
Parkview Health Systems	3,231	2,750	3,648	5,039	3,883	3,844	4,215
Lutheran Health Network			2,899	4,872	3,788	3,432	4,208
Fort Wayne Community Schools	3,858	3,492	3,445	4,161	3,005	4,201	3,945
General Motors Truck Group	2,949	3,050	3,050	2,981	2,966	2,964	2,484
Allen County Government				1,964	1,800	1,964	2,073
City of Fort Wayne	1,655	1,960	1,671	1,905	1,804	1,905	2,003
ITT Aerospace/Optical Division	2,053	2,004	1,432	1,910	1,200	1,490	1,942
Lincoln Financial Group	3,480	2,811	2,108	1,491	1,900	1,900	1,800
East Allen County Schools					1,252	1,307	1,307
GTE/Verizon	2,446	2,417	2,214	1,459	1,350	1,459	1,200
IU/PU Fort Wayne-IPFW					1,144	1,120	1,174
Raytheon Co.					1,055	1,100	1,116
Steel Dynamics, Inc.					1,040	861	914
Shambaugh & Son, Inc.							900
Vera Bradley							800
BAE Systems							800

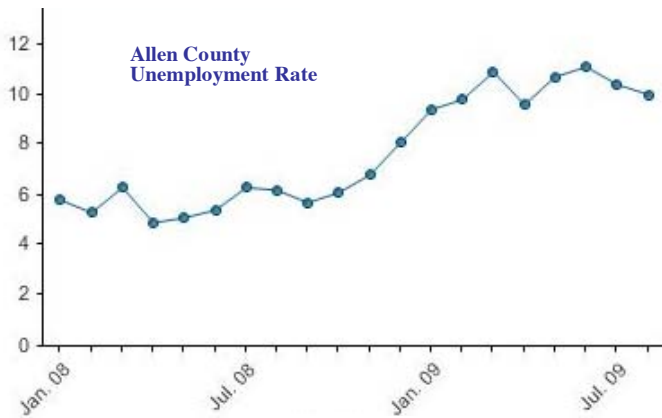
It didn't seem like it at the time, but what a simpler time it was in the 1970's – 1980's and 1990's when freedom in the financial and capital markets was expected. Everything we thought we knew about trends, behaviors and economies is now in question due to government "stimulus" actions to save us. The power of the private capital markets will be exercised against the government and will prevail in the coming two or three years. But the journey may continue to be a little uncertain.

So, have we moved from the "Great Recession" (October 2008 to March 2009) to a more moderate one?

Most likely we have. Local house prices and mortgage payments in relation to income are comfortably below historical levels in many markets---suggesting that house prices have overcorrected downward. The release of pent-up housing demand will be significant, and it is coming.



Employment	Feb. 1997	Jan. 2001	June 2005*	June 2006	2008	August 2009
Fort Wayne CMSA (persons)	260,630	263,280	213,820	225,414	203,322	185,278
Allen County	167,840	173,940	181,040	179,272	172,046	156,995
# Mftg. Employees- Allen County	40,972	39,926	32,268	28,589	33,138	28,497
# Mftg. Establishments- Allen County	624	644	697	686	741	739



Unemployed= 10.9% Apr/May 2009
6.4% July 2008

Sources: Indiana Department of Labor & Harris Industrial Directory
* New Approach to City-Level Unemployment Estimates by Indiana Department of Workforce Development

Population	Jan. 1997	Jan. 2001	Jan. 2004	Jan. 2006	Jan. 2008 *	Aug 2009 **
Fort Wayne CMSA (persons)	477,000	483,400	511,500	565,000	412,412	414,454
Allen County	311,902	315,700	339,000	344,100	351,081	353,403
City of Fort Wayne	187,000	212,900	221,470	254,062	250,086	251,591
Allen County Households	118,800	121,500	132,800	134,800	138,572	138,412

* redefined to a SMA
* redefined to a CMSA

Retail Sales (\$billion)							
Fort Wayne CMSA	\$4.336	\$4.666	\$6.265	\$7.365	\$6.178	\$5.677	-8.1%
Allen County	\$3.089	\$3.266	\$4.328	\$4.715	\$5.482	\$5.087	-7.2%
City of Fort Wayne	\$2.558	\$3.060	\$3.315	\$3.583	\$3.710	\$3.615	

Effective Buying Income (\$billion)						
Fort Wayne CMSA	\$7.587	\$8.353	\$9.166	\$10.158	\$10.62	\$7.806
Allen County	\$5.199	\$5.716	\$6.289	\$6.466	\$6.764	\$6.701
City of Fort Wayne	\$2.765	\$3.419	\$3.285	\$3.264	\$3.298	\$3.240

Source: Sales and Marketing Management
2009 Survey of Buying Power

The largest employers in the area continue to include Parkview Hospital (4,215 persons), Lutheran Health Network (4,208 persons) and the General Motors Truck Group (2,484 persons).

Then, the tax dollar-supported jobs market with the school systems, city and county employees, Indiana University -Purdue University Fort Wayne take up the next several positions as the area's largest employers.



The presence of local colleges and universities (13 total) and the focus of many on technology issues are major positive influences on the continued growth and stability of the area thanks to these institutions.

The Fort Wayne Forecast 2009 published by John Stafford of the Community Research Institute at IPFW identifies five previous national business cycle contractions since the early 1970's; and cites the 1979-1982 downturn as the most severe.

“Nationally, the current financial situation involves a more complex set of economic variables that some of our past downturns and therefore may influence local economic events in different ways than we have previously experienced,” Stafford states.

**Allen County House Sales Activity
as Reported by Multiple Listing Service
of Fort Wayne, Inc. 2002-2009**

	<u>#Properties Sold</u>	<u>Median Sale Price</u>	<u>Total Dollar Volume</u>	<u>Average Days On The Market</u>	<u>Year End Inventory</u>
2002	4,626	\$ 97,000	\$534,353,178	43	\$257,773,678
2003	5,184	\$ 97,000	\$558,365,996	83	\$288,073,254
2004	5,390	\$ 95,000	\$586,690,292	86	\$313,606,628
2005	5,525	\$105,000	\$673,338,465	88	\$372,668,209
2006	5,616	\$102,500	\$670,805,959	97	\$375,815,476
2007	5,001	\$103,000	\$594,302,822	98	\$342,267,406
2008	4,439	\$ 97,000	\$494,059,050	112	\$347,287,000

6 Month Year-to-Date Comparisons for 2005, 2006, 2007, 2008 & 2009

2005	2,670	\$104,900	\$316,718,244	93
2006	2,773	\$ 98,900	\$319,856,625	98
2007	2,569	\$102,000	\$298,923,764	104
2008	2,190	\$100,000	\$249,936,116	115
2009	1,949	\$100,000	\$215,381,721	118

Note: For 6 mos. year to date Units Sold is (-11.00%) Total Dollar Volume is (-13.83%)

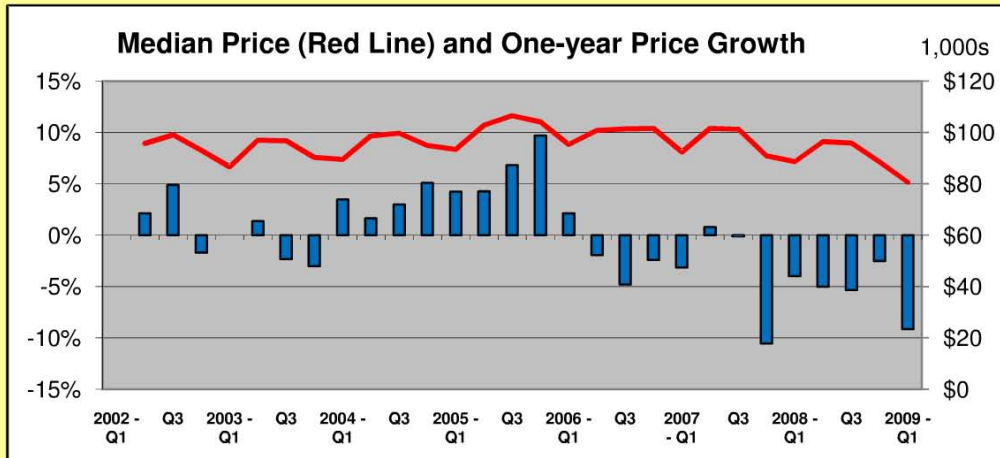
Source: Multiple Listing Service of Fort Wayne, Inc.



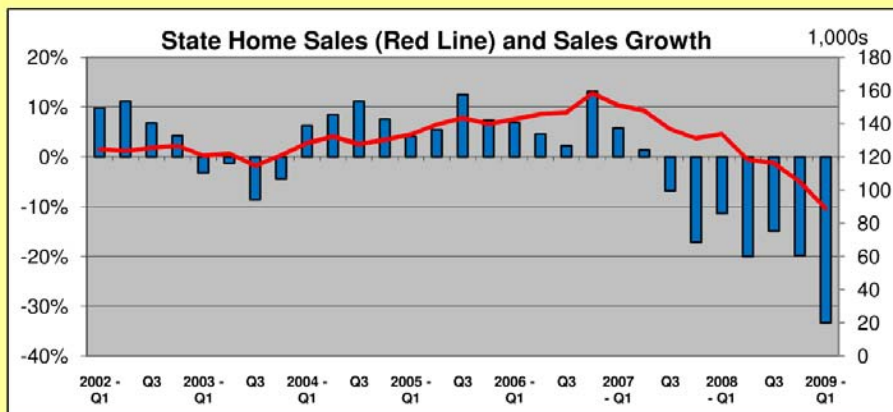


Fort Wayne, Indiana Area

Today's Market...



	Ft. Wayne	U.S.	Local Trend
Price Activity			
Current Median Home Price (2009 - Q1)	\$80,600	\$167,633	Prices are down compared to a year earlier and continue to weaken
1-year Appreciation (2009 - Q1)	-9.1%	-8.8%	
3-year Appreciation (2009 - Q1)	-15.5%	-22.7%	
3-year (12-quarter) Housing Equity Gain	-\$14,800	-\$49,267	The decline has wiped out most of the equity gained during the housing boom
7-year (28 q) Housing Equity Gain	-\$19,100	-\$31,367	
9-year (36 q) Housing Equity Gain	-\$18,500	\$633	



Home Sales and Construction Growth	Indiana	U.S.	
*State Existing Home Sales (2009 - Q1)	-33.4%	-8.2%	Weak compared to recent state average

*versus same quarter, year-ago

**Residential Subdivision Development
Listed by Number of Developments, Number
of Lots and Number of Acres Platted Allen County, Indiana
1998-2009**

<u>Year</u>	<u># Developments</u>	<u># Lots</u>	<u># Acres</u>
1998	44	1,608	797
1999	46	1,675	921
2001	36	1,196	692
2002	34	1,472	770
2005	34	1,313	634
2006	26	1,218	526
2007	17	443	314
2008	3	132	58

6 Month Year-to-Date Comparisons for 2006 , 2007 & 2008

2006 (6 mos.)	17	806	359
2007 (6 mos.)	10	243	112
2008 (6 mos.)	4	158	72
2009 (7 mos.)	1	23	6

Source: Allen County Department Land Use Management

2009 Housing Trends: Pent up demand will unleash soon. Local area trends are more positive than in most major US markets.

Retail and office space users are still being chased by owners of low occupancy buildings. The Fort Wayne area didn't overbuild to the enormous extent as many similar-sized markets; and we can expect sensible restraint to new construction. This condition is good.

When higher interest rates are caused by the federal government's attempt to stimulate the economy with massive deficit spending, we will experience local economic feasibility concerns for all sectors of the real property sectors. Let's just hope the Federal Reserve and financial markets can keep interest rates low enough to keep the economy working.



Vacancy Rate Estimates
Retail Space Vacancy Estimates
Fort Wayne Area

	<u>North/West Quadrant</u>						<u>South/East Quadrant</u>					
	<u>1998</u>	<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2008</u>	<u>2009</u>	<u>1998</u>	<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2008</u>	<u>2009</u>
All Space*					17.3%	19.7%					15.3%	18.3%
A Space	10%	15%	15%	15%			20%	30%	25%	25%		
B Space	10%	20%	20%	25%			10%	30%	30%	30%		
	<u>North/East Quadrant</u>						<u>South/West Quadrant</u>					
	<u>1998*</u>	<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2008</u>	<u>2009</u>	<u>1998*</u>	<u>2002*</u>	<u>2005</u>	<u>2006</u>	<u>2008</u>	<u>2009</u>
All Space*					12.5%	14.9%					10.5%	12.2%
A Space	5%	10%	15%	15%			15%	10%	10%	10%		
B Space	10%	20%	20%	25%			20%	15%	15%	15%		

Sources: The Zacher* Company has brought validity to our Retail Space Vacancy reporting for 2008-2009. Prior quadrant names have been adjusted to match The Zacher Company estimates. Prior Estimates shown by John M. Thistlethwaite Interests, LLC. and Interwest Consulting Group, Inc. 2003 Inventory of Major Retailers used by John M. Thistlethwaite Interests, LLC in 2003-6 estimates.

Vacancy Rate Estimates by Space Quality (A and B Grade)
Retail Space-Entire Market Area
Fort Wayne Area

	<u>1997</u>	<u>1998</u>	<u>2001</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
A Space	10%	12%	15%	8%+	8%	4-8%	10%	15%	14.3%	16.4%*
B Space	20%	20%	25%	8%+	10%	4-8%	20%	25%		

Source: The Zacher* Company – *2008 & 2009 Retail Vacancy Survey*. Prior Estimates (1997-2007) shown by John M. Thistlethwaite Interests, LLC. and Interwest Consulting Group, Inc.

+ Not reflective of sub-lease market supply use

**Retail Space Rental Rates—by Retail Center Type
Fort Wayne Area 2001-2009**

<u>Estimated Vacancy</u>						<u>2009 Rates</u>		
<u>2001</u>	<u>2002</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2009</u>	<u>Low</u>	<u>High</u>	<u>Eff Avg.</u>
11%	8%	6.0%	8%	18%	18%	Downtown	\$6.00	\$ 10.00 \$ 9.00
2.7%	3.5%	5.0%	8%	10%	10%	Neighborhood Center	\$ 5.00	\$19.00 \$12.75
7%	5.5%	3.0%	7%	13.7%	13.7%	Regional Malls	\$10.00	\$35.00 \$30.00
						Community Center	\$ 5.00	\$20.00 \$16.00

Source: NAI Harding Dahm & Company 2009 Real Estate Planning Guide

2009 Retail Trends: Holding our own. Still seeing increased vacancies and several unlit spaces. This sector of the real estate market is still the weakest of terms of feasibility. Could change.

	Number	Pct. Change July 2009	Pct. Change August 2008
Labor Force: Fort Wayne, IN MSA in August 2009			
Labor Force	206,305	-2.1%	-3.1%
Employment	185,278	-1.5%	-7.2%
Unemployment	21,027	-6.4%	60.2%
	Rate	Previous Month	Previous Year
August 2009 Unemployment Rate			
Fort Wayne, IN MSA Rate	10.2	10.7	6.2
Indiana Rate	9.7	10.4	6.2
U.S. Rate	9.6	9.7	6.1

Source: Indiana Department of Workforce Development
Note: Anderson, Columbus, Kokomo and Michigan City Metropolitan Statistical Areas are currently published as unofficial/Non-BLS area estimates. BLS funding for these MSAs was suspended for 2008 but Indiana will continue to estimate for these areas.

Multifamily Residential Occupancy Estimates Allocated by Units and Occupancy Percentage Fort Wayne Market Area

	<u>ALL UNITS</u>		<u>CONVENTIONAL</u>		<u>SUBSIDIZED UNITS</u>	
	<u>Total Units</u>	<u>%Occupancy Reported</u>	<u>Total Units</u>	<u>%Occupancy Reported</u>	<u>Total Units</u>	<u>% Occupancy Reported</u>
March 1991	9,160	90.53%				
February 1992	5,765	83.9%				
July 1993	14,013	93.13%				
February 1994	15,693	94.65%				
July 1995	15,416	94.10%				
July 1996	15,254	93.80%				
July 1997	16,343	94.25%				
Sept 1998	20,038	97.70%				
December 1999	17,077			88.73%		94.98%
December 2000	18,776	89.31%	15,484	88.03%	3,292	95.41%
March 2003	16,899	89.44%	14,175	88.04%	2,724	96.81%
June 2004	16,971	88.78%	14,513	87.98%	2,458	93.57%
March 2005	18,338	87.47%	15,591	86.43%	2,747	93.45%
March 2007	18,183	91.76%	15,194	91.41%	2,989	95.16%
June 2008	13,667	94.86%				
December 2008	15,189	91.12%	13,739	90.63%	1,450	95.79%
April 2009	13,700	91.97%	12,604	91.64%	1,096	95.89%
June 2009	14,315	89.13%	13,097	88.41%	1,218	96.88%

Source: Apartment Association of Fort Wayne and Northeastern Indiana

2009 Multi-family Trends: This sector of the real estate market is being affected by both government regulation and government funding of Low Income Housing Tax Credits (LIHTC) projects. Both of these actions by state and local governments are negative influences on the profitability and feasibility of privately owned apartment units.

Industrial Rental Rates Fort Wayne Area 1998-2009

		<u>Bulk Warehouse</u>	<u>Manufacturing</u>	<u>Hi-Tech/R & D</u>
1998	Low	\$1.75	\$2.25	\$4.00
	High	\$3.75	\$4.25	\$6.00
	Eff Avg.	\$3.00	\$3.50	\$4.75
2000	Low	\$1.50	\$2.25	\$6.00
	High	\$3.90	\$4.50	\$8.00
	Eff Avg.	\$2.75	\$3.85	\$7.00
2007	Low	\$1.75	\$2.00	\$5.90
	High	\$5.90	\$5.90	\$8.00
	Eff.Avg.	\$2.00	\$3.95	\$6.95
2009	Low	\$1.00	\$2.00	\$4.00
	High	\$3.00	\$5.00	\$6.95
	Eff.Avg.	\$3.33	\$3.95	\$6.00

Source: NAI Harding Dahm & Company 2009 Real Estate Planning Guide



**Northeast Indiana
Industrial Space Inventory
and Vacancy Estimates
2006-2007-2009**

	<u>2006</u>	<u>2007</u>	<u>2009</u>
Estimate of Total Space	37,022,581 sq. ft.	37,881,618 sq. ft.	58,892,837 sq.ft.
Estimate of Vacant Space	3,960,968 sq. ft.	3,158,864 sq.ft.	5,713,783 sq.ft.
Vacancy Rate	10.7%	8.34%	9.7%

Source: The Zacher Company

**Industrial Vacancy Rate Estimates
Fort Wayne Area 1992-2009**

	<u>Bulk Warehouse</u>	<u>Manufacturing</u>	<u>R&D</u>
1992	17%	9%	10%
1993	No est.	No est.	No est.
1994	No est.	No est.	No est.
1995	10%	6%	10%
1996	10%	5%	5%
1997	4%	4%	10%
1998	10%	10%	10%
2000	15%	8.0%	No est.
2001	22%	16.0%	No est.
2002	10%	8%	No est.
2004	8%	8%	6%
2005	n/a	5%	No est.
2008	13.0%	13.0%	No est.
2009	13.0%	13.0%	No est.

Source: NAI Harding Dahm & Company 2009 Real Estate Planning Guide

**Northeast Indiana Industrial Development and Retention
Trends by Number of New Developments, Existing Employers
Expanding, Cost of Development and Number of Jobs
1993-2008**

<u>Year</u>	<u># Projects</u>	<u>New/Expansions</u>	<u>\$ Invested</u>	<u>#New Jobs</u>	<u>Jobs Lost Due To Plant Closing/Downsizing</u>
1993	91	24/67	\$180,000,000	3,000	634
1994	109	24/85	\$914,000,000	4,600	1,147
1995	126	30/96	\$624,000,000	3,460	1,398
1998	113	19/94	\$504,000,000	2,589	3,198
1999	133	33/100	\$423,000,000	3,509	954
2000	163	43/120	\$298,000,000	2,343	2,967
2001	112	24/88	\$181,000,000	1,851	3,966
2002	145	25/120	\$294,000,000	2,014	2,700
2003	106	34/72	\$272,505,721	1,962	2,811
2004	151	44/107	\$323,988,377	3,428	1,238
2005	162	38/124	\$700,969,873	4,691	2,129
2006	159	39/120	\$1,013,072,049	3,855	2,860
2007	158	46/112	\$750,885,225	2,625	1,721
2008	145	37/108	\$250,015,984	2,853	4,368

Source: Northeast Indiana Development/Lincoln Schrock



Office Vacancy Rate Estimates Fort Wayne Area 1992-2009

	<u>Downtown</u>			<u>Suburban</u>		
	<u>New</u>	<u>Class A</u>	<u>Class B</u>	<u>New</u>	<u>Class A</u>	<u>Class B</u>
1992	15%	5%	12%	25%	15%	15%
1993	15%	5%	15%	25%	15%	15%
1996	0%	5%	25%	No est.	8.6%	12%
1997	No est.	5%	11%	No est.	8.0%	12%
1999	No est.	7%	15%	No est.	5.0%	8%
2000	No est.	17%	20%	No est.	12%	12%
2001	No est.	6.5%	14.3%	No est.	2.2%	13.5%
2002	No est.	12.0%	18.0%	55.00%	10.0%	15.0%
2004	No est.	18.0%	22.0%	No est.	18.0%	22.0%
2005	No est.	20.0%	25.0%	No est.	15.0%	12.0%
2006	No est.	30.0%	25.0%	No est.	20.0%	18.0%
2007	No est.	33.0%	27.0%	No est.	24.0%	27.0%
2009	No est.	33.0%	27.0%	50.0%	28.0%	21.0%

Source: NAI Global/NAI Harding Dahm & Company

<u>OFFICE BUILDINGS WITH VACANCIES INVENTORY-2009</u>					Zacher Co. Survey
<u>Area Sector</u>	<u>Total Office Sq. Ft.</u>	<u>Available</u>	<u>Vacancy Rate</u>	<u>Rental Range</u>	<u>2009 Estimates</u>
<i>Downtown</i>	<i>31=2,081,997</i>	<i>708,123</i>	<i>34%</i>	<i>\$9-\$15</i>	<i>18.8% (639,000 sq.ft.)</i>
<i>Northeast</i>	<i>42=1,784,701</i>	<i>383,161</i>	<i>21.46%</i>	<i>\$10-\$19</i>	<i>25.6%</i>
<i>Northwest</i>	<i>20=610,603</i>	<i>129,815</i>	<i>41.79%</i>	<i>\$6-\$14.75</i>	<i>13.37%</i>
<i>Southeast</i>	<i>4=218,812</i>	<i>121,066</i>	<i>55%</i>	<i>\$6.50-\$14</i>	<i>24.14%</i>
<i>Southwest</i>	<i>24=561,935</i>	<i>186,675</i>	<i>33.22%</i>	<i>\$7-\$20.00</i>	<i>15.61%</i>
TOTALS	121=5,258,048	1,528,840	29.07%	\$6-\$20	

Summary: 121 buildings reported vacancy in the survey by the Fort Wayne-Allen County Economic Development Alliance in their Business Information Guide 2009—as compared to 219 buildings reporting vacancies in 2008. Available sq.ft. space reported vacant lessened by 279,036 sq. ft. between the 2008 and 2009 surveys.

**Office Rental Rates
Fort Wayne Area 1996-2009**

		<u>Downtown Office Space</u>			<u>Suburban Office Space</u>		
		New	Class A	Class B	New	Class A	Class B
1996	Low	\$17.00	\$14.00	\$10.00	No est	\$12.00	\$10.00
	High	\$18.00	18.00	14.00	No est	15.00	12.00
	Eff. avg.	\$17.50	16.00	12.00	No est	13.00	11.00
1997	Low	No est.	14.00	10.00	No est	12.00	10.00
	High	No est.	18.00	14.00	No est	15.00	12.00
	Eff. avg.	No est.	16.00	12.00	No est	13.50	11.00
1998	Low	No est.	16.00	10.00	No est.	13.00	10.50
	High	No est.	20.00	13.50	No est.	16.50	13.75
	Eff. avg.	No est.	17.00	12.50	No est.	14.50	12.00
2000	Low	No est.	15.50	10.50	No est.	11.50	10.00
	High	No est.	20.00	15.00	No est.	17.50	13.50
	Eff. avg.	No est.	17.50	12.50	No est.	13.50	12.00
2003	Low	No est.	14.00	10.00	15.00	15.00	12.00
	High	No est.	17.00	14.00	17.00	18.00	14.00
	Eff. avg.	No est.	No est.	12.00	17.00	16.00	12.00
2004	Low	No est.	15.00	12.00	No. Est.	14.50	10.00
	High	No est.	18.50	13.50	No. Est.	17.95	13.00
	Eff. avg.	No est.	15.00	12.00	No. Est.	16.00	12.00
2005	Low	No est.	12.00	11.00	No. Est.	14.50	12.00
	High	No est.	18.00	12.50	No. Est.	18.00	16.00
	Eff. avg.	No est.	12.50	11.50	No. Est.	14.00	12.10
2006	Low	No est.	12.00	11.00	No. Est.	14.00	11.00
	High	No est.	16.00	12.50	No. Est.	17.00	14.00
	Eff. avg.	No est.	12.50	11.50	No. Est.	14.00	12.10
2007	Low	No est.	11.00	10.00	No. Est.	14.00	10.00
	High	No est.	15.00	12.00	No. Est.	20.00	14.00
	Eff. avg.	No est.	12.00	11.00	No. Est.	14.00	11.50
2009	Low	No est.	11.00	6.00	No. Est.	13.00	8.75
	High	No est.	16.00	10.00	No. Est.	16.00	14.00
	Eff. avg.	No est.	13.50	9.00	No. Est.	14.50	12.00

Source: NAI Global/NAI Harding Dahm & Company

Estimates of per square foot charge per year on gross basis.

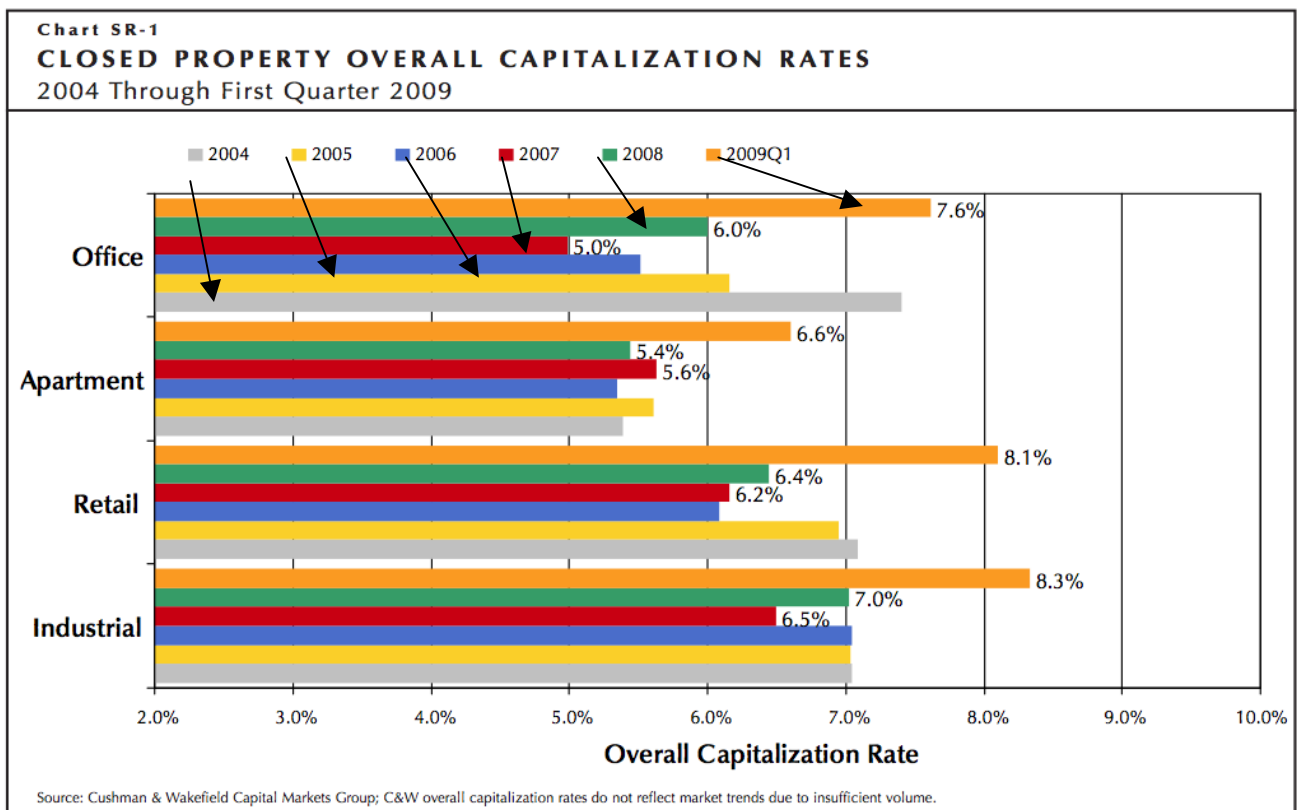
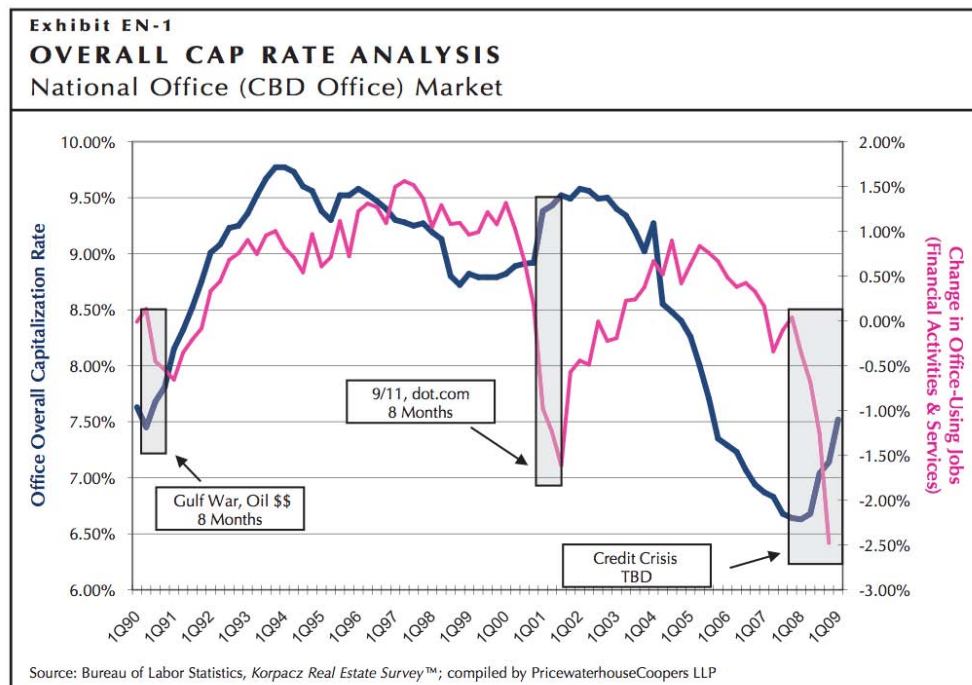
Development Land Prices-Fort Wayne Area

	Low	High
In Office Park	\$ 120,000 per acre	\$175,000 per acre
In Industrial Park	\$ 55,000	\$ 76,000
Office/Industrial-Non Park	\$ 65,000	\$130,000
Residential	\$ 13,000	\$ 44,000
Retail	\$175,000	\$1,000,000

Again, in 2008 and 2009 we have bucked the “downturn” trends in many aspects of the real estate economy, just consider the following projects for the Fort Wayne area:

<u>Project</u>	<u>Description</u>	<u>Dollar Value</u>	<u>Size</u>
<i>SwissRe</i>	<i>Insurance Building</i>	<i>\$7.5m</i>	<i>80,000 sq. ft.</i>
<i>US Silicones</i>	<i>Silicone Rubber</i>	<i>\$1.1m</i>	<i>15,000 sq. ft.</i>
<i>Sipe Steel Die</i>	<i>Die Cutting/Emboss</i>	<i>\$0.83m</i>	<i>19,000 sq. ft.</i>
<i>Stafco</i>	<i>Tank Production</i>	<i>\$1m</i>	<i>10,200 sq. ft.</i>
<i>Parkview/Whitley</i>	<i>Medical</i>	<i>\$28m</i>	<i>96,000 sq. ft.</i>
<i>IPFW</i>	<i>Housing</i>	<i>\$21.26m</i>	<i>207,000 sq. ft.</i>
<i>Orthopaedics Northeast</i>	<i>Surgery Center</i>	<i>\$19m</i>	<i>64,300 sq. ft.</i>
<i>Brotherhood</i>	<i>Insurance Building</i>	<i>\$5.2m</i>	<i>26,000 sq. ft.</i>

And, for those of you interested in capitalization rates:



Building Permits Listed By Category Allen County and City of Fort Wayne 1998-2009

Allen County	Single Family Residential		Commercial	
	<u># Permits</u>	<u>Estimated Cost</u>	<u># Permits</u>	<u>Estimated Cost</u>
1998	1,732	\$274,206,059	64	\$45,923,030
1999	1,817	\$302,796,145	59	\$57,125,848
2003	1,623	\$298,121,205	46	\$56,390,913
2004	1,476	\$286,344,952	43	\$50,989,804
2005	1,452	\$282,681,366	35	\$61,453,854
2006	911	\$182,416,246	33	\$61,219,520
2007	700	\$147,066,895	29	\$51,932,708
2008	485	\$ 96,135,116	30	\$34,428,483
2007 (6 mos)	414	\$ 80,180,434	9	\$13,575,000
2008 (6 mos)	289	\$ 59,037,307	15	\$27,321,251
2009 (6 mos)	227	\$ 41,357,062	6	\$375,499,818
City of Fort Wayne				
1998	188	\$20,656,079	50	\$27,290,188
1999	159	\$18,679,009	57	\$55,049,104
2003	295	\$41,176,040	69	\$46,693,404
2004	292	\$39,292,456	65	\$84,675,201
2005	299	\$44,338,103	72	\$60,407,728
2006	225	\$34,309,669	62	\$65,601,595
2007	167	\$26,858,549	52	\$68,584,951
2008	136	\$19,255,464	62	118,374,046
2007 (6 mos)	74	\$11,669,927	27	\$65,601,595
2008 (6 mos)	87	\$12,022,799	29	\$46,771,001
2009 (6 mos)	60	\$ 9,259,090	12	\$ 6,629,976

Source: Homebuilders Association of Fort Wayne

Job growth is needed for a robust recovery. Estimates of 17% “under” employment are indications of concern for many households. In some areas of the world interest rates are rising. We hear about graphs being “U” shaped, even “V” and “W” and “L and J” shaped. But, what is important especially in the northeast Indiana marketplace, is improved employment. We have heard this before—because it is true.

Let’s not overlook the rebounding strengths of the capital marketplace. In this area of the country, for the most part, our work ethic is still strong; and that attribute will serve us well.



Disclaimer:

It is our intention to provide accurate information regarding the subject matter discussed in this Market Trends Analysis reporting. It is distributed to clients with the understanding this report is based on the opinion of John M. Thistlethwaite Interests, LLC and is not to be considered as rendering legal, accounting, appraisal, counseling or investment advice or services.

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