

1111 SUPERIOR CLEVELAND, OHIO



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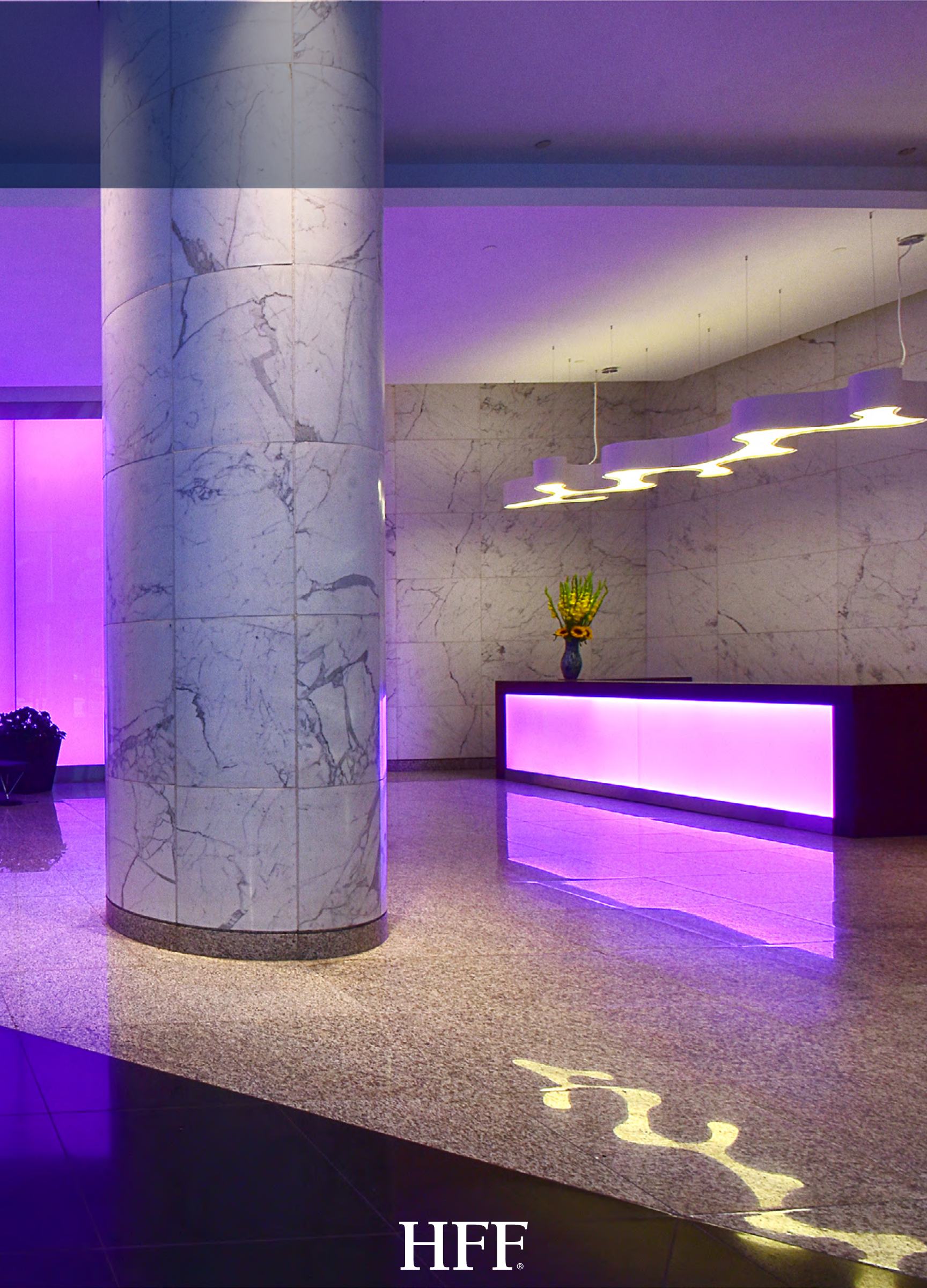
Executive Summary

Holliday Fenoglio Fowler, L.P. ("HFF") an Ohio licensed real estate broker

1111 Superior (the “Property”) is
a once-in-a-generation opportunity to
acquire an iconic office building in a world-class city.



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An enduring testament to
Skidmore, Owings & Merrill's legacy



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LOBBY

An Iconic Office Tower

1111 Superior (the “Property”) has been successfully repositioned as a top-tier office tower amidst a Cleveland office market in which approximately six million square feet of office space has been redeveloped into residential and hospitality uses over the last six years. At 28 stories and almost 602,000 square feet, the Property offers an encyclopedic amenity package in an irreplaceable live-work-play location. Tremendous leasing success followed the 2014 renovation, evidenced by over 160,000 square feet of positive absorption in the last 3 years. 1111 Superior’s unmistakable curtain reflective glass design is a product of the world-class architect Skidmore, Owings, & Merrill, whose other notable projects include the Willis Tower, the One World Trade Center, and the Burj Khalifa. The Property was completed in 1983 as the headquarters for Eaton Corporation, extensively renovated in 1995 and 2014, and remains one of the most iconic properties in the Midwest region.





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Property

- + 597,442 RSF, 28-Story Class A trophy office tower
- + One of three LEED Silver certified buildings in downtown Cleveland
- + Designed by world-renowned Architect Skidmore, Owings and Merrill

Location

- + "Main & Main", epicenter of downtown Cleveland
- + Central location in the Nine-Twelve Financial District
- + Gateway to the Theater District and Playhouse Square Center

Amenities & Features

- + Vibrant, recently renovated lobby with modern floor-to-ceiling LED illuminated wall
- + The lobby also features marble floors, marble columns, and 18' ceilings
- + Unimpeded views of Lake Erie, City of Cleveland, and surrounding parks
- + Brand-new conferencing facilities with multiple video screens, break-out rooms, and lounge
- + Brand-new, state-of-the-art fitness facility features weights, cardio equipment, showers, exposed ceilings, and Lake Erie views
- + Separate yoga room that is adjacent to the fitness facility

Tenancy

- + Over 160,000 SF of leasing and occupancy increased from approximately 50% to 79.8% since 2014
- + Diverse tenant base with no one industry representing more than 25% of building
- + Attracts tenants from the CBD, suburbs, and out-of-state

Market

- + Over 5 million SF in adaptive reuse projects drastically improved Cleveland office fundamentals
- + New multi-housing supply supports the live-work-play lifestyle downtown



KOEHLER FITZGERALD SUITE

Introduction

1111 Superior (the "Property") offers the rare opportunity for an investor to purchase an office building with the ideal central business location, efficient floor plates, superior amenities and views of Lake Erie in a major metropolitan city. Expertly managed and environmentally conspicuous, 1111 Superior is one of three buildings downtown Cleveland to achieve the Silver LEED Certification.

The Property is 78.8% leased overall to a highly diverse tenant base, with no industry representing more than 25% of the tenant rent roll. Over the last 36 months, 160,000 RSF of leasing activity has occurred which does not include tenant expansions and renewals. New tenants such as Michael Baker International have signed leases at the 1111 Superior while IronShore and One Source have recently expanded. This tremendous leasing success is expected to continue since the Property now has the largest block of high-rise contiguous vacant space in the Cleveland office market at 54,391 RSF. Since the vacancy factor in the high-rise floors is otherwise less than 2%, this block of space will be highly sought after.

Furthermore, the Property has attracted office users from a multitude of sources including competitive properties, new businesses, adjacent suburbs and submarkets, and even other states who considered the entire downtown office market before selecting 1111 Superior. The upsurge of adaptive reuse activity has also displaced Class B and C office tenants into Class A space. With highly desirable floors representing 20% of the building available, 1111 Superior provides significant upside for the next investor to capitalize on the established leasing momentum.



Property Summary

Property Address:	1111 Superior Avenue East Cleveland, OH 44114
Submarket:	Cleveland CBD; Nine-Twelve District
Stories:	28 Stories, 350' Tall
Rentable Square Feet:	597,442
Office\Retail RSF:	578,901
Storage\Other RSF:	18,541
Year Built/Renovated:	1983/1995/2014
Total Percent Leased:	78.8%
Remaining W.A.L.T.:	5.83 years
Slab to Slab Ceiling Height:	10'6"
Finished Ceiling Height:	8'6"
Architect:	Skidmore, Owings, & Merrill / Hatfield
Building Engineering:	Jaros, Baum, and Bolles
Parking:	509 Covered Spaces (0.85 / 1,000)
Typical Floor Plate:	23,454
Walk Score:	96
Transit Score:	86
Real Estate Tax Parcels:	101-61-141; 101-61-141
Site Area (Acres):	55,665
Site Area (SF):	1,278
Zoning:	G-R-E5; General Retail Business
FAR:	11
Environmental Certification:	LEED Silver

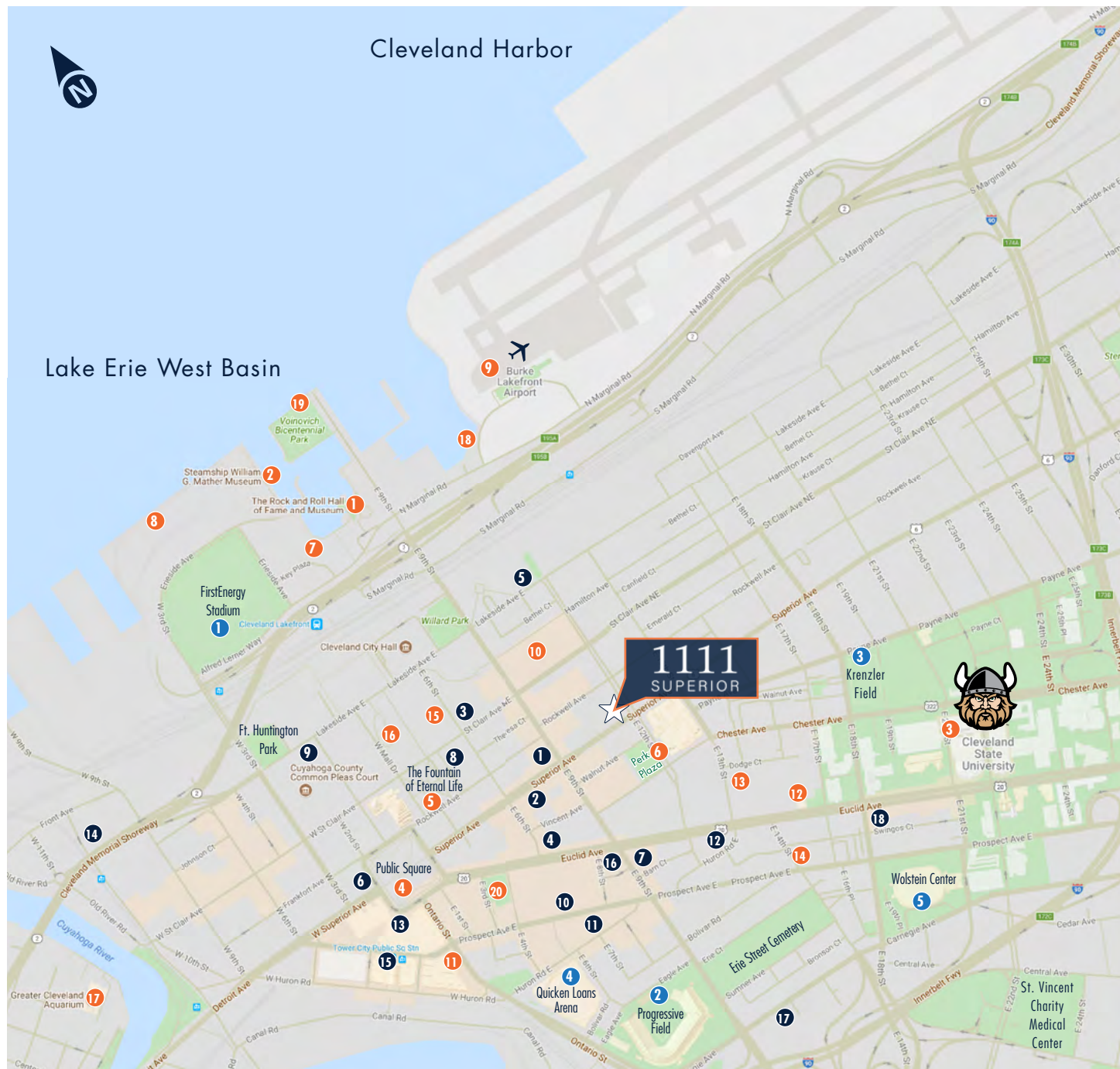


KOEHLER FITZGERALD SUITE

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Strategic Location

1111 Superior is located at the core of downtown Cleveland. The Property is universally accepted as being located at "Main & Main" in the CBD along Superior Avenue, effectively the core thoroughfare of downtown. In addition to its prominent street address, the tower's downtown location provides its tenants access to Perk Plaza Park, the Theater District, the bike share system, and a metro light rail system.



HOTEL ACCOMMODATIONS

- | | |
|--------------------------------|----------------------------|
| 1 Hampton Inn | 11 Radisson Hotel |
| 2 Hyatt Regency | 12 Wyndham Hotel |
| 3 The Westin | 13 Renaissance Hotel |
| 4 Holiday Inn Express | 14 Aloft Hotel |
| 5 DoubleTree by Hilton | 15 Ritz Carlton |
| 6 Marriott Downtown | 16 Kimpton Schofield Hotel |
| 7 Metropolitan Autograph Hotel | 17 Hilton Garden Hotel |
| 8 Drury Plaza Hotel | 18 Comfort Inn |
| 9 Hilton | |
| 10 Residence Inn | |

ATTRACTIONS & PARKS

- | | |
|--------------------------------|--------------------------------|
| 1 Rock & Roll Hall of Fame | 11 JACK Cleveland Casino |
| 2 Mather Steamship Museum | 12 Playhouse Square |
| 3 Cleveland State University | 13 Cleveland Play House |
| 4 Public Square Park | 14 Great Lakes Theatre |
| 5 The Fountain of Eternal Life | 15 Cleveland Auditorium |
| 6 Perk Memorial Plaza | 16 Convention Center |
| 7 Great Lakes Science Center | 17 Greater Cleveland Aquarium |
| 8 Cleveland-Cuyahoga Port | 18 USS Cod Submarine Memorial |
| 9 Burke Lakefront Airport | 19 Voinovich Bicentennial Park |
| 10 Galleria at Erieview | 20 House of Blues |

SPORTS ARENAS & VENUES

- | | | |
|-----------------------|---|---|
| 1 FirstEnergy Stadium |  |  |
| 2 Progressive Field |  |  |
| 3 Krenzel Field |  |  |
| 4 Quicken Loans Arena |  |  |
| 5 Wolstein Center |  |  |

The Property is universally accepted as
being located at "Main & Main" in the CBD.



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LAKE ERIE



FirstEnergy Stadium

Rock & Roll Hall of Fame & Museum

USS Cod Submarine Memorial

North Point Tower II

The Westin

One Cleveland Center

Lakeside Avenue

DoubleTree Hotel

Galleria at Erievue

AECOM Center

St. Clair Avenue NE

Superior Ave

Oswald Centre

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Walnut Avenue

E. 12th Street

Perk Plaza

Chester Avenue

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Amenity Rich Destination

The Property overlooks Cleveland's greatest asset, Lake Erie, and is located one block from the recently redesigned Ralph J Perk Park. The park renovations include raised grassy hills, a metal pergola with a translucent red canopy, and an acre of open space frequently used for lunch breaks, food trucks, and free concerts. David's Deli supplies tenants with a variety of fresh foods throughout the day including a wide variety of breakfast options, salads, sandwiches, homemade soups, and more. Additionally, David's Deli provides catering services to the immediate area and the tenants of 1111 Superior.

The potential for a roof-top terrace creates another opportunity to add to its comprehensive amenity package and further separate the property from its competitive set. Furthermore, the \$1.4 million of improvements to the lobby, fitness center, and conference facilities have repositioned 1111 Superior as one of the most desirable office towers downtown. All of these amenities are provided to tenants at no cost but have played a major role in securing high quality tenancy such as IBM, OneSource, and Plante Moran.

**BOARD ROOM****Conference Room Features**

- Brand new conference room with formal seating for 40
- Two wall-mounted TV screens, projector screen
- Video conferencing capability
- No reservation charge for tenants to use

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Class A Lobby

Extensive marble floors and columns
Floor-to-ceiling customizable LED illuminated wall



Brand New Fitness Facility

Brand new state-of-the-art fitness facility, including lockers, showers, cardio and strength equipment
Separate private training room conducive to yoga classes and personalized instruction
Tenant use only, no charge to individual users





EXECUTIVE SUMMARY

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Established Institutional Tenancy and Leasing Success

The anchor tenants at the 1111 Superior are some of the most established firms in both Cleveland and the country. International Business Machines (IBM) has generated the most patents of any business in the last 24 years and operates in 170 countries today. Plante & Moran was named the “Best Accounting Firm to Work For” for its employees’ quality of life, and Hyatt Legal Plans is the country’s largest provider of legal voluntary benefits.

The tenant mix is also well-diversified, representing 20 different industries with no single sector accounting for more than 25% of the total tenant base. Tenants range from start-ups to well-established firms, international and locally based law firms, financial and insurance companies, and a major fortune 500 company.

CREDIT QUALITY INSTITUTIONAL TENANCY								
TENANT	Rating Agency	Credit Rating	RSF	%	FLOOR	START	END	TERM (YRS)
Hyatt Legal Plans (Metlife Inc)	Fitch	A	47,529	7.9%	9-Aug	Oct-99	Nov-28	29 Yrs
IBM	S&P	AA-	41,999	7.0%	26-28	Jul-16	Sep-21	5 Yrs
Total / Weighted Average			89,528	14.9%				18 Years

Tenants Attracted to Superior Building Quality

Over the past few years, 1111 Superior has significantly benefited from companies relocating to the Property from a multitude of sources including competitive properties, new businesses, adjacent suburbs and submarkets, and even other states who considered the entire downtown office market before selecting 1111 Superior. These companies seek efficient space, which positions 1111 Superior as the office building of choice with its 20’6” column spacing, optimum bay depth and 10 potential corner offices per floor. Most notably, the blue chip company IBM decided to move from its Midtown location to the Property. Reasons for the move include the flexible space that facilitates collaboration, the availability of parking in the garage and immediate area, and the new improvements to the Property. Despite the tremendous leasing success, there is still 20% vacancy at the Property allowing plenty of upside for potential investors.



BOARD ROOM ENTRY

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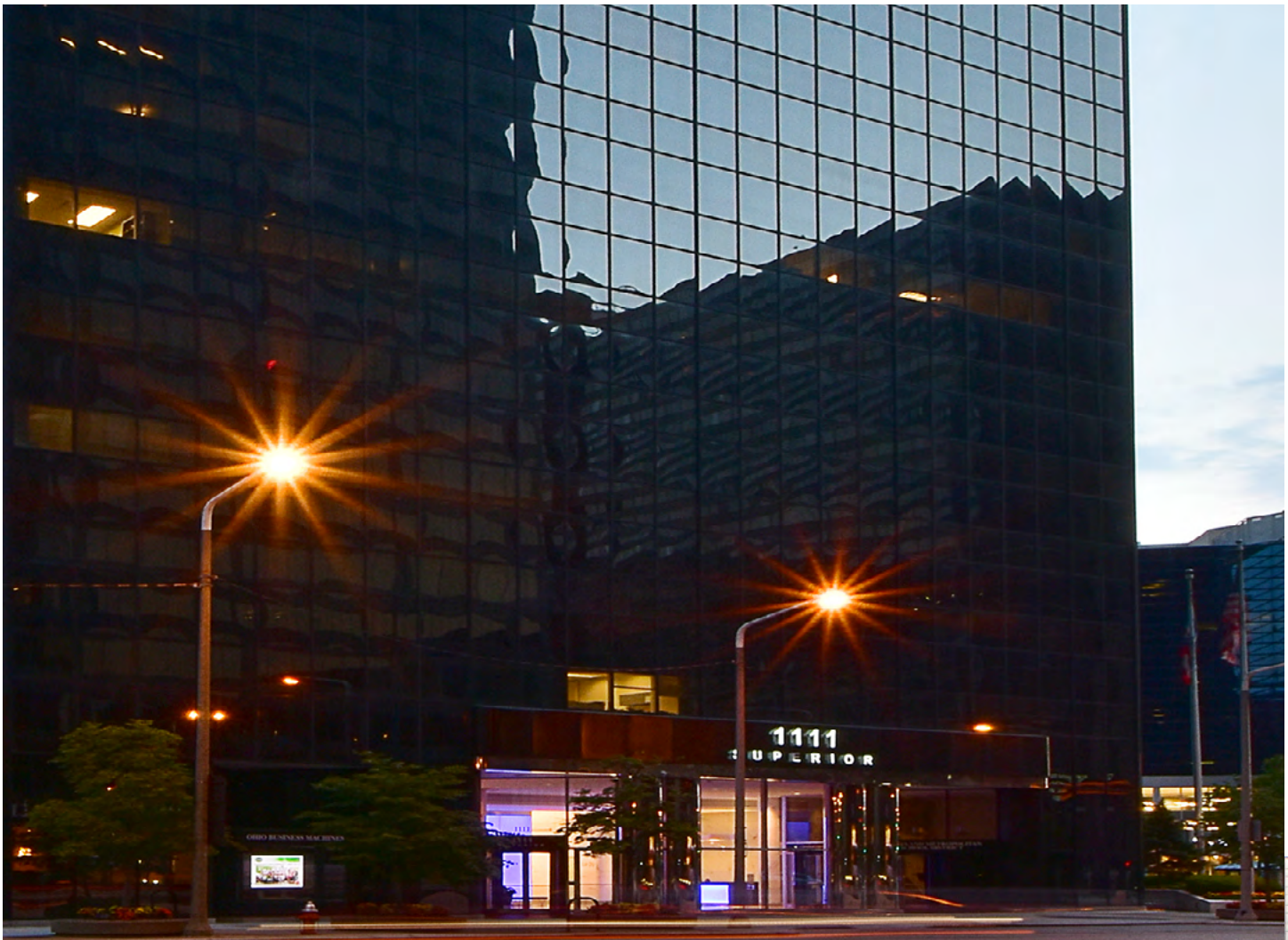
Irreplaceable Office Asset

Limited availability of quality development sites combined with the significant replacement cost and increased risk of speculative development will severely limit new competition in the Cleveland CBD. Replicating the size and scope of the 1111 Superior would be exceedingly difficult to achieve given the current replacement cost and level of rents needed to justify new construction.

Adaptive Reuse Catalyzes Cleveland's Renaissance

It is estimated that as much as 6 million square feet have been redeveloped from office to residential and hospitality over the last six years. This trend has improved overall office fundamentals by reducing the existing supply and simultaneously increasing the demand and occupancy of CBD office. The apartment unit conversions accommodated the burgeoning downtown population that has grown 70% since 2000, as the residential occupancy stayed consistent at 95% year over year. A larger downtown population was met with an increase of homegrown and new to market retailers. Hospitality also added 1,000 rooms, further displacing more office product. The ongoing adaptive reuse activity that Cleveland is experiencing will continue to improve the ongoing desirability of the 1111 Superior asset.

The surge in apartment construction has also made the downtown a more vibrant and livable employment hub. In 2016, a total of \$2.3 billion was invested into re-purposing and developing office, hotel, residential, and public infrastructure in downtown Cleveland, which has activated the CBD as a live-work-play destination. The Cleveland labor market is seeing improvement as May 2017 experienced an increase in 6,300 jobs in business services and government employment sectors among others. As companies continue to grow, the office market is expected to continue to experience positive trends. This healthy employment market has forced employers to pay more attention to their real estate decisions in order to attract and retain talent. This is driving the migration trend to urban, amenity-rich locations. Companies are also targeting more centrally located buildings that offer creative and collaborative work environments. The Cleveland office market is poised to benefit significantly from this broader trend of urbanization since companies no longer view office space as a commodity but as an amenity critical to talent attraction.



Unsurpassed Views and Functionality

1111 Superior has unimpeded views of Lake Erie and 360° views of downtown Cleveland on the higher floors. The curtain glass exterior provides an abundance of windows and natural light for its tenants. Its saw-toothed floorplate can function either as separate tenant bays or individual offices for a single tenant floor. This efficient floor plate design offers expansive interior space and optimum bay depth for office planning flexibility. Additionally, future ownership has the unique opportunity to add value by creating a roof-top deck on the 26th floor.



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Timeless, Institutionally Maintained Structure

The building's design, amenities, height, floor plates, and location truly make this a timeless asset that would be exceptionally difficult to reproduce. Replacement cost estimates of approximately \$250 per square foot for the land and improvements make new construction highly unlikely in the CBD submarket. In addition, the depth of past institutional ownership has ensured that the required capital improvements to maintain a Class A property have been properly completed.

Over \$1.6 million of total capital improvements have been invested since 2014 to sustain the first class nature of the Property. Significant capital improvements include fitness center and equipment purchases of \$525,484 and conference center expenditures of \$492,446. Furthermore, \$418,000 has been invested in extensive modernizations to the lobby and other common areas. Ownership has also enhanced the quality of the mechanical systems through consistent improvements to both the HVAC and electrical systems. These improvements are expected to result in significant energy and operational efficiencies.

Ground Lease

The building is subject to a ground lease owned by the Bishop of the Diocese of Cleveland. The lease commenced on August 1st, 1980 and currently expires on July 31st, 2055, resulting in 38 years of remaining term. See page 60 for the ground lease abstract.



Dynamic Fast Growing Economy

Cleveland is one of the nation's most dynamic economies and fastest growing cities. Cleveland's population grew 32% between 1990 and 2000, outpacing every other Midwest city over the same time period. While most secondary markets experience a "brain drain" in which they educate their young people before they move to other cities, Cleveland is undergoing the exact opposite phenomenon. The city is a popular millennial destination with 12,500 residents between the ages of 18 and 31 living downtown in 2016. These urban dwellers are highly educated and have contributed to a 140% increase in residents who possess at least a bachelor degree.

Large Concentration of Fortune 500 Companies

Cleveland is home to a host of fortune 500 companies. Major employers in the area include:



SHERWIN-WILLIAMS



A Millennial Hotspot

"How Wall Street is Losing Talent to Cleveland" - *Bloomberg Business*

"Millennials are leading a 'brain gain' in one of the most overlooked Midwestern cities" - *Business Insider*

Ranked #1 "Most Affordable Housing Markets" - *CBS Money Watch*

Abundant Transportation Amenities

1111 Superior is located in close proximity to the RTA light rail metro station which links the Property with Cleveland's eastern, western, and southern suburbs. The Property also provides its tenants access to the Cleveland bike share system and the free Nine-Twelve Shuttle. Furthermore, the garage offers two way entrances and exits allowing convenient ingress and egress from either direction.



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ON-SITE FITNESS CENTER



PLANTE MORAN SUITE



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