

# APPRAISAL REPORT

of property known as and located:

2-Unit Industrial Facility  
1500 Chamberlain Blvd.  
City of Conneaut  
Ashtabula Co., OH

For:

Ms. Erica Fix  
Conneaut Plant Controller  
1370 Chamberlain Blvd.  
Conneaut, OH 44030  
[efix@angstrom-USA.com](mailto:efix@angstrom-USA.com)

Prepared by:

Sammartino, Stout & Lo Presti, Inc.  
Real Estate Analysts, Appraisers & Consultants  
3111 State Street  
Erie, PA 16508  
<https://www.ssl-rea.com>

*This appraisal contains confidential information that is proprietary to Sammartino, Stout & Lo Presti, Inc. It is provided to the client solely for their use. Third parties who receive this appraisal may use it only for the purpose, intended use and user(s) as stated herein. This appraisal is copyrighted © by Sammartino, Stout & Lo Presti, Inc.*

Unpublished Work: File #P-1769-25. Copyright 2025 ©  
Sammartino, Stout & Lo Presti, Inc.  
All rights reserved

## TABLE OF CONTENTS

TYPE AND DEFINITION OF VALUE, INTENDED USE AND USER OF THE APPRAISAL.....	2
SCOPE OF APPRAISAL.....	2
COMPETENCY STATEMENT.....	2
DEFINITIONS.....	3
ASSUMPTIONS AND LIMITING CONDITIONS.....	5
CERTIFICATION.....	7
SUMMARY OF SALIENT FACTS AND CONCLUSIONS.....	8
AREA / NEIGHBORHOOD SUMMARY.....	9
LEGAL DATA / PROPERTY HISTORY.....	19
THREE YEAR OWNERSHIP HISTORY.....	19
ASSESSMENT AND TAXES.....	20
SITE ANALYSIS.....	21
ZONING.....	23
FLOOD PLAIN.....	24
PHOTOGRAPHS.....	25
IMPROVEMENTS DESCRIPTION.....	31
BUILDING AREAS.....	33
PHYSICAL DETERIORATION, FUNCTIONAL AND EXTERNAL OBSOLESCENCE.....	34
MARKET ANALYSIS.....	35
HIGHEST AND BEST USE.....	42
COST APPROACH.....	43
INCOME CAPITALIZATION APPROACH.....	44
LEASE SYNOPSIS.....	45
COMPARABLE RENTAL DATA ANALYSIS AND RECONCILIATION.....	45
VACANCY/CREDIT LOSS.....	48
OPERATING EXPENSES.....	49
PROJECTED OPERATING STATEMENT.....	50
CAPITALIZATION RATE DERIVATION.....	51
LEASE UP COSTS.....	54
INCOME CAPITALIZATION APPROACH CONCLUSION.....	54
SALES COMPARISON APPROACH.....	55
SALES COMPARISON APPROACH DATA.....	56
SALES COMPARISON APPROACH GRID.....	67
SALES COMPARISON APPROACH ANALYSIS.....	68
SALES COMPARISON APPROACH CONCLUSION.....	70
EXPOSURE AND MARKETING PERIOD.....	71
RECONCILIATION AND FINAL VALUE CONCLUSION.....	72
ADDENDUM.....	73



**SAMMARTINO, STOUT & LO PRESTI**  
REAL ESTATE ANALYSTS, APPRAISERS & CONSULTANTS

RAYMOND J. SAMMARTINO, MAI (RETIRED)

ROBERT G. STOUT, JR., MAI

SERGIO S. LO PRESTI, MAI



July 9, 2025

Attn: Erica Fix  
Conneaut Plant Controller  
1370 Chamberlain Blvd.  
Conneaut, OH 44030

Re: 2-Unit Industrial Facility  
1500 Chamberlain Blvd.  
City of Conneaut  
Ashtabula Co., OH  
SSL File #P-1769-25

As requested, I am submitting an **Appraisal Report** of the above-referenced property for the purpose of providing an opinion of **Market Value "As Is"**, as of **June 13<sup>th</sup>, 2025**, the effective date, in **fee simple**.

The subject site comprises 12.02 acres and is improved with a 2-unit, 211,000-square foot industrial building. The improvements were constructed between 1963 and 1997 and are in overall average to good condition. The subject is located within the Seaway Industrial Park, in the City of Conneaut, in northeastern Ashtabula County, Ohio.

The subject property was personally inspected; I examined the pertinent public record data, studied the predominant land uses, value trends and evidence of value, and applied the appropriate approaches to value. This report is made according to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and to the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation. The property is appraised as a whole, unencumbered by any liens, mortgages, or other indebtedness, and subject to the Assumptions and Limiting Conditions.

After analysis of relevant data and utilization of sound judgment, my opinion of Market Value "As Is", assuming a typical marketing/exposure time, and as of the effective date, is:

**Opinion of Market Value "As Is":**

**\$3,400,000**

Thank you for the opportunity to provide this appraisal; for additional information, including property types and market areas we service, please call or visit our website at [www.ssl-rea.com](http://www.ssl-rea.com).

Sincerely,

Robert G. Stout, Jr., MAI  
OH Certified General Real Estate Appraiser  
Certification Number: 2002011635  
[rstout@ssl-rea.com](mailto:rstout@ssl-rea.com)

## **TYPE AND DEFINITION OF VALUE, INTENDED USE AND USER OF THE APPRAISAL**

The *purpose* of this **Appraisal Report** is to provide an opinion of **Market Value “As Is”**, as of **June 13<sup>th</sup>, 2025**, the effective date, in **fee simple**. The *intended use* of this appraisal is to assist the **Client & Intended User** (General Aluminum) with a tax appeal. **The use of this report by any other party and/or for any other purpose without express written consent is prohibited.**

### **SCOPE OF APPRAISAL**

The scope of this appraisal assignment includes, but is not limited to:

- Viewing of the subject neighborhood, site and improvements, which included a walk-through of the building. This walk-through is not intended as an engineering, structural, environmental, or mechanical inspection or warranty. The property description herein is based on observations as a real property appraiser, information obtained from a prior appraisal of the subject by this firm and information provided by Erika Fix, Controller (General Aluminum);
- Review of public record data (e.g., legal references, assessment records/maps, zoning ordinances, flood plain maps, etc.) in regards to the subject property;
- Research, collection and analysis of relevant data including recent comparable property appraisals completed by this firm, courthouse records, internal database system, market participants, MLS records, Crexi and CoStar (as applicable);
- Verification of comparable data via courthouse records, a party to the transaction (if available), and/or through a third party real estate professional (i.e., attorney, listing/selling agent, third party appraiser);
- Analysis of market conditions as it pertains to the subject;
- Highest and best use analysis and conclusion;
- Consideration of all three approaches to value and application of the most relevant approach(s) to value, as explained herein;
- Reconciliation of the final opinion of Market Value “As Is” in Fee Simple, and;
- Reporting of the Assignment Results in a written report prepared and containing the content and level of information required by USPAP Standards Rule 2-2(a) for an Appraisal Report. The appraisal process also followed the Ethics Rule of USPAP, including the Nondiscrimination, Conduct, Management, and Confidentiality sections.

### **COMPETENCY STATEMENT**

I have completed numerous appraisals of similar properties in the local and regional market. The steps required to complete this appraisal are summarized in the above Scope of Appraisal.

## DEFINITIONS<sup>1</sup>

**Market Value** is defined as: *the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.*<sup>2</sup>

**Effective Date** is defined as: *the date to which an appraiser's analyses, opinions and conclusions apply; also referred to as the date of value.*

**Fee simple estate** is defined as: *absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

**Leased fee interest** is defined as: *the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.*

**Ground lease** is defined as *a lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term.*

**Gross building area (GBA)** is defined as: *(1) total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (2) Gross leasable area plus all common areas. (3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the super-structure and substructure basement; typically does not include garage space.*

**Gross leasable area (GLA)** is defined as *total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.*

**Personal property (aka FF&E)** is defined as: *Tangible or intangible objects that are considered personal, as opposed to real property. Examples of tangible personal property include furniture, vehicles, jewelry, collectibles, machinery and equipment, and computer hardware. Examples of intangible personal property include contracts, patents, licenses, computer software, and intellectual property.*

**Net net net lease** is defined as *an alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN lease, **triple net lease**, or fully net lease.*

**Modified Gross Lease** is defined as *a lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.*

**Full Service Lease (Gross Lease)** is a lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses. Also called *full-service lease*.

---

<sup>1</sup> All definitions are from the Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, unless otherwise specified.

<sup>2</sup> The Appraisal of Real Estate, 15<sup>th</sup> Edition, Appraisal Institute, p. 2.

**Excess land** is defined as *land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.*

**Surplus land** is defined as *land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.*

## ASSUMPTIONS AND LIMITING CONDITIONS

*This appraisal is made subject to the following assumptions and limiting conditions:*

1. No responsibility for matters legal in character is assumed, nor is any opinion as to the Title, which is assumed to be good, rendered. All existing liens and encumbrances, if any, have been disregarded and the property has been appraised as though free and clear, under responsible ownership and competent management.
2. After diligent research, the information collected and relied upon is assumed accurate and reliable, but no responsibility in connection with such matters is assumed.
3. The Site Plan (if contained herein) is included to assist the reader in visualizing the property. No survey of the property has been made and no responsibility in connection with such matters is assumed.
4. Flood elevations and map references were based on available information. The reader is cautioned that exact elevations should be determined by a qualified surveyor as the presence of a flood hazard could negatively impact the market value of the subject.
5. Toxic/hazardous wastes and/or contaminants/other conditions, such as, but not limited to, radon gas, asbestos, urea formaldehyde foam insulation, wetlands and PCB's may exist on the subject real estate. **This firm has neither the technical knowledge to identify nor the ability to measure items or conditions listed or implied above. The market value of the subject could be materially affected should one or more of the aforementioned items or conditions exist.** In summary, the subject is appraised as though free and clear of any/all adverse conditions as outlined above. No specific evidence of contamination was brought to my attention.
6. No separate opinion is expressed as to the value of subsurface oil, mineral or gas rights, if any. Likewise, no separate opinion is expressed as to the value of marketable timber, if any.
7. All mechanical components including, but not limited to, heating, cooling, ventilating, electrical and plumbing equipment are assumed standard for buildings of similar types and uses. Also, their respective conditions are considered commensurate with the condition of the overall building unless otherwise stated.
8. Unless explicitly analyzed and separately allocated herein, the value opinion reflects real estate only and excludes non-realty items such as Furniture, Fixtures and Equipment (FF&E) and/or Business Value (BV).
9. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. This firm has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of ADA, could reveal the property is not in compliance with one or more of the requirements of the Act; a non-compliance survey could result in an adverse impact on the value opinion.
10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval, particularly the value opinion or related conclusions, the identity of the appraiser or firm with which connected.

11. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client without previous written consent.
12. I am not required to give testimony or to appear in court by reason of this appraisal, with reference to the property appraised, unless written arrangements have been previously made.
13. If a going concern value is provided, the reported value of the individual parts, if taken alone, may be different than the combined value.
14. Information provided by the ownership or their representative, as cited and/or utilized herein, is assumed accurate and reliable.
15. The land and building areas cited and relied upon herein are assumed accurate and reliable.

**Extraordinary Assumptions (note: extraordinary assumptions may affect assignment results)**

16. **The subject is a leased, two-unit industrial building with the client (General Aluminum) occupying one of the units. Due to the purpose of this appraisal and state law, the leases are ignored and the subject is appraised in fee simple.**

## CERTIFICATION

In accordance with USPAP Standards Rule 2-3, effective January 1<sup>st</sup>, 2024, I certify that, except as otherwise noted in this appraisal report, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Robert G. Stout, Jr., MAI made a personal inspection of the property that is the subject of this report.
9. No one has provided significant real property appraisal assistance to the person signing this certification.
10. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Robert G. Stout, Jr., MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
13. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

  
\_\_\_\_\_  
Robert G. Stout, Jr., MAI  
OH Certified General Real Estate Appraiser  
Certification Number: 2002011635  
[rstout@ssl-rea.com](mailto:rstout@ssl-rea.com)

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

<b>Known As:</b>	<b>General Aluminum</b>
Address:	1500 Chamberlain Blvd.
Municipality:	City of Conneaut
County, State:	Ashtabula County, Ohio
Owner(s) of Record:	Spirit Realty LP
Tax Parcel Number(s):	12-128-00-041-00, 042-00 & 043-00
Present Use:	Industrial facility
Highest and Best Use:	Continued use as an Industrial Facility
<b>Defined Value(s):</b>	<b>Market Value "As Is"</b>
<b>Property Rights Appraised:</b>	<b>Fee Simple</b>
Date of Property Viewing:	June 13 <sup>th</sup> , 2025
<b>Effective Date:</b>	<b>June 13<sup>th</sup>, 2025</b>
Site Size:	12.02 acres
Zoning:	"M-1" Industrial District
Flood Plain:	Zone X
Age of Improvements:	1963 with additions in 1967, 1973 & 1997
Overall Condition:	Average to good
Gross Building Area:	211,000-sf
Marketing/Exposure Time:	6 to 18 months
Opinion of Market Value by the:	"As Is"
Cost Approach:	N/A
Income Capitalization Approach:	\$3,600,000
Sales Comparison Approach:	\$3,375,000

**Opinion of Market Value "As Is":**

**\$3,400,000**

*This appraisal contains confidential information that is proprietary to Sammartino, Stout & Lo Presti, Inc. It is provided to the client solely for their use. Third parties who receive this appraisal may use it only for the purpose, intended use and user(s) as stated herein. This appraisal is copyrighted © by Sammartino, Stout & Lo Presti, Inc.*

**Unpublished Work: File #P-1769-25. Copyright 2025 ©**

**Sammartino, Stout & Lo Presti, Inc.**

**All rights reserved**

<https://www.ssl-rea.com>

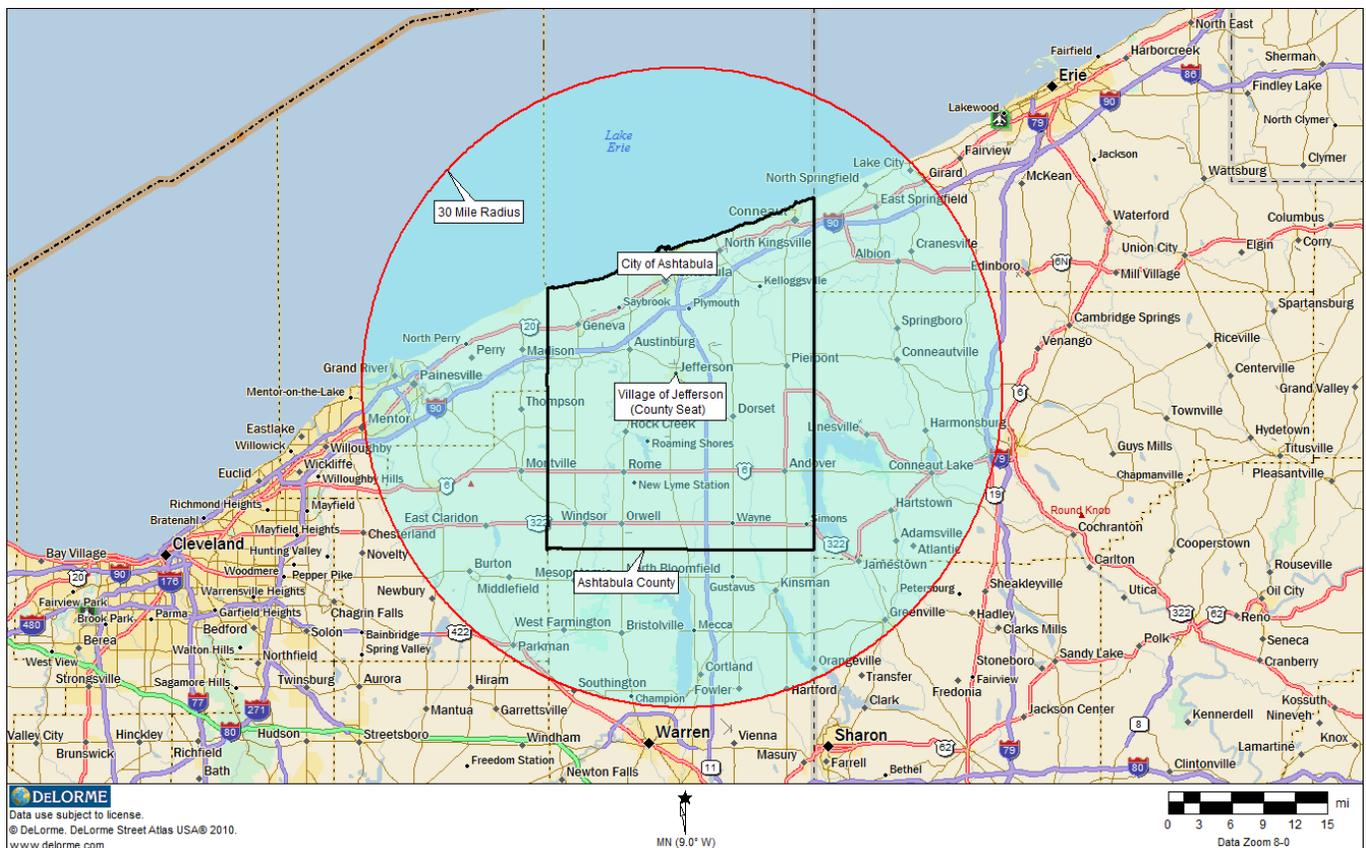
# AREA / NEIGHBORHOOD SUMMARY

## COVID-19 Discussion

The COVID-19 pandemic is an ongoing pandemic of Coronavirus disease 2019, caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2). The COVID-19 virus began primarily as a lung disease, but it has mutated several times since early 2020 and the severity of the disease has declined significantly. Although the pandemic caused lasting changes to the economy and societal cultures, including how people work, entertain, recreate, interact and consume, the country has largely adapted to living and working among the virus without a notable negative impact to the economy at this time.

## Ashtabula County Area Analysis

The subject is in the city of Conneaut in northeastern Ashtabula County. Ashtabula County is in the northeast corner of Ohio and is centrally located between the cities of Cleveland to the west, Erie, Pennsylvania to the east, and the Warren/Niles/Youngstown area to the south. The City of Ashtabula (the county's largest population center) is located on the shore of Lake Erie, in the center of the county. The Village of Jefferson, the county seat, is located in the central portion of the county. In July 2023, Ashtabula County was added to the Cleveland MSA.



AREA MAP

With 721 square miles of land, Ashtabula is the largest county in Ohio. Its northern border is approximately 26 miles of Lake Erie shoreline. The eastern border is along the Ohio/Pennsylvania state line with Lake County and Geauga County to the west and Trumbull County to the south. It consists of 27 townships along with 10 cities and villages, with the City of Ashtabula being the largest municipality.

### Transportation

Major highways in the northern section of the county that extend in an east/west direction are U.S. Route 20 and Interstate 90. Route 20 is a major four-lane roadway and I-90 is a limited access highway. These link the area to the greater Cleveland and Erie areas. Route 6 and Route 322 in the southern half of the county also connect with Cleveland and Pennsylvania. Major north/south roads are Ohio Routes 7, 11, 534, and 45, all connecting the county to the Warren/Niles/Youngstown area to the south. Ohio Route 11 is a limited access, four-lane highway, while the other north/south roadways are two-lane roadways.

Railroads played an important part in the development of Conneaut and Ashtabula as both cities front the southern shore of Lake Erie. These are international shipping port(s) with direct access to the Great Lakes as well as the St. Lawrence Seaway. Rail services are provided by Conrail and the Norfolk and Western. The Ashtabula County Airport is located to the southwest of the City of Ashtabula near Jefferson and provides linkage to the Cleveland Hopkins Airport as well as local communities.

### Population

The table below details population trends for the United States, Ohio, Cleveland MSA, and Ashtabula County.

Population Demographics				
Location	Year	Population	% Change	% Annual Change
U.S.	2000	281,421,906		
	2010	308,745,538	9.7%	0.93%
	2020	331,449,281	7.4%	0.71%
	<b>2024</b>	<b>338,440,954</b>	<b>2.1%</b>	<b>0.52%</b>
	2029	344,873,411	1.9%	0.38%
Ohio	2000	11,353,140		
	2010	11,536,504	1.6%	0.16%
	2020	11,799,448	2.3%	0.23%
	<b>2024</b>	<b>11,827,635</b>	<b>0.2%</b>	<b>0.06%</b>
	2029	11,838,305	0.1%	0.02%
Cleveland MSA	2000	2,148,143		
	2010	2,178,763	1.4%	0.14%
	2020	2,185,825	0.3%	0.03%
	<b>2024</b>	<b>2,165,812</b>	<b>-0.9%</b>	<b>-0.23%</b>
	2029	2,149,046	-0.8%	-0.16%
Ashtabula County	2000	102,728		
	2010	101,497	-1.2%	-0.12%
	2020	97,574	-3.9%	-0.39%
	<b>2024</b>	<b>96,646</b>	<b>-1.0%</b>	<b>-0.24%</b>
	2029	95,449	-1.2%	-0.25%

Source: STDBOnline

Note: 2024 and 2029 Cleveland MSA data now includes Ashtabula County

As displayed, the U.S. and state have experienced a growing population base since 2000 and growth is expected to continue through 2029. The Cleveland MSA saw declines in population 2020 to 2024, and with the addition of Ashtabula County, is projected to further decline in population through 2029 at a rate of -0.16% per annum. Ashtabula County has historically had a declining population trend with projections indicating continued decline over the next five years by 0.25% per annum.

**Employment Trends**

Major employers in northeast Ohio include the following:

<b>Top 25 Northeast Ohio Employers</b>	
<b>Company</b>	<b>Business</b>
Cleveland Clinic Health System	Health Care
Group Management Services Inc.	Health Care
Minute Men Cos.	Professional
University Hospitals	Health Care
Amazon	Retail
US Federal Government	Government
Progressive Insurance	Insurance
Walmart	Retail
Giant Eagle Inc.	Retail
The Metrohealth System	Health Care
State of Ohio	Government
City of Cleveland	Government
Cuyahoga County	Government
Summa Health	Government
The Sherwin Williams Co.	Manufacturing
Mercy Health	Health Care
VA Northeast Ohio Healthcare System	Health Care
KeyCorp	Financial
Cleveland Metropolitan School District	Education
Akron Children's	Health Care
Aultman Health Foundation	Health Care
Swagelok Co.	Manufacturing
Case Western Reserve University	Education
Kent State University	Education
Accurate Staffing Inc.	Professional

Source: Crain's Cleveland Book of Lists 2025

Nationwide, employment is moving from goods-producing towards service-producing industries. This trend has also been occurring in the local market, as only two of the top 25 employers remain in the manufacturing sector. On a positive note, several of the areas main employers are in employment fields where job growth is projected (i.e., education and health services, professional and business services, and financial activities).

## Employment

The following table highlights the workforce trends in the nation, state, MSA, and county. As displayed, the unemployment rate at the end of the first quarter, March 2025, for the nation, state, MSA, and county was 4.2%, 5.1%, 4.2%, and 5.0%, respectively. The state has the highest unemployment rate at 5.1% followed closely by the county at 5.0%. It is noted that the 2020 unemployment rate spike was a result of the COVID-19 Pandemic related lockdowns and restrictions that began in mid-March 2020 in most states, most of which were lifted by the second half of May and through June 2020. As the economy began “reopening”, economic conditions improved and the unemployment rate declined through 2021 and into 2022.

Unemployment Statistics											
Location	Period	Labor Force	Number Employed	Number Unemployed	Unemployment Rate	Location	Period	Labor Force	Number Employed	Number Unemployed	Unemployment Rate
US	2020	160,742,000	147,795,000	12,948,000	8.1%	Cleveland MSA	2020	1,016,383	918,138	98,245	9.7%
	2021	161,204,000	152,581,000	8,623,000	5.4%		2021	1,013,018	955,561	57,457	5.7%
	2022	164,287,000	158,291,000	5,996,000	3.6%		2022	1,025,514	978,146	47,368	4.6%
	2023	167,116,000	161,037,000	6,080,000	3.6%		2023	1,034,247	996,209	38,038	3.7%
	2024	168,106,000	161,346,000	6,761,000	4.0%		2024	1,100,000	1,058,000	42,000	3.8%
	Mar-25	170,653,000	163,412,000	7,242,000	4.2%		Mar-25	1,101,400	1,054,700	46,700	4.2%
Ohio	2020	5,736,620	5,266,859	469,761	8.2%	Ashtabula	2020	43,672	40,037	3,635	8.3%
	2021	5,708,982	5,415,608	293,374	5.1%		2021	42,982	40,594	2,388	5.6%
	2022	5,733,131	5,503,265	229,866	4.0%		2022	42,858	40,967	1,891	4.4%
	2023	5,786,996	5,582,438	204,558	3.5%		2023	42,855	41,154	1,701	4.0%
	2024	5,898,600	5,646,100	252,500	4.3%		2024	44,300	42,400	1,900	4.3%
	Mar-25	6,001,000	5,692,400	308,600	5.1%		Mar-25	44,200	42,000	2,200	5.0%

Source: www.imi.state.oh.us.

Note: 2017-2022 Cleveland MSA data includes Lake, Geauga, Cuyahoga, Medina and Lorain Counties. In 2023, Ashtabula County was added to the Cleveland MSA.

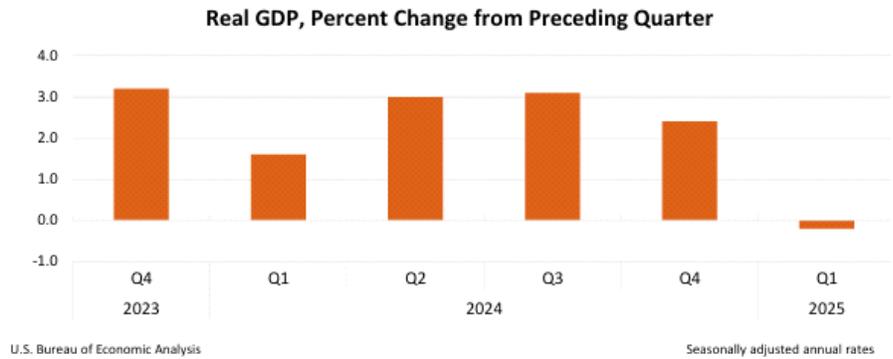
On a positive note, Petmin USA Inc. is to invest \$500 million in a pig iron plant at the Port of Ashtabula, which is projected to create 650 construction jobs and 110 manufacturing jobs upon completion. Construction on the site infrastructure was originally slated to begin in Q3/Q4 2019, but construction has been setback several times due to the COVID-19 pandemic. The latest update via a July 2023 article in the *Star Beacon* suggests that the company continues to have construction delays beyond their control, but their goal is to restart site work in the first quarter of 2024. The company has invested more than \$60 million to the Ashtabula facility and remains committed to the project. Additionally, a new gas pipeline (Risberg pipeline) was recently extended to the Ashtabula market. The lack of adequate gas service has hindered development in this market. However, with the addition of added gas, new development will be able to occur.

## GDP & Inflation

Another economic factor to consider is the national Real Gross Domestic Product (Real GDP), which is an inflation-adjusted value that reflects all goods and services produced by the United States economy. From 2011 to 2019, annual Real GDP growth ranged from 1.6% to 2.9% per annum, resulting in improving unemployment levels. Due to the COVID-19 Pandemic and related restrictions that mostly began in mid-March 2020, the Real GDP shrank -2.2% for the year 2020. In 2021 and 2022, however, Real GDP increased 5.7% and 2.5%, respectively, reflecting the economic recovery that began in mid-2020 after the initial COVID-19 lockdowns and restrictions were

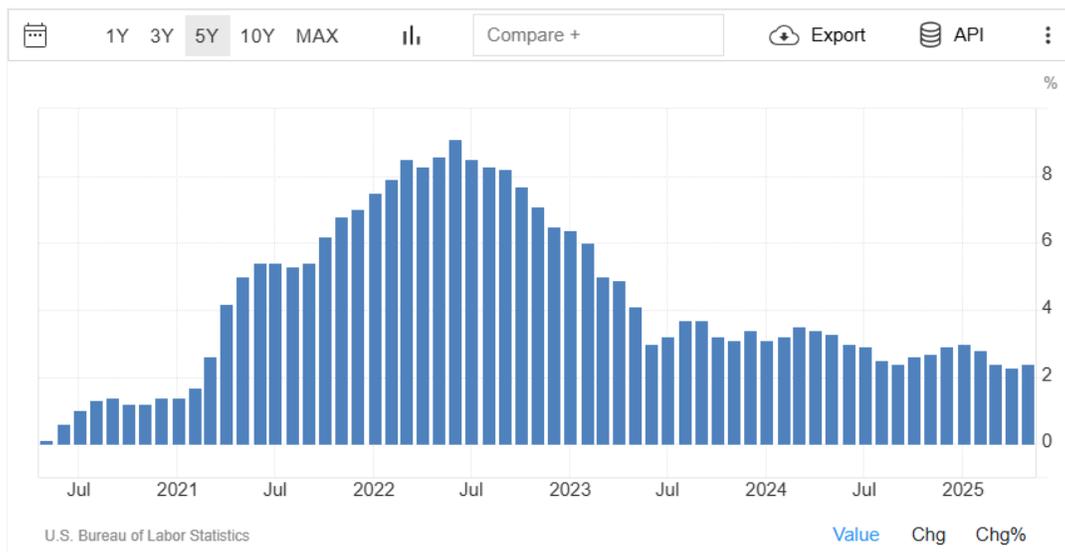
lifted. Real GDP growth remained positive in 2023 with a growth rate of 2.9%, although most of the growth occurred in the second half of the year. The GDP growth rate remained relatively strong at 2.8% for 2024. GDP shrank 0.2% in the first quarter of 2025. The lack of GDP growth was mostly due to a spike in imports during the quarter<sup>1</sup> as consumers and businesses increased purchases and inventories ahead of import tariffs set to take effect in early April; consumer spending and U.S. investment were both positive in the quarter. The most recent Real GDP change rates are summarized on the following table and graph:

Real Gross Domestic Product (GDP)	
Period	GDP Rate
2015	2.9%
2016	1.6%
2017	2.2%
2018	2.9%
2019	2.3%
2020	-2.2%
2021	5.7%
2022	2.5%
2023	2.9%
2024	2.8%
Q1 2025	-0.3%



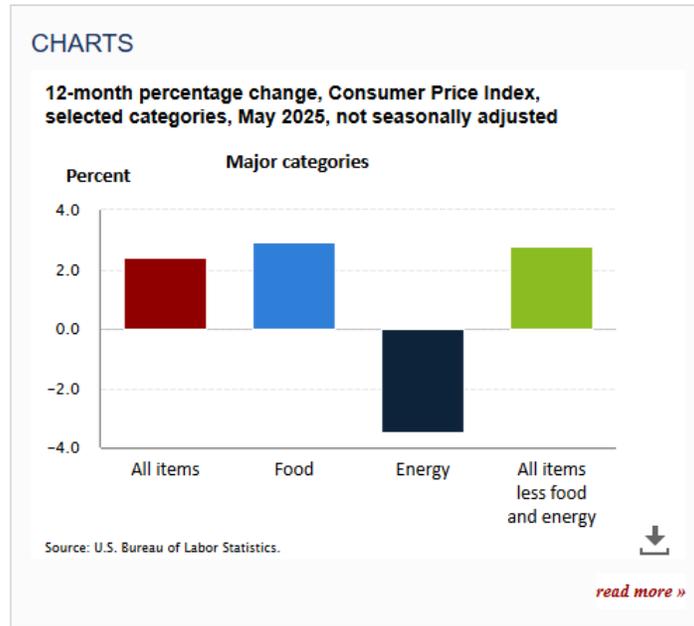
Source: Bureau of Economic Analysis, U.S. Department of Commerce (5/30/2025)

Next, inflation trends are reviewed. The historic long-term inflation rate in the United States was 3% +/- through 2019, but it dropped to near zero in early to mid-2020 due to the COVID-19 related shutdowns. Afterwards, the pent-up demand created by the initial pandemic related shutdowns and significant stimulus spending resulted in inflation rising dramatically to **a peak of 9.1% in June 2022**. The overall inflation rate has declined since, although the month-to-month change has been uneven with the most recent month of **May 2025 at 2.4%**, as shown next.<sup>2</sup>



<sup>1</sup> Imports are a subtraction in the calculation of GDP.  
<sup>2</sup> <https://tradingeconomics.com/united-states/inflation-cpi>

Inflation has not been even across all sectors as shown in the following graph:<sup>1</sup>



Energy prices decreased -3.5% while Food inflation is at 2.9%. The “all items less food and energy” category is currently at 2.8%. Although the overall inflation rate has declined, the cumulative inflation since January 2021 is nearly 25%. The spike in prices has negatively impacted consumers (and most businesses) and slowed the economic recovery.

In response to the inflation trend, the Federal Reserve began raising the federal funds rate target in mid-March 2022, the first increase since 2018, and regular rate increases occurred through July 2023. **After more than a year without a rate change, the Federal Reserve cut the federal funds rate target in mid-September 2024 by 50 basis points, plus two smaller cuts of 25 basis points by year end.** At the January 29<sup>th</sup>, 2025 meeting, the Federal Reserve paused their rate cutting campaign, although it was acknowledged that inflation remains above their 2% target. The current Federal Funds Rate target rate is 4.25% - 4.50%. As a result of various factors, including but not limited to the current federal funds rate level, mortgage interest rates are currently elevated compared to the lows experienced in early to mid-2021, although they remain below the peak experienced in early 2024. Increased mortgage rates have slowed economic activity and limited value growth as it negatively impacts what buyers are able to pay and what existing owners can finance in terms of capital projects.

## Education

The following table compares the education levels of Ashtabula County residents to the population of the nation, state, and Cleveland MSA.

<sup>1</sup> <https://www.bls.gov/cpi/>

2024 Educational Attainment 25+				
Education Level	U.S.	Ohio	Cleveland MSA	Ashtabula County
No High School Diploma	9.0%	7.0%	7.0%	12.0%
High School Graduate or GED only	27.0%	33.0%	29.0%	43.0%
Some College (No Degree)	18.0%	18.0%	18.0%	18.0%
College Graduate (Associates or Bachelor's)	31.0%	29.0%	30.0%	20.0%
Graduate/Professional Degree	14.3%	13.0%	14.5%	6.1%

Source: STDBonline.com

The lower income levels for local residents that will be discussed below are attributable to the unfavorable higher education levels displayed above. Approximately 20% of Ashtabula County residents are college graduates and 6.1% have graduate or professional degrees. These rates are well below the nation, state, and MSA's.

### Income

The local employment market and low higher education levels are reflected in the income levels of its residents. The following table highlights the Median Household Income for Ashtabula County and how it compares to the nation, state, and MSA.

Median Household Income					
Location	Period	Median Income	Dollar Change	Avg. Annual Change	Avg % Change Per Annum
U.S.	2000	\$42,164			
	2010	\$54,442	\$12,278	\$1,228	2.59%
	<b>2024</b>	<b>\$79,068</b>	<b>\$24,626</b>	<b>\$1,759</b>	<b>2.70%</b>
	2029	\$91,442	\$12,374	\$2,475	2.95%
Ohio	2000	\$40,998			
	2010	\$52,047	\$11,049	\$1,105	2.41%
	<b>2024</b>	<b>\$69,192</b>	<b>\$17,145</b>	<b>\$1,225</b>	<b>2.05%</b>
	2029	\$80,521	\$11,329	\$2,266	3.08%
Cleveland MSA	2000	\$42,632			
	2010	\$53,755	\$11,123	\$1,112	2.35%
	<b>2024</b>	<b>\$68,279</b>	<b>\$14,524</b>	<b>\$1,037</b>	<b>1.72%</b>
	2029	\$80,498	\$12,219	\$2,444	3.35%
Ashtabula County	2000	\$35,642			
	2010	\$43,779	\$8,137	\$814	2.08%
	<b>2024</b>	<b>\$54,642</b>	<b>\$10,863</b>	<b>\$776</b>	<b>1.60%</b>
	2029	\$64,845	\$10,203	\$2,041	3.48%

Source: STDBonline

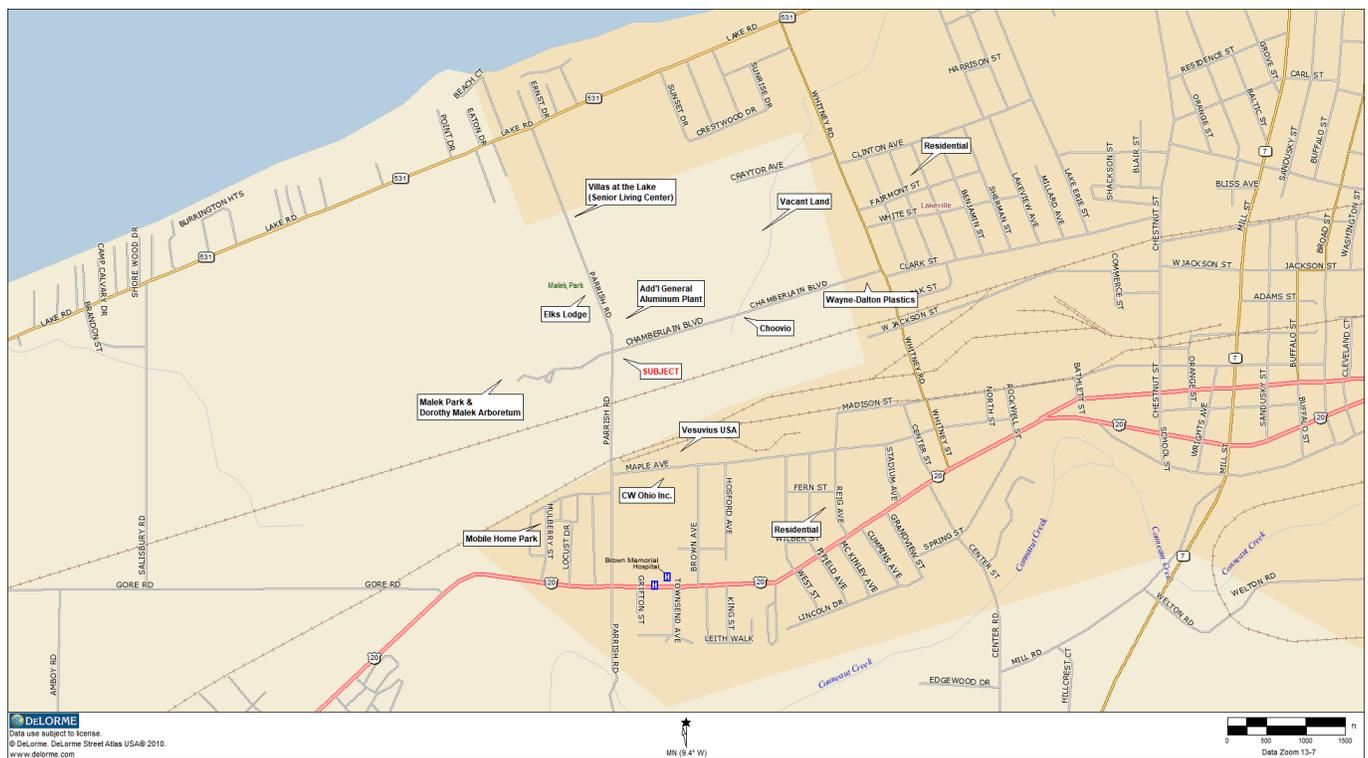
Note: 2024 and 2029 Cleveland MSA data now includes Ashtabula County

Median household income grew by under 3% per annum between 2000 and 2010 for all the study areas and continued to increase through 2024. Projections are for income growth to continue for all study areas over the next five years. The state, MSA and county are expected to have the greatest growth at over 3% per annum while the nation is projected to increase by 2.95% per annum. Overall, Ashtabula County has an income level well below the nation, state, and MSA. This trend is expected to continue into the foreseeable future, and the in fact the income gap is projected to expand.

The population/household declines, weak labor market, low education levels, and below average but slowly rising income levels are reflected in local property values. These factors will be considered in the analysis herein.

### Neighborhood Discussion

The subject property is located at the northeast corner of Chamberlain Boulevard and Parrish Road in the City of Conneaut. Primary access to the neighborhood is provided by U.S. Route 20, State Route (SR) 7, SR 531 and Interstate 90. U.S. Route 20 is a four-lane, east/west transportation and commercial corridor that runs through the Conneaut CBD and links the neighborhood to Erie County, PA to the east and the City of Ashtabula to the west. SR 7 is a two-lane, north/south traffic artery connecting the area with I-90 and continuing south to Trumbull County. SR 531 (Lake Road) parallels the Lake Erie shoreline and terminates at SR 7 in north Conneaut. The nearest interstate access point is Exit 241 of Interstate 90 approximately 3 miles to the south. I-90 is a four-lane national transportation corridor that leads west to the City of Cleveland and east to Pennsylvania and New York. Overall access to the neighborhood is rated as average.



### NEIGHBORHOOD MAP

Land uses in the immediate neighborhood are primarily industrial to the north and south of a Conrail railroad that runs east/west through the neighborhood. These uses consist of large, older industrial properties, including the subject, another General Aluminum plant, CW Ohio and Wayne Dalton plastics. Additionally, there is abundant vacant industrial land located to the east of the subject along Chamberlain Boulevard. Residential uses

consist of single-family homes to the north and south and a mobile home park to the southwest. Malek Park is located along the west side of Parrish Road at the terminus of Chamberlain Boulevard. The nearest commercial uses are located in the Conneaut CBD and include restaurants, banks, offices, and small retail. The overall rating of the neighborhood for an industrial use is average.

Recent demographic trends for Conneaut are as follows:



## Demographic and Income Profile

Conneaut City, OH 5  
 Conneaut City, OH (3918350)  
 Geography: Place

Prepared by Esri

Summary	Census 2010	Census 2020	2025	2030
Population	12,841	12,318	12,148	11,975
Households	4,740	4,628	4,582	4,549
Families	3,034	2,744	2,589	2,528
Average Household Size	2.37	2.26	2.23	2.21
Owner Occupied Housing Units	3,138	3,044	3,122	3,131
Renter Occupied Housing Units	1,602	1,584	1,460	1,418
Median Age	39.5	42.0	41.9	42.4
Trends: 2025-2030 Annual Rate	Area	State	National	
Population	-0.29%	0.09%	0.42%	
Households	-0.14%	0.23%	0.64%	
Families	-0.48%	0.00%	0.54%	
Owner HHS	0.06%	0.42%	0.91%	
Median Household Income	1.68%	2.35%	2.53%	
Households by Income	2025		2030	
	Number	Percent	Number	Percent
<\$15,000	410	8.9%	352	7.7%
\$15,000 - \$24,999	534	11.7%	456	10.0%
\$25,000 - \$34,999	469	10.2%	415	9.1%
\$35,000 - \$49,999	569	12.4%	538	11.8%
\$50,000 - \$74,999	1,054	23.0%	1,047	23.0%
\$75,000 - \$99,999	638	13.9%	651	14.3%
\$100,000 - \$149,999	560	12.2%	628	13.8%
\$150,000 - \$199,999	256	5.6%	334	7.3%
\$200,000+	92	2.0%	128	2.8%
Median Household Income	\$56,590		\$61,493	
Average Household Income	\$70,225		\$77,282	
Per Capita Income	\$27,679		\$30,566	

As displayed, both population and households have been on a downward trend since 2010, with a continued decline projected for the foreseeable future. The median household income as of 2025 was \$56,590, and is projected to increased to \$61,493. These income levels are well below the nation, state and MSA.

## **Conclusions**

Ashtabula County has good linkages with nearby major communities via State and Interstate highways, as well as water and rail access. Higher education levels fall well below the nation and region. Economically, the area has paralleled the region with lost jobs in manufacturing but increased jobs in service oriented industries (often low-wage occupations). At the same time, the area has seen higher rates of unemployment and a loss in population and households. As such, income levels in the county fall well below the state, nation, and MSA. Given the loss of population and households, coupled with lower income levels, new development in the county is limited. Furthermore, these demographic trends temper the demand for local real estate compared to the greater Cleveland MSA.

## LEGAL DATA / PROPERTY HISTORY

According to county public records, the legal ownership of the subject is as follows:

Tax Parcel #(s):	12-128-00-041-00, 042-00 & 043-00
Owner(s) of Record:	Spirit Realty LP
Grantor(s):	Industrial Attitude LLC
Legal Reference:	Book 779 / Page 189-190
Document Date:	August 24 <sup>th</sup> , 2022
Consideration:	\$13,000,000
Comments:	The subject was purchased as a net leased investment with two long term tenant's in-place. As such, the sale reflects a leased fee interest sale that was purchased by a Real Estate Investment Trust. Spirit Realty sold their assets in an all stock transaction valued at \$9.3 billion to Realty Income Corporation (another REIT) in January 2024, which included the subject.

The subject is a leased, two-unit industrial building with General Aluminum occupying 166,970-sf and Independent Can Co., occupying the remaining 44,100-sf. Lease information was not available for Independent Can Company and only a lease amendment was available from General Aluminum. **Nevertheless, in accordance with Ohio Tax Assessment Law, the existing lease(s) are ignored and the subject is appraised in fee simple.**<sup>1</sup>

## THREE YEAR OWNERSHIP HISTORY

Other than those discussed, I am not aware of any other transfers in the past three years. Also, I am unaware of any current: (a) property listing or offering, (b) purchase option, and/or (c) pending articles of agreement relative to the subject property.

---

<sup>1</sup> Unencumbered Fee Simple Estate valuation is supported by Ohio case law: Case 2015-2063 Terraza 8, LLC v. Franklin County Board of Revision. [www.supremecourt.ohio.gov/rod/docs/pdf/0/2017/2017-ohio-4415.pdf](http://www.supremecourt.ohio.gov/rod/docs/pdf/0/2017/2017-ohio-4415.pdf)

## ASSESSMENT AND TAXES

The subject's current Assessment and Real Estate Taxes are calculated as follows:

Estimated Real Estate Taxes											
Tax ID	Assessor's Market Value - Land	Assessor's Market Value - Improvements	Total Assessment	X	Eff. Mill. Rate	=	Taxes	+	Special Assmt*	=	Total
12-128-00-041-00	\$5,250	\$0	\$5,250	X	0.05899375	=	\$310	+	0	=	\$310
12-128-00-042-00	\$5,250	\$0	\$5,250	X	0.05899375	=	\$310	+	0	=	\$310
12-128-00-043-00	\$49,810	\$4,489,700	\$4,539,510	X	0.05899375	=	\$267,803	+	\$9.50	=	\$267,812
<b>Totals</b>	<b>\$60,310</b>	<b>\$4,489,700</b>	<b>\$4,550,010</b>								
										<b>Total</b>	<b>\$268,432</b>
										<b>Rounded</b>	<b>\$268,400</b>

\* Special Assessment: 9-1-1- Emergency Telephone

The current Auditor's Market Value is determined by dividing the assessment by the Assessment Ratio (35%), as follows:

Auditor's Market Value					
Tax ID	Assessment	/	CLR	=	Auditor's M.V.
12-128-00-041-00	\$5,250	/	35.0%	=	\$15,000
12-128-00-042-00	\$5,250	/	35.0%	=	\$15,000
12-128-00-043-00	\$4,539,510	/	35.0%	=	\$12,970,029
<b>Total:</b>					<b>\$13,000,029</b>
<b>Rounded:</b>					<b>\$13,000,000</b>

Based on the Fee Simple opinion of value, the subject is over assessed, and a tax appeal appears warranted.



**ASSESSMENT MAP**

# SITE ANALYSIS

## Land Area

According to assessment records, the subject site consists of 12.02 acres, as noted below.

Land Size	
Parcel #	Size
12-128-00-041-00	1.0
12-128-00-042-00	1.0
12-128-00-043.00	10.02
<b>Total Acres</b>	<b>12.02</b>

## Shape

The shape is nearly rectangular.

## Frontage

There is extensive frontage along the south side of Chamberlain Blvd. as well as along the east side of Parrish Road. Additionally, the subject has frontage along the north side of a Conrail railroad line.

## Topography

The topography is relatively level.

## Subsoil Conditions/Hazardous Materials

No study was provided or environmental impacts observed or brought to my attention. This appraisal assumes that the subject is capable of supporting its highest and best use without excessive and/or abnormal cleanup costs.

## Easements/Rights-of-Way

None known or reported, other than typical utility easements.

## Encroachments

None known or reported.

## Restrictions

None known or reported other than those contained in the applicable zoning ordinance the city of Conneaut.

## Adverse Factors

None known or reported.

## Utilities

All public and available at site.

**Site Improvements**

The following is a general summary of the site improvements:

- |                   |                               |
|-------------------|-------------------------------|
| (X) Paved parking | (X) Building mounted lighting |
| (X) Sidewalks     | (X) Landscaping               |
| (X) Fencing       | (X) Signage                   |

**Street Improvements**

The following is a general summary of the respective street improvements:

- | <u><b>Chamberlain Blvd.</b></u>     | <u><b>Parrish Road</b></u>         |
|-------------------------------------|------------------------------------|
| (Yes) Public street, concrete paved | (Yes) Public street, asphalt paved |
| (Yes) 2 lanes, east/west            | (Yes) 2 lanes, north/south         |
| (Yes) Storm sewers                  | (Yes) Storm sewers                 |
| (Yes) Curbing                       | (Yes) Curbing                      |
| (Yes) Streetlights                  | (Yes) Streetlights                 |
| (No) Sidewalks                      | (No) Sidewalks                     |

**Accessibility/Visibility**

Both Access and Visibility are rated as average.

# ZONING

The subject is zoned “M-1” Industrial District. Permitted uses and site requirements are as follows:

"M-1" Industrial District City of Conneaut, Ashtabula County, OH																																																																																																																																																															
<b>Purpose</b>	This district is designed to accommodate all industrial uses in the fields of manufacturing, processing, and fabricating. The M-1 District is regulated to be exclusively used for industrial purposes free from encroachment by residential or business development. All industrial uses shall be required to adhere to all applicable state, county, and local permit requirements. No land or structure shall be used or occupied in any manner so as to create any dangerous, injurious, noxious, or otherwise objectionable fire, explosive, or other hazard; noise or vibration, smoke, dust, odor, or other substandard condition or element; in such a manner or in such amount as to adversely affect the surrounding area, provided that any use permitted may be established and maintained if it conforms to the provisions of this article.																																																																																																																																																														
<b>Permitted Uses &amp; Conditional Uses w/ Lot Requirements</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3"></th> <th colspan="5" style="text-align: center;">MINIMUM ZONING LOT REQUIREMENTS</th> <th rowspan="3" style="text-align: center;">MAX HEIGHT (Ft.)</th> <th rowspan="3" style="text-align: center;">FOOT-NOTES</th> </tr> <tr> <th rowspan="2" style="text-align: center;">MAXIMUM PERCENTAGE OF LOT COVERED BY BUILDING</th> <th colspan="3" style="text-align: center;">YARD REQUIREMENTS (Ft.)</th> <th rowspan="2" style="text-align: center;">REAR</th> </tr> <tr> <th style="text-align: center;">FRONT</th> <th colspan="2" style="text-align: center;">SIDE</th> </tr> <tr> <td></td> <td></td> <th style="text-align: center;">LEAST WIDTH</th> <th style="text-align: center;">SUM OF BOTH</th> <td></td> <td></td> <td></td> <td></td> </tr> </thead> <tbody> <tr> <td colspan="8"><b>PRINCIPAL PERMITTED USES:</b></td> </tr> <tr> <td>1. Industrial and manufacturing establishments</td> <td style="text-align: center;">50</td> <td style="text-align: center;">50</td> <td style="text-align: center;">20</td> <td style="text-align: center;">40</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2</td> </tr> <tr> <td>2. Warehouses</td> <td style="text-align: center;">50</td> <td style="text-align: center;">50</td> <td style="text-align: center;">20</td> <td style="text-align: center;">40</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2</td> </tr> <tr> <td>3. Wholesale establishments</td> <td style="text-align: center;">50</td> <td style="text-align: center;">50</td> <td style="text-align: center;">20</td> <td style="text-align: center;">40</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2</td> </tr> <tr> <td>4. Building materials, sales and storage facilities</td> <td style="text-align: center;">50</td> <td style="text-align: center;">50</td> <td style="text-align: center;">20</td> <td style="text-align: center;">40</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2</td> </tr> <tr> <td>5. Office parks</td> <td style="text-align: center;">50</td> <td style="text-align: center;">100</td> <td style="text-align: center;">20</td> <td style="text-align: center;">40</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2</td> </tr> <tr> <td>6. Essential services</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1</td> </tr> <tr> <td>7. Public uses</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1</td> </tr> <tr> <td>8. Public service facilities</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1</td> </tr> <tr> <td>9. Radio and television buildings and transmitting towers</td> <td style="text-align: center;">-</td> <td style="text-align: center;">50</td> <td style="text-align: center;">20</td> <td style="text-align: center;">40</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2</td> </tr> <tr> <td colspan="8"><b>CONDITIONALLY PERMITTED USES</b></td> </tr> <tr> <td>1. Automotive wrecking yards</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2,3</td> </tr> <tr> <td>2. Junk and salvage yards</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2,3</td> </tr> <tr> <td>3. Resource and mineral extraction</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2,3</td> </tr> <tr> <td>4. Solid waste facilities</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2,3</td> </tr> <tr> <td>5. Establishments using hazardous waste materials</td> <td style="text-align: center;">-</td> <td style="text-align: center;">1,2,3</td> </tr> </tbody> </table>								MINIMUM ZONING LOT REQUIREMENTS					MAX HEIGHT (Ft.)	FOOT-NOTES	MAXIMUM PERCENTAGE OF LOT COVERED BY BUILDING	YARD REQUIREMENTS (Ft.)			REAR	FRONT	SIDE				LEAST WIDTH	SUM OF BOTH					<b>PRINCIPAL PERMITTED USES:</b>								1. Industrial and manufacturing establishments	50	50	20	40	50	-	1,2	2. Warehouses	50	50	20	40	50	-	1,2	3. Wholesale establishments	50	50	20	40	50	-	1,2	4. Building materials, sales and storage facilities	50	50	20	40	50	-	1,2	5. Office parks	50	100	20	40	50	-	1,2	6. Essential services	-	-	-	-	-	-	1	7. Public uses	-	-	-	-	-	-	1	8. Public service facilities	-	-	-	-	-	-	1	9. Radio and television buildings and transmitting towers	-	50	20	40	50	-	1,2	<b>CONDITIONALLY PERMITTED USES</b>								1. Automotive wrecking yards	-	-	-	-	-	-	1,2,3	2. Junk and salvage yards	-	-	-	-	-	-	1,2,3	3. Resource and mineral extraction	-	-	-	-	-	-	1,2,3	4. Solid waste facilities	-	-	-	-	-	-	1,2,3	5. Establishments using hazardous waste materials	-	-	-	-	-	-	1,2,3
	MINIMUM ZONING LOT REQUIREMENTS					MAX HEIGHT (Ft.)	FOOT-NOTES																																																																																																																																																								
	MAXIMUM PERCENTAGE OF LOT COVERED BY BUILDING	YARD REQUIREMENTS (Ft.)			REAR																																																																																																																																																										
		FRONT	SIDE																																																																																																																																																												
		LEAST WIDTH	SUM OF BOTH																																																																																																																																																												
<b>PRINCIPAL PERMITTED USES:</b>																																																																																																																																																															
1. Industrial and manufacturing establishments	50	50	20	40	50	-	1,2																																																																																																																																																								
2. Warehouses	50	50	20	40	50	-	1,2																																																																																																																																																								
3. Wholesale establishments	50	50	20	40	50	-	1,2																																																																																																																																																								
4. Building materials, sales and storage facilities	50	50	20	40	50	-	1,2																																																																																																																																																								
5. Office parks	50	100	20	40	50	-	1,2																																																																																																																																																								
6. Essential services	-	-	-	-	-	-	1																																																																																																																																																								
7. Public uses	-	-	-	-	-	-	1																																																																																																																																																								
8. Public service facilities	-	-	-	-	-	-	1																																																																																																																																																								
9. Radio and television buildings and transmitting towers	-	50	20	40	50	-	1,2																																																																																																																																																								
<b>CONDITIONALLY PERMITTED USES</b>																																																																																																																																																															
1. Automotive wrecking yards	-	-	-	-	-	-	1,2,3																																																																																																																																																								
2. Junk and salvage yards	-	-	-	-	-	-	1,2,3																																																																																																																																																								
3. Resource and mineral extraction	-	-	-	-	-	-	1,2,3																																																																																																																																																								
4. Solid waste facilities	-	-	-	-	-	-	1,2,3																																																																																																																																																								
5. Establishments using hazardous waste materials	-	-	-	-	-	-	1,2,3																																																																																																																																																								
<b>Parking Requirements</b>	Dependent Upon Use - See Zoning Ordinance																																																																																																																																																														
<b>Source</b>	City of Conneaut Zoning Ordinance																																																																																																																																																														

**Footnotes:**

1. A front yard of seventy-five (75) feet, a side yard of forty (40) feet, and a rear yard of one hundred (100) feet shall be required between the principal building within an M-1 District and the lot line of any lot within an "R" District.
2. Subject to performance standards specified in Section 1125.02.
3. See Section 1137.07 for requirements for conditional uses.

As shown, the “M-1” Industrial district permits a wide range of industrial, manufacturing and warehouse uses. The subject’s current light industrial use is a permitted use and appears to conform to all site requirements.

Note: specific compliance to zoning requirements and regulations is beyond the scope of this appraisal.

## FLOOD PLAIN

According to the FEMA Flood Insurance Rate Map for the city of Conneaut, Community Panel Number 39007C0079E, dated August 28<sup>th</sup>, 2019, **the subject appears to be in Flood Zone X (unshaded).**

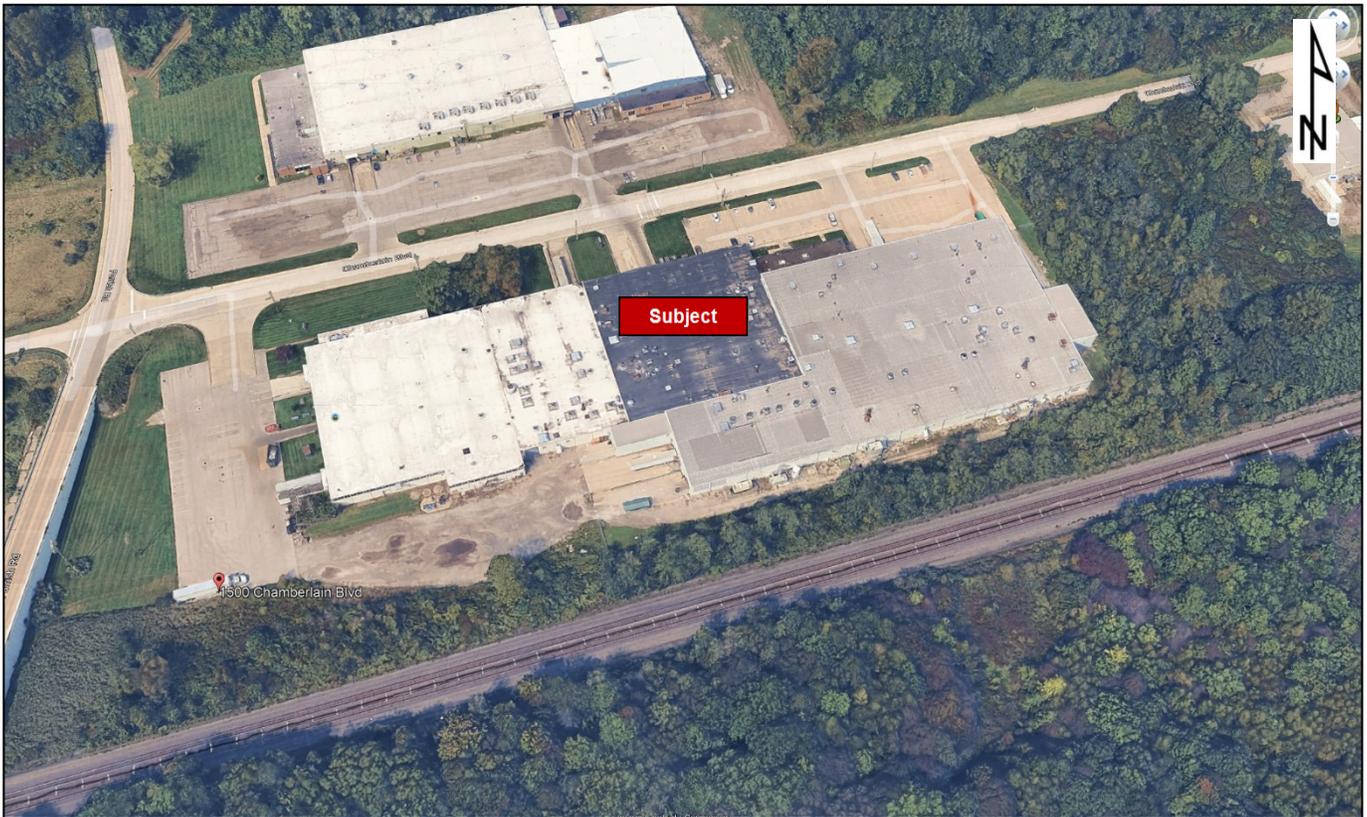
**Definition/Description by FEMA:**<sup>1</sup> Flood hazard areas identified on the Flood Insurance Rate Map are identified as a Special Flood Hazard Area (SFHA). SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood. SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. Moderate flood hazard areas, labeled Zone B or Zone X (shaded) are also shown on the FIRM, and are the areas between the limits of the base flood and the 0.2-percent-annual-chance (or 500-year) flood. **The areas of minimal flood hazard, which are the areas outside the SFHA and higher than the elevation of the 0.2-percent-annual-chance flood, are labeled Zone C or Zone X (unshaded).**

---

<sup>1</sup> Source: <https://www.fema.gov/flood-zones>

## PHOTOGRAPHS

The photographs following the below aerial view depict the subject site, improvements and neighborhood as of **June 13<sup>th</sup>, 2025**, the date of the property viewing.



**AERIAL VIEW**



Southwest elevation, looking from neighboring rail line overpass



Northwest elevation



North elevation (area occupied by Independent Can Company)



North elevation (area occupied by General Aluminum)



North elevation (area occupied by General Aluminum)  
This is the newest building area



Southwest elevation (loading docks to General Aluminum)



Typical office (General Aluminum suite)



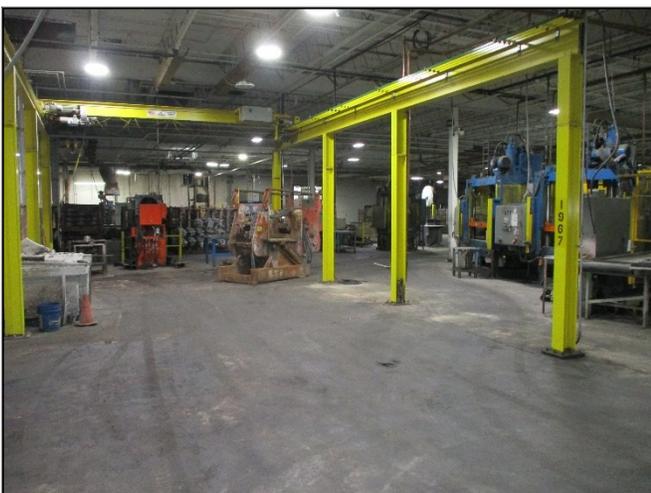
Typical office (General Aluminum suite)



Typical office restroom



Water damaged ceiling tiles



Typical manufacturing area (General Aluminum suite)



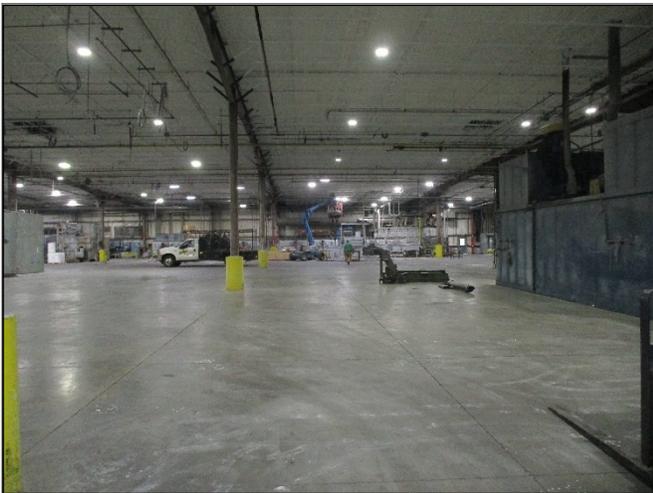
Typical manufacturing area (General Aluminum suite)



Typical manufacturing area (General Aluminum suite)



Typical manufacturing area (General Aluminum suite)



Typical manufacturing area (General Aluminum suite)



Typical manufacturing area (General Aluminum suite)



Office area (Independent Can Company)



Office area (Independent Can Company)



Office area (Independent Can Company)



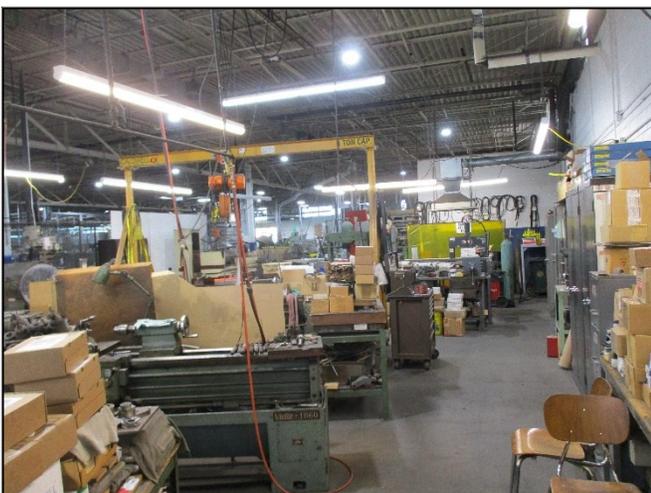
Manufacturing area (Independent Can Company)



Manufacturing area (Independent Can Company)



Manufacturing area (Independent Can Company)



Manufacturing area (Independent Can Company)



Overhead door access (Independent Can Company)



Chamberlain Boulevard looking west, subject on left



Chamberlain Boulevard looking east, subject on right



Parish Road looking south, subject on left



Parish Road looking north, subject on right

## IMPROVEMENTS DESCRIPTION

The improvements description is based on observations during the property viewing completed on **June 13<sup>th</sup>, 2025** with Erika Fix, Controller (General Aluminum) and information obtained from a prior appraisal of the subject by our firm. This description is not intended as an engineering report, nor does it warrant against physical and/or mechanical shortcomings.

The following **Condition Rating Indicators** will be considered in the improvements description(s):<sup>1</sup>

**Excellent Condition** – All items that can normally repaired or refinished have recently been corrected, such as new roofing paint, furnace overhaul, state-of-the-art components, etc. With no functional inadequacies of any consequence and all major short-lived components in like-new condition, the overall effective age has been subsequently reduced upon complete revitalization or the structure regardless of the actual chronological age.

**Very Good Condition** – All items well maintained, many having been overhauled and repaired as they've shown signs of wear, increasing the life expectancy and lowering the effective age, with little deterioration or obsolescence evident and a high degree of utility.

**Good Condition** – No obvious maintenance required, but neither is everything new. Appearance and utility are above the standard, and the overall effective age will be lower than the typical property.

**Average Condition** – Some deferred maintenance and normal obsolescence with age in that a few minor repairs are needed, along with some refinishing. But with all major components still functioning and contributing toward an extended life expectancy, effective age and utility are standard for like properties of its class and usage.

**Fair Condition (Badly Worn)** – Much repair needed. Many items need refinishing or overhauling, deferred maintenance obvious, inadequate building utility and services all shortening the life expectancy and increasing the effective age.

**Poor Condition (Worn Out)** – Repair and overhaul needed on painted surfaces, roofing, plumbing, heating, numerous functional inadequacies, substandard utilities, etc. (found only in extraordinary circumstances). Excessive deferred maintenance and abuse, limited value-in-use, approaching abandonment or major reconstruction; reuse or change in occupancy is imminent. Effective age is near the end of the scale regardless of the actual chronological age.

---

<sup>1</sup> Source: Marshall Valuation Service, Section 97, page 3

<b>Known As:</b>	<b>General Aluminum</b>
Building System:	Masonry and pre-engineered steel
Number of Levels / Stories:	One
Original Design:	Industrial
Current Use:	Light Industrial Facility
Age / Additions:	1963 (west section); 1967-73 (middle section) and 1997 (east, newest section). Approximately 52% of the building was built from 1963 to 1973.
Recent Capital Improvements:	Partial roof replacement 2021-2022
Outstanding Capital Repairs:	No major items of deferred maintenance were observed or disclosed
Overall Condition Rating:	Average to good
Effective Age:	25 years
Remaining Economic Life:	20 years
Foundation:	Reinforced concrete slab on grade
Basement:	None
Exterior:	Brick, block and metal
Windows:	Casement type, insulated glass (office); metal casement in portions of the shop
Roof Style / Covering:	Some flat, gravel ballasted and TPO; gable, metal. TPO installed 2019; Partial roof replacement in 2021-2022 (approx. 24,000-sf).
Plumbing & Hot Water:	40 gallon hot water tanks, copper supply lines
Restrooms:	(8) total: 2 in office, 2 in shop (each section)
Sprinkler System:	Partial, 1997 addition only
Electrical System:	4,000 amp main
Heating and AC System:	Offices: Rooftop HVAC gas fired units and for heat in the west section; Additional heat and AC for office area provided by Weil McClain gas fired boiler with rooftop AC unit.  Shop: Overhead forced air Reznor, radiant and radiant tube heat
Emergency Lighting/Smoke, Burglar, and/or Fire Alarm:	Battery back-up
Elevator / Stairs:	None
Interior Clearance:	16'-28' exterior; Interior heights – 14' (west section); 18' (middle section) and 22' (east and 1997 addition).
Crane Capacity:	Limited service areas
Loading Docks:	(12) loading docks (east and middle sections) (4) loading docks (west section)
Drive in / Overhead doors:	(4) Overhead doors at grade (east and middle sections) (2) overhead doors at grade (west section)
Other:	Pull fire alarms, battery back-up lighting, horns/strobes

Interior (typical details):	Office	Shop
Floors:	Carpet and vinyl; Terrazzo tile in Independent Can lobby	Concrete
Walls:	Drywall and panel	Exposed to block walls and/or insulated metal panel
Ceilings:	Drop/attached acoustical tile	Exposed to insulate metal deck
Lighting:	Recessed/attached fluorescent	LED
Trim:	Vinyl at base	N/A

## BUILDING AREAS

Building Areas			
Tenant	Age	Description	Size (sf)
<b>General Aluminum</b>	<b>1997</b>	Office - East Section	3,990
	<b>1967-1973</b>	Shop - Middle Section	65,612
	<b>1997</b>	Shop - East Section	97,368
<b>Total - General Aluminum</b>			<b>166,970</b>
<b>Independent Can Co.</b>	<b>1963</b>	Offices	2,500
	<b>1963</b>	Shop - West Section	41,600
<b>Total - Independent Can Co.</b>			<b>44,100</b>
<b>Total GBA:</b>			<b>211,070</b>
<b>Total GBA (round)</b>			<b>211,000</b>

**Building Size Source:** County assessment records and information obtained from a prior appraisal, with further support from google aerial measurement tool.

The subject's site coverage ratio is as follows:

Site Coverage Ratio	
Footprint SF	211,000
Site Area (acres)	12.02
Site Area (SF)	/ 523,591
<b>Site Coverage Ratio =</b>	<b>40.3%</b>

The site coverage ratio is relatively high, and the placement of the building on the site does not indicate excess land.

## **PHYSICAL DETERIORATION, FUNCTIONAL AND EXTERNAL OBSOLESCENCE**

The subject suffers from some items of physical deterioration. The subject's western office space (Independent Can Company) is dated. Some office areas in General Aluminum has some ceiling tile staining from prior roof leaks. Overall, given the age, appearance, and general items of wear and tear, the subject appears to be in average condition. The subject is a two unit design, but it's likely the subject could be combined relatively easily into one user if required. Given the subject was constructed over several years, the space is somewhat segmented. Also, some areas are lower clearance height. Overall, the subject functionality is adequate to support industrial use. The subject market suffers from external obsolescence with sale prices often well below replacement cost new.

After considering the above items of obsolescence, the subject is considered to have an effective age of 25 years with a remaining economic life of 20 years.

## MARKET ANALYSIS

Market analysis is the study of real estate market conditions for a specific type of property. The subject is a 211,000-square foot, 2-unit, light industrial building built from 1963 thru 1997 and in overall average condition. As such, this analysis is concerned with the balance or imbalance of supply and demand for industrial properties; the analysis begins with a broad overview of national trends and narrows to the local market area.

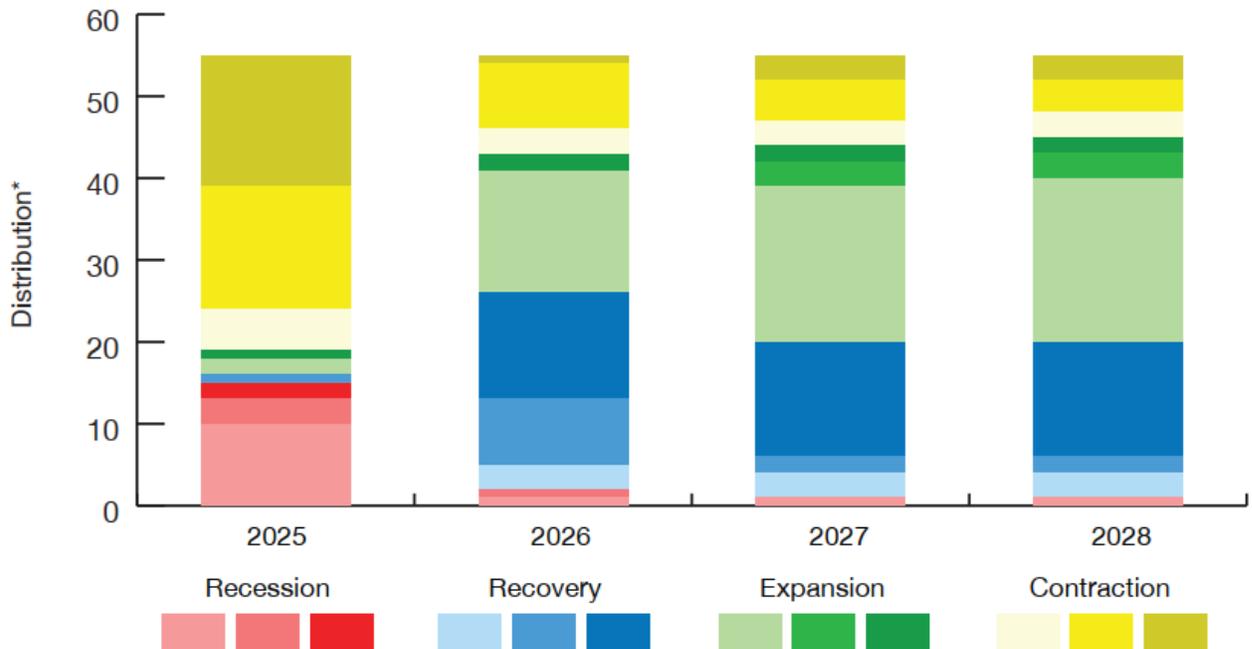
### National & Regional Trends

The latest PwC Real Estate Investor Survey (2nd Quarter 2025) stated the following regarding the national industrial market:

*“The contraction phase of the real estate cycle is expected to overshadow the U.S. industrial sector through 2025 due to additions to supply and a slowdown in tenant demand. By year-end 2026, most of the 55 industrial metros analyzed are projected to be in recovery. This portion is forecasted to decline by year-end 2027 as a growing number of metros, like Detroit, Orange County, and Tucson, segue to the expansion phase (see Chart REB-3).”*

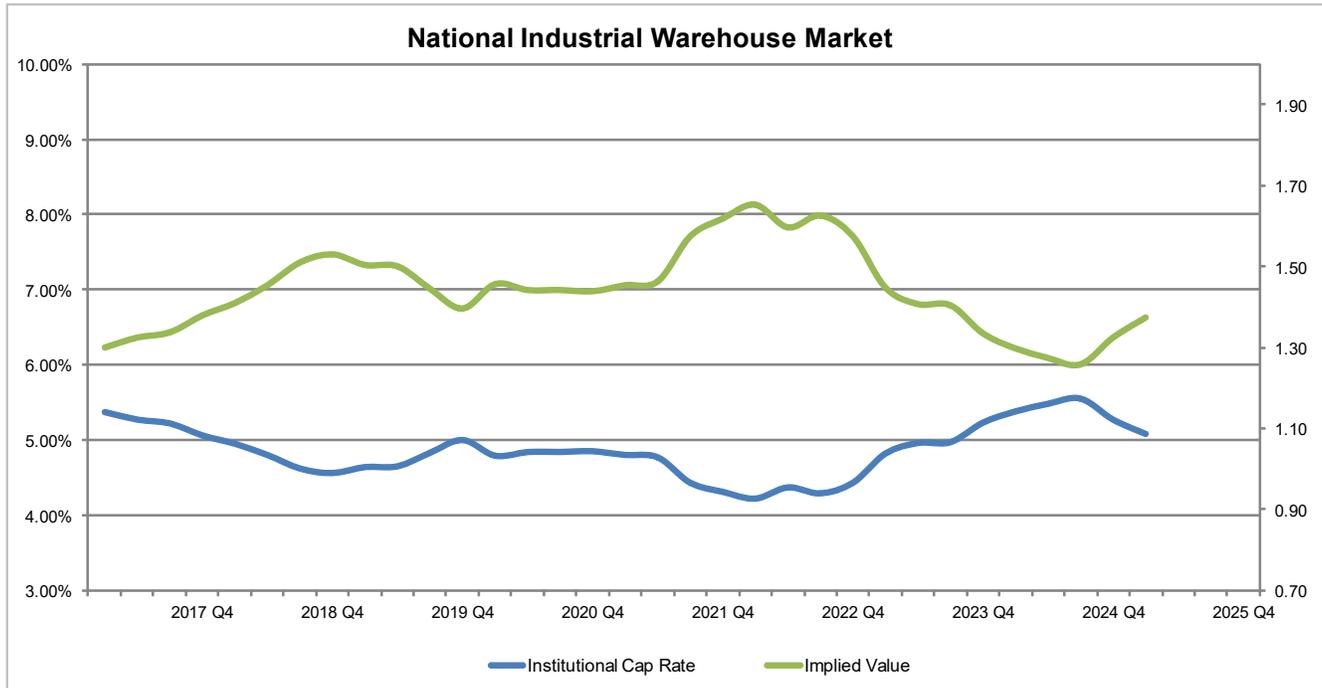
The national trend of industrial markets, as reported by PwC, is illustrated as follows:

Chart REB-3  
**PwC REAL ESTATE BAROMETER**  
 U.S. Industrial Markets - 2025 to 2028



\* For the 55 metros analyzed  
 Source: Data provided by CBRE, compiled and analyzed by PwC

The historic trend of national capitalization rates is discussed next. This trend is considered to have only some relevance to the subject market as national capitalization rates are typically lower than those observed in the local market because they are of investment grade properties (typically superior to those found in the local market). The trend of capitalization rates, according to PwC, and the implied change in value (all other factors remaining equal; expressed as the change of a starting index) is summarized on the following line graph:



Given the same income stream, higher capitalization rates indicate greater perceived risk by investors and consequently lower property values. That is, a typical investor will pay less for the same property owing to more risk. The most recent PwC data indicates a rising capitalization rate environment through the third quarter of 2024, followed by a decline in the fourth quarter of 2024 and first quarter of 2025. Prior to the recent decline, the industrial sector saw increasing capitalization rates for eight consecutive quarters, largely due to rate increases by the Federal Reserve in an attempt to cool inflation. This in turn increases borrowing costs and causes capitalization rates to increase. It is noted, the Federal Reserve cut interest rates twice in 2024 totaling 75 basis points. These recent cuts will likely begin to improve market activity, as evidenced by the recent capitalization rate decline.

Prior to the recent capitalization rate growth, the industrial sector saw generally declining capitalization rates with the bottom occurring in late 2021 / early 2022. This was notable because most other property sectors were experiencing increasing capitalization rates due to negative COVID-19 pandemic impacts. The industrial sector remained strong throughout the pandemic in large part due to the rapid growth of the transportation, logistics, and distribution/warehousing industry fueled by e-commerce giants like Amazon (among other traditional

retailers with a significant e-commerce business).<sup>1</sup> Not just for warehousing of consumer goods, but a push by retailers (large and small) to offer fast and affordable shipping has spurred significant growth in this sector, particularly in close proximity to major population centers and areas with good transportation networks. Consumer preferences have also shifted in favor of e-commerce. Given the direction of consumer spending patterns and expectations, distribution and warehousing demand is expected to remain strong despite the recent negative impacts of inflation. It is noted that this data is of the overall U.S. market and local market conditions can vary greatly.

Nationally, CoStar reports the following key indicators for industrial properties (as of July 2025):

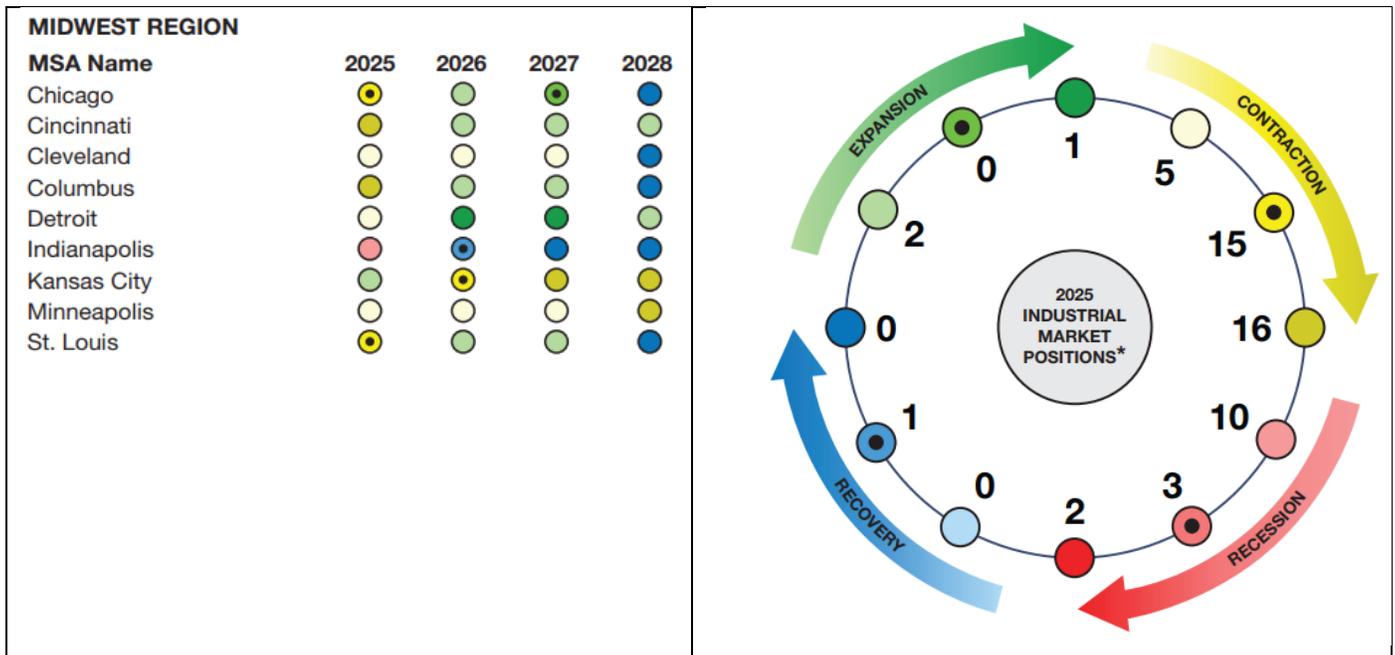
Period	Vacancy Rate	Availability Rate	Market Asking Rent/SF	Market Asking Rent Growth	Under Constr SF	12 Mo Net Absorp SF	Market Sale Price/SF	12 Mo Sales Vol	12 Mo Sales Vol Growth	Market Cap Rate
2026 Q4	7.4%	-	\$12.81	3.7%	-	171,815,544	\$164	-	-	7.2%
2026 Q3	7.4%	-	\$12.69	3.6%	-	174,179,323	\$162	-	-	7.3%
2026 Q2	7.5%	-	\$12.57	3.5%	-	159,149,665	\$160	-	-	7.3%
2026 Q1	7.5%	-	\$12.46	2.4%	-	97,271,962	\$158	-	-	7.3%
2025 Q4	7.5%	-	\$12.35	1.9%	-	77,227,188	\$156	-	-	7.3%
2025 Q3 EST	7.5%	-	\$12.24	1.8%	-	64,048,853	\$155	-	-	7.4%
2025 Q3 QTD	7.4%	9.6%	\$12.14	1.6%	296,753,008	64,643,501	\$154	\$69,315,539,468	19.5%	7.3%
<b>2025 Q2</b>	<b>7.4%</b>	<b>9.6%</b>	<b>\$12.14</b>	<b>1.7%</b>	<b>297,226,579</b>	<b>79,733,848</b>	<b>\$154</b>	<b>\$69,308,024,260</b>	<b>19.7%</b>	<b>7.3%</b>
2025 Q1	7.0%	9.3%	\$12.16	2.8%	306,073,937	137,987,028	\$154	\$71,513,407,204	25.2%	7.4%
2024 Q4	6.8%	9.1%	\$12.12	3.7%	328,640,122	128,800,164	\$152	\$68,533,103,527	13.9%	7.4%
2024 Q3	6.6%	8.8%	\$12.03	4.5%	352,973,564	132,798,337	\$151	\$59,384,801,485	-29.6%	7.4%
2024 Q2	6.4%	8.7%	\$11.94	5.3%	375,826,190	131,621,521	\$149	\$57,921,867,214	-42.8%	7.3%
2024 Q1	6.1%	8.4%	\$11.83	6.2%	419,792,548	136,216,538	\$148	\$57,117,455,905	-51.5%	7.3%
2023 Q4	5.6%	7.9%	\$11.68	7.1%	462,325,722	176,888,168	\$147	\$60,184,671,459	-52.4%	7.2%
2023 Q3	5.1%	7.7%	\$11.51	7.7%	555,107,655	258,556,142	\$147	\$84,366,521,240	-41.3%	7.1%
2023 Q2	4.6%	7.3%	\$11.33	8.3%	631,474,139	307,727,807	\$147	\$101,301,285,838	-29.8%	6.9%
2023 Q1	4.2%	7.0%	\$11.13	8.9%	652,058,573	374,568,098	\$148	\$117,781,926,601	-14.3%	6.7%
2022 Q4	3.9%	6.6%	\$10.91	9.3%	674,978,641	424,148,185	\$148	\$126,384,998,510	-2.4%	6.5%
2022 Q3	3.9%	6.5%	\$10.69	9.6%	711,932,268	437,589,041	\$149	\$143,714,453,613	40.5%	6.4%
2022 Q2	3.8%	6.0%	\$10.46	9.6%	653,339,561	526,665,469	\$148	\$144,327,123,722	73.0%	6.2%
2022 Q1	4.0%	6.0%	\$10.22	9.3%	589,318,512	532,225,307	\$145	\$137,391,175,352	99.3%	6.2%

- **Vacancy:** Since the beginning of 2023, vacancy among larger buildings over 100,000 SF has increased 380 basis points to over 8%. Vacancy among buildings from 50,000 SF to 100,000 SF has seen a more gradual rise, increasing by 230 basis points, to 5.6%, while smaller buildings under 50,000 SF have only incurred a 120-basis-point expansion in vacancy to 3.7%.
- **Rent:** U.S. industrial investors' ability to push prevailing market rents higher has dissipated as higher vacancy rates set in. Year-over-year rent growth as of third quarter of 2025 has slowed to just 1.6%. Rents for big-box logistics buildings have declined, while rent growth for small bay buildings remains positive. Rent growth has decelerated quickly from a record gain of over 9% in 2022, diminishing further in 2025 from a 3.7% increase at the end of 2024. Nevertheless, due to the record rent growth achieved from 2021 through 2023, owners in many markets are still able to increase in-place rents when their tenants' long-term leases expire.
- **Construction:** The U.S. industrial market is nearing the end of a record development wave. Quarterly net supply additions are on pace to fall below the pre-pandemic three-year average by the second half of 2025 and continue declining into 2026 when supply growth is set to hit an 11-year low.
- **Sales Activity:** Industrial property sales totaled more than \$68 billion in 2024, marking a 14% increase from the prior year and returning to volumes last seen in 2019. That strength carried into 2025, with first-quarter transaction volume rising 25% year-over-year. Early data for April suggests continued momentum, with deal volume tracking roughly 12% above April 2024 levels. Still, concerns surrounding global trade could temper investor activity in the months ahead, as buyers reassess their leasing and financing assumptions.

<sup>1</sup> Amazon is expected to capture nearly 50% of all e-commerce sales in the United States and 5% of all retail spending (online and in store).

## Cleveland MSA

Manufacturing remains a key driver of the Cleveland economy. Like many Rust Belt cities, Cleveland experienced a loss of manufacturers in recent decades as companies moved outside of the United States. Recent re-shoring efforts are giving new life to legacy heavy manufacturing spaces. Additionally, market participants have noted the potential to convert legacy manufacturing properties into data centers as the power infrastructure is already in place.



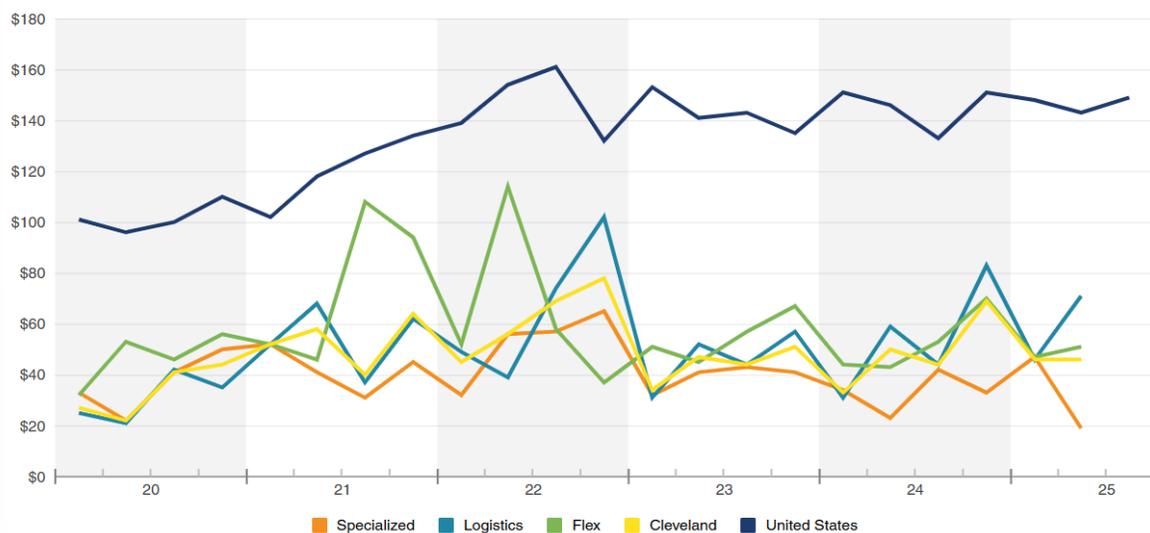
The Cleveland MSA is currently in the contraction phase, and is expected to be in this phase over the next several years. As detailed in the following table, the Cleveland MSA indicates a current vacancy rate of 3.9% but is projected to rise due to negative absorption coupled with new added market supply. As of the third quarter of 2025, industrial rent growth in Cleveland averages 4.3%, still well above the average of 2.5% in the three years preceding the pandemic. Strong rent growth and limited availabilities have helped to boost investment volume over the past year and have drawn in new investors to the market. While industrial vacancy has been inching higher in Cleveland amid negative net absorption, the vacancy rate is still in line with the long-term average. Modest construction activity is a key factor in the market's stability, and around 470,000 SF was added to the market last year, a 65% pullback from the prior year.

Period	Vacancy Rate	Asking Rent/SF	Asking rent Growth Rate	SF Under Construction	12 Month Net Absorp SF	Sale Price PSF	12 Month Sale Volume	12 Mo. Sales Volume Growth	Capitalization Rate
2026 Q4	4.1%	\$7.29	4.1%	-	(219,736)	\$56	-	-	10.3%
2026 Q3	4.1%	\$7.22	4.4%	-	(61,003)	\$55	-	-	10.4%
2026 Q2	4.1%	\$7.15	5.0%	-	55,848	\$54	-	-	10.4%
2026 Q1	4.1%	\$7.08	4.0%	-	(724,123)	\$54	-	-	10.4%
2025 Q4	4.0%	\$7.01	4.6%	-	(1,087,936)	\$53	-	-	10.5%
2025 Q3 EST	4.0%	\$6.92	4.5%	-	(1,081,046)	\$52	-	-	10.5%
2025 Q3 QTD	3.9%	\$6.81	4.3%	1,240,300	(1,308,011)	\$51	\$416,124,639	19.2%	10.5%
2025 Q2	4.0%	\$6.82	4.5%	1,240,300	(1,532,521)	\$51	\$421,601,649	21.5%	10.5%
2025 Q1	3.8%	\$6.81	5.7%	1,191,000	(24,860)	\$50	\$427,278,832	33.3%	10.5%
2024 Q4	3.5%	\$6.70	5.1%	1,703,014	611,753	\$50	\$422,262,970	30.8%	10.5%
2024 Q3	3.5%	\$6.62	5.3%	1,435,414	664,051	\$49	\$388,381,977	12.0%	10.5%
2024 Q2	3.4%	\$6.52	5.4%	1,118,574	(113,777)	\$49	\$346,988,751	-29.3%	10.5%
2024 Q1	3.6%	\$6.44	5.3%	1,193,030	756,397	\$48	\$320,489,847	-45.8%	10.4%
2023 Q4	3.5%	\$6.37	5.7%	1,841,233	286,776	\$48	\$322,740,590	-49.3%	10.3%
2023 Q3	3.3%	\$6.28	5.8%	2,547,683	1,576,846	\$47	\$346,678,157	-54.6%	10.2%
2023 Q2	2.8%	\$6.19	5.8%	2,919,436	3,623,431	\$47	\$490,474,288	-22.8%	9.9%
2023 Q1	3.2%	\$6.12	6.4%	3,332,206	2,389,556	\$48	\$591,153,304	3.6%	9.7%
2022 Q4	3.1%	\$6.03	6.8%	3,073,366	3,421,275	\$48	\$636,361,004	2.7%	9.4%
2022 Q3	3.4%	\$5.94	6.6%	3,320,090	2,211,774	\$49	\$763,068,501	43.5%	9.1%
2022 Q2	3.5%	\$5.85	6.3%	3,282,432	753,715	\$49	\$634,982,473	-0.1%	8.8%
2022 Q1	3.6%	\$5.75	5.7%	2,725,438	(12,527)	\$50	\$570,712,378	4.9%	8.6%

According to a Q2 2025 report by Colliers, the Cleveland market had an average rental rate of \$4.79 psf (NNN). A closer look at the industrial subtypes revealed the Warehouse/Distribution space had an average rent of \$5.04 psf, light industrial at \$4.60 psf, and manufacturing at \$2.85 psf. Rents are projected to grow at 4% per annum.

Sale prices have been relatively stable over the past few years, through rental rates have continued to rise. Industrial sales volume accelerated in the second quarter of 2025 and \$158 million traded hands in the first half of the year, slightly below the total over the same period last year. Sales remain elevated compared to pre-pandemic norms, sitting 23% above the average from 2015 to 2019. The following table details sale price trends.

SALE PRICE PER SF



As shown, sale prices in the Cleveland market remain well below national price levels. As of the Q3 2025 the average sale price was \$51 psf.

## Economy/Other Factors

While Cleveland has experienced steady population loss over recent decades, recent data from the US Census Bureau showed slight gains year over year. The population in the five county metro area increased by 5,600 residents in 2024, marking the second consecutive year of population gains. The affordable cost of living could be a draw for new residents to the metropolitan area.

Market participants report site readiness as a barrier to growing Cleveland's industrial tenant base. The market's abundance of legacy supply means fewer parcels of land are open for development. Market participants emphasize the need to identify development-ready sites for Cleveland to attract suppliers and business partners that will serve large industrial tenants in Columbus, such as Intel and Amgen. These sites will likely be in outlying areas south of Cleveland that are generally less developed and offer easy highway access to Columbus.

## Ashtabula County

Although Ashtabula County, per the state, has been joined to the Cleveland MSA, CoStar and local broker surveys do not yet include Ashtabula as part of the MSA. A summary of market trends for the county is as follows:

INVENTORY SF	UNDER CONSTR SF	12 MO NET ABSORP SF	VACANCY RATE	MKT ASKING RENT/SF	MKT SALE PRICE/SF	MKT CAP RATE
<b>11.1M</b>	<b>0</b>	<b>(459K)</b>	<b>5.9%</b>	<b>\$4.92</b>	<b>\$44</b>	<b>10.7%</b>
Prior Period 11.1M	Prior Period 0	Prior Period (77.7K)	Prior Period 1.8%	Prior Period \$4.85	Prior Period \$42	Prior Period 10.7%

The Ashtabula County market is a relatively small market with 197 properties totaling 11.1 million square feet. Given the limited number of properties, market activity is limited. New construction activity has been non-existent in seven of the past 10-years. Given the limited market activity, rental and sale price unit rate averages can be easily skewed.

A review of the few available current offerings on the market revealed asking lease rates range from \$2.26 to \$5.45 psf.

#	Address	Building Area SF	Building Age	Clear Height	Lease Rate	Lease Type	Comments
1	6800 Center Road Ashtabula, OH	587,000	1950	16' - 20'	\$4.75	NNN	Good clear span building, 24 docks
2	725 Pleasant Ave Geneva, OH	11,000	2001	14'	\$5.45	NNN	18.2% office space
3	2601 S. Ridge Rd. E	19,052	1998	18'	\$5.40	NNN	9 docks, small office/break room
4	1217 W. 38th Street Ashtabula, OH	34,000	1911	20'	\$2.26	NNN	Older industrial building with a newer high bay warehouse.
5	4200 Benefit Ave. Ashtabula, OH	169,500	1947-80	15'-23'	\$2.80	MG	Tenant only to pay rent and utilities.

The largest block of vacant space at 6800 Center Road (Rental 1) is due to the closure of Mohawk Papers in February of 2024. The purchaser is owner occupying part of the building while attempting to lease excess building area.

### **Sales Activity**

Excluding a couple properties as part of a portfolio sales, CoStar sales activity since July 5, 2021 revealed there has only been one fee simple sale in excess of 75,000 s/f in the county. This was a 115,000 s/f light industrial building in Jefferson Ohio. Additional research uncovered another large industrial property at 6800 Center Road, Saybrook Township. This 950,000 s/f facility sold for a recorded price of \$9,250,000. These properties are included as Sales 1 and 2 in the Sales Comparison Approach.

### **Conclusions**

National data indicates that the industrial sector was not as negatively impacted by COVID-19 compared to other property types, largely due to increased demand for the transportation, logistics, and distribution/warehousing submarket. Market conditions began to turn more recently, characterized by increasing vacancy rates, declining rent growth, and increasing capitalization rates. Negative factors now impacting the industrial sector include an uncertain economic outlook and higher borrowing costs. The Federal Reserve expects to reduce rates in late 2025, though rate reductions will be tempered if inflation rises. Nevertheless, capitalization rates remain elevated from the recent past. As a result, many national industrial markets are expected to be in contraction for the foreseeable future. As noted, the PwC and CoStar data applies to the national market as a whole and local market conditions can vary significantly.

Although demand is moderating, limited deliveries are keeping Cleveland's industrial market on solid footing heading into the second half of 2025. Rent growth could moderate in Cleveland through the remainder of 2025 as tenant demand softens. Macroeconomic conditions present downside risks to the forecast, however.

Ashtabula is a tertiary market that recently became part of the Cleveland MSA. This market has historically seen population decline in recent decades and an erosion of the manufacturing base. Market sales and leasing activity is limited, with sale prices and lease rates generally lagging the greater Cleveland market. The current vacancy rate is reported at 5.9%, with absorption reportedly negative over the past two years. Some for lease buildings exceed 50% vacancy.

## HIGHEST AND BEST USE

The Appraisal Institute defines highest and best use as: *the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*<sup>1</sup> These must be analyzed sequentially.

### As Vacant

The subject site comprises three tax parcels totaling 12.02 acres and has extensive frontage along the south side of Chamberlain Blvd., east side of Parrish Road and the north side of a Conrail rail line. Topography is relatively level with average access and all public utilities are available. The site is zoned "M-1" Industrial which allow for primarily industrial and warehouse land use. Due to the current high cost of construction, properties locally continue to sell well below replacement cost new. Accordingly, near term development is not likely feasible unless secured by the long term lease to a credit tenant. Therefore, after considering the legally permissible, physically possible, financially feasible, and maximally productive uses, the highest and best use of the subject "as vacant" is for industrial development upon feasibility.

**The highest and best use of the subject "as vacant" is for industrial development upon feasibility.**

**The most likely buyer/user of the subject site is an owner occupant for a future industrial development. Given the lack of feasibility, development is speculative and likely 5+ years.**

### As Improved

The subject site is improved with a 211,000-square foot two suite industrial facility constructed in phases with the first portion constructed in 1963, with additions in 1967, 1973, and 1997. The property benefits from its proximity to U.S. Route 20, State Route (SR) 7, SR 531 and Interstate 90 which provide local and regional access. However, the tertiary market location limits its market appeal. The improvements are functional for their current light industrial use and they contribute significant value to the underlying site. Demolition or alteration of the improvements is not necessary at this time. Accordingly, given these factors and current use, the highest and best use of the subject "as improved" is for continued light industrial and warehouse use.

**The highest and best use of the subject "as improved" is for continued light industrial and warehouse use.**

**In a fee simple scenario the most likely buyer of the subject is an owner occupant that would use one suite and lease the other suite to offset occupancy costs (i.e., Similar to Sale 2 herein).**

<sup>1</sup> Source: Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute.

## COST APPROACH

To apply the cost approach, an appraiser estimates the market's perception of the value difference between the property improvements being appraised and a newly constructed building with optimal utility (i.e., the ideal improvement identified in highest and best use analysis). In its classic form, the cost approach produces an opinion of the value of the fee simple estate (i.e., as vacant). If the purpose of the appraisal is to estimate the value of the interest other than fee simple, an adjustment will be required. For example, a property rights adjustment could be made as a lump-sum adjustment at the end of the cost approach. This would be particularly important when the interest is the leased fee encumbered by a long-term lease that does not reflect market terms.

In applying the cost approach, an appraiser must distinguish between two cost bases – reproduction cost and replacement cost – and use one of the two consistently throughout the analysis. The market and physical condition of the appraised property usually suggests whether an exact replica of the subject property (reproduction cost) or a substitute property of comparable size and use (replacement cost) would be the basis of a more suitable comparison.<sup>1</sup>

**The subject was built in phases between the early 1963 and the 1997. As such, the property is impacted by significant depreciation (physical, functional, and external), which reduces the reliability of this approach. Furthermore, this approach would not be considered by a typical purchaser. Accordingly, the Cost Approach is not considered applicable and is not developed.**

---

<sup>1</sup> *The Appraisal of Real Estate, 15<sup>th</sup> Edition, Appraisal Institute, p. 526*

## INCOME CAPITALIZATION APPROACH

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to the approach.<sup>1</sup> The two methods of income capitalization are direct capitalization, in which a single year's income is divided by an income rate or multiplied by an income factor to reach an indication of value, and yield capitalization, in which future economic benefits are converted into a value indication by discounting them at an appropriate yield rate (DCF analysis) or applying an overall capitalization rate that reflects the investment's income pattern, value change, and yield rate.<sup>2</sup>

Although there are various income capitalization techniques available to the appraiser, certain steps are essential in applying the income capitalization approach. Before applying any capitalization techniques, an appraiser works down from potential gross income to net operating income. To do this, the appraiser will:

1. Research the income and expense data for the subject property and comparables;
2. Estimate the potential gross income of the property by adding the rental income and any other potential income;
3. Estimate the vacancy and collection loss;
4. Subtract vacancy and collection loss from total potential gross income to arrive at the effective gross income of the subject property;
5. Estimate the total operating expenses for the subject by adding fixed expenses, variable expenses, and a replacement allowance (where applicable);
6. Subtract the estimate of total operating expenses from the estimate of effective gross income to arrive at net operating income. (Deductions for capital items may also be necessary at various points in time through the projection period to calculate the cash flow used in discounted cash flow analysis);
7. Apply one of the direct or yield capitalization techniques to this data to generate an estimate of value via the income capitalization approach;
8. If necessary, calculate a rent-up adjustment for the value indication that accounts for the cost of leasing up the property or for needed capital improvements (including an appropriate estimate of entrepreneurial incentive).<sup>3</sup>

The subject is appraised by use of **Direct Capitalization** because a single year's net operating income can be estimated via a stabilized projected operating statement.

---

<sup>1</sup> *The Appraisal of Real Estate, 15<sup>th</sup> Edition, Appraisal Institute, p. 413*

<sup>2</sup> *Ibid., p. 432*

<sup>3</sup> *Ibid., p. 432*

## LEASE SYNOPSIS

Lease terms of the United Can Company are unknown and only an addendum to the lease was supplied for General Aluminum. Furthermore, although the subject is currently leased, per Ohio assessment law, the subject will be appraised in Fee Simple. As such, market rent will be applied and lease-up costs to secure tenancy will be applied.

## COMPARABLE RENTAL DATA ANALYSIS AND RECONCILIATION

The following rental data is used to project market lease rates for the subject property.

Comparable Rental Data							
Known As Address, Data Source	Lease Commence	Year Built	Size SF	Lease Rate \$ PSF	Lease Type	Adjusted Lease Rate PSF (NNN)	Features
<b>Comparable 1</b> 4200 Benefit Road Ashtabula, Ashtabula OH Ownership	Offering	1947-80	169,500	\$2.80	Modified Gross (Tenant Pays Utilities)	\$2.00	Low end industrial space, 20' avg. height, no office
<b>Comparable 2</b> McClurg Road Boardman Twp., Mahoning Co., OH DC # 1834	2022	1958, renov. 2002	60,000	\$3.75	NNN	\$3.75	14.5% office space, 19' 6" height, 7 docks, sprinkler
<b>Comparable 3</b> Progress Drive Sugarcreek Borough, Venango Co., PA DC #2058 & appraisal	2020	2005	116,130	\$4.02	NNN	\$4.02	33' clear height, crane service, 5% office
<b>Comparable 4</b> Rosemont Road Jackson Twp., Mahoning Co., OH DC #1219	2022	2001	76,510	\$4.20	NNN	\$4.20	24'-38' height, 2% office, 6 loading docks, sprinkler
<b>Comparable 5</b> Hamot Road Summit Township, Erie County, PA DC #1917, Appraisal	2024	1992	57,787	\$4.62	NNN	\$4.62	18' Clearance, 4.5% office space
<b>Comparable 6</b> Martin Avenue Lake City, PA, Erie County, PA Appraisal P-1740-24	2023	1967	46,185	\$5.59	Modified Gross (Tenant Pays Utilities)	\$4.57	34' clearance, 1.8% office Crane serviced
<b>Comparable 7</b> 6800 Center Road Saybrook Twp., Ashtabula Co., OH Offering Memorandum	Offering	1956-1998	220,400 - 587,000	\$4.75	NNN	\$4.75	16'-20' clearance, minimal office, sprinklers, 22' loading docks
<b>Subject</b> Chamberlain Blvd. Conneaut, Ashtabula Co., OH		1967 - 1997	166,970		NNN		18' - 22' height, 2.4% office, sprinkler
		1963	44,100		NNN		14' height, 5.6% office

**Note:** Comparable lease data is gathered from property owners and brokers, which at times requires signing confidentiality agreements to protect the confidential nature of the lease terms. As such, the specific addresses, tenants, and identifying information of the comparables is often not detailed. Additional information regarding the rental data is contained in the workfile and/or office database.



**Rental 1**



**Rental 2**



**Rental 3**



**Rental 4**



**Rental 5**



**Rental 6**

See Sale 2 photograph for Rental 7.



## COMPARABLE RENTALS MAP

The selected comparables generally bracket the subject in terms of location, age, condition, and features, with lease rates ranging from \$3.75 to \$4.75 psf (NNN). Each Rental, and their comparability, will be discussed separately.

**Rental 1** This property is an older industrial building known as the former Reliant Electric plant on Benefit Avenue in the City of Ashtabula. This property is an older plant that is rated in inferior condition. The space offered lacks useful office space, and has limited heating. Overall, this space is rated greatly inferior.

**Rental 2** this property is located in suburbs of Youngstown. Like the subject, this property is an older building with a newer addition. The percentage of office space is rated superior to either of the subject suites. The suite size is between the sizes of the subject suites. Overall, this comparable is rated relatively similar.

**Rental 3** is a newer property built in 2005 era building with superior ceiling heights. However, this location is rated inferior, given its distance to the interstate highway system. Considering the offsetting factors of age/condition versus location, this comparable is rated similar.

**Rental 4** is a property in the suburbs of Youngstown. This property's size is between the subject suite sizes. The comparable is newer and has superior ceiling heights. As such, this comparable is rated as superior.

**Rental 5** is a modern light industrial building in the suburbs of Erie, PA. This property has a similar clearance height and office ratio. However, given its newer age this property is rated slightly superior.

**Rental 6** is located in nearby Lake City, PA. This property is a similar 1967 era industrial building; however, this property is rated slightly superior given the superior ceiling heights.

**Rental 7** is a current offering of large suites in nearby Saybrook Township, a suburb of Ashtabula. This property is relatively similar, but this lease rate reflects an offering only and not actually closed leases. As such, this property is rated superior.

A reiteration of the comparables to the subject is as follows:

<b>Rental #</b>	<b>NNN Lease Rate</b>	<b>Rating</b>
1	\$2.00	Gr. Inferior
2	\$3.75	Similar
3	\$4.02	Similar
4	\$4.20	Superior
5	\$4.62	Sl. Superior
6	\$4.57	Sl. Superior
7	\$4.75	Superior

**Overall, after considering the market data, a projected NNN lease rate of \$4.00 psf will be applied herein to each of the subject suites.**

### **VACANCY/CREDIT LOSS**

As noted in the Market Analysis section, Ashtabula County has an overall vacancy rate of 5.9%. However, this ratio factors owner occupied space in addition to buildings only offered for lease, thus skewing the vacancy rate lower. Additionally, as noted in the Market Analysis section in the national data discussion, buildings in excess of 100,000 s/f have higher vacancy levels of 8%. Lastly, the Ashtabula County market has limited market demand with negative absorption over the past two years. Furthermore, there exists large blocks of space on the market (i.e., 6800 Center Road with 587,000 s/f and 169,500 s/f at 4200 Benefit Avenue, also both of these properties

have vacancy rates near 60%). Lastly, lag vacancies in large industrial buildings can last several years in this market. Considering this data, **a vacancy/credit loss rate of 15% is applied.**

## OPERATING EXPENSES

The projected triple net rent allows for most operating expenses to be paid by the tenant. However, additional considerations and expenses exist including management, reserves, and unrecoverable expenses during periods of vacancy. These are addressed next.

### Management/Administrative

Review of multi-tenant industrial investment properties in the local and regional market revealed a range of management fees from approximately 1% to 12% of EGI (average 6%). The PwC 1<sup>st</sup> Quarter 2025 Investor Survey reports management fees for national warehouse properties from 1% to 4% of EGI, average 2.75%. However, these are often in higher rent locations that lower percentages can be applied. Considering this data, the subject's projected EGI, and dual tenancy (more management burden than a single user), **5% of EGI is applied.**

### Reserves & Unrecoverable Expenses

The above referenced PwC survey reports replacement reserves from \$0 to \$0.30 psf for national warehouses, average \$0.12 to \$0.15 psf. The RealtyRates.com 2<sup>nd</sup> Quarter 2025 Investor Survey reports a range of reserves from \$0.30 to \$1.00 per sf for national industrial properties (average \$0.65 per sf). Given the subject's older age, **a reserves expense of \$0.25 psf is applied considering these factors.** Additionally, to account for unrecoverable expenses during periods of vacancy (e.g., real estate taxes, insurance, basic repairs and utilities), **an additional \$0.25 psf is applied.**

Table 9 MANAGEMENT FEES AND LEASING COMMISSIONS First Quarter 2025				Table 8 REPLACEMENT RESERVES First Quarter 2025		
Warehouse Markets	MANAGEMENT FEES (As a % of EGR)			CURRENT QUARTER (a)		
	Low	High	Average	Low	High	Average
National	1.00%	4.00%	2.75%	\$0.00	\$0.30	\$0.13
East Coast Region	1.00%	4.00%	2.50%	\$0.00	\$0.25	\$0.12
East North Central Region	2.00%	3.00%	2.75%	\$0.05	\$0.20	\$0.13
Pacific Region	1.00%	3.00%	2.31%	\$0.10	\$0.20	\$0.15

## PROJECTED OPERATING STATEMENT

The following stabilized Projected Operating Statement is based on the preceding reconciliations:

Projected Operating Statement			
<b>Gross Building Area (SF)</b>	<b>211,000</b>		<b>PSF</b>
<b>Market Rent</b>	<b>\$4.00</b>		/ psf
<b>Potential Gross Income (PGI)</b>	<b>\$844,000</b>		<b>\$4.00</b>
Vacancy/Credit Loss of PGI	\$126,600		15.0%
<b>Effective Gross Income (EGI)</b>	<b>\$717,400</b>		<b>\$3.40</b>
<b>Expenses</b>			
<b>Fixed</b>			
Taxes		Tenant	
Insurance		Tenant	
<b>Variable</b>			
Management/Administrative @ % of EGI	3.0%	\$21,522	<b>\$0.10</b>
Repairs/Maintenance		Tenant	
Utilities		Tenant	
Misc./Reserves @ \$ psf		\$105,500	<b>\$0.50</b>
<b>Total Operating Expenses</b>		<b>\$127,022</b>	
<b>Operating Expense Ratio</b>	<b>17.7%</b>		
<b>Net Operating Income (NOI)</b>		\$590,378	
<b>(rounded)</b>		<b>\$590,000</b>	<b>\$2.80</b>

## CAPITALIZATION RATE DERIVATION

The capitalization rate is derived from four sources: 1) mortgage equity technique, 2) Debt Coverage Ratio, 3) national survey data, and 4) market extracted data.

### Mortgage Equity Technique

The formula for income capitalization using the mortgage equity technique is as follows:

$$\text{Mortgage Ratio} \times \text{Mortgage Constant} + \text{Equity Ratio} \times \text{Equity Dividend} = \text{Overall Capitalization Rate}$$

Mortgage Equity Technique					
Ratio	X	Factor	=	Rate	
0.60	X	0.09025 *	=	0.054148	
0.40	X	0.13000 **	=	0.052000	
Indicated Capitalization Rate				=	0.106148
<b>Rounded</b>				<b>=</b>	<b>10.60%</b>

Based on the RealtyRates.com Investor Survey (see table below), a mortgage rate of 7.7% is applied with a 25 year term, and 70% loan to value. Given the subject's tertiary market location, large size, and limited market demand, an equity rate of 13% is applied. **The Mortgage Equity Technique suggest a capitalization rate of 10.6%.**

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2025*						
INDUSTRIAL - ALL TYPES						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	1.05%	<b>DCR Technique</b>	1.10	0.060672	0.87	<b>5.81</b>
Debt Coverage Ratio	1.10	<b>Band of Investment Technique</b>				
Interest Rate	5.35%	Mortgage	87%	0.060672	0.052785	
Amortization	40	Equity	13%	0.067200	0.008736	
Mortgage Constant	0.060672	OAR				<b>6.15</b>
Loan-to-Value Ratio	87%	<b>Surveyed Rates</b>				<b>5.78</b>
Equity Dividend Rate	6.72%					
<b>Mazimum</b>						
Spread Over 10-Year Treasury	5.80%	<b>DCR Technique</b>	2.05	0.129688	0.50	<b>13.29</b>
Debt Coverage Ratio	2.05	<b>Band of Investment Technique</b>				
Interest Rate	10.10%	Mortgage	50%	0.129688	0.064844	
Amortization	15	Equity	50%	0.150900	0.075450	
Mortgage Constant	0.129688	OAR				<b>14.03</b>
Loan-to-Value Ratio	50%	<b>Surveyed Rates</b>				<b>13.19</b>
Equity Dividend Rate	15.09%					
<b>Average</b>						
Spread Over 10-Year Treasury	3.41%	<b>DCR Technique</b>	1.44	0.090616	0.70	<b>9.10</b>
Debt Coverage Ratio	1.44	<b>Band of Investment Technique</b>				
Interest Rate	7.71%	Mortgage	70%	0.090616	0.063211	
Amortization	25	Equity	30%	0.113235	0.034246	
Mortgage Constant	0.090616	OAR				<b>9.75</b>
Loan-to-Value Ratio	69.8%	<b>Surveyed Rates</b>				<b>9.47</b>
Equity Dividend Rate	11.32%					

Next is the Debt Service Coverage Ratio method.

The Debt Service Coverage Ratio formula is used by lenders as a method of calculating overall rates and is stated as follows:

Mortgage Ratio X Mortgage Constant X Debt Coverage Ratio (DCR) = Overall Capitalization Rate,  
therefore:

DEBT COVERAGE RATIO						
Mortgage Ratio	X	Mortgage Constant	X	Debt Coverage Ratio	=	Capitalization Rate
0.70	X	0.09025	X	1.7	=	10.7%

Considering the subject’s overall risk (fee simple valuation in a tertiary location), a DCR above the average is selected. **This methodology indicates an appropriate capitalization rate is 10.7%.**

**National Survey Data**

The most recent national survey data is summarized next.

National Capitalization Rate Surveys						
Industrial						
Survey	Survey Date	Property Type	Property Rating	Capitalization Rates		
				Low	High	Average
RealtyRates	2nd Qtr. 2025	Industrial - All Types		5.78%	13.19%	9.47%
RERC	1st Qtr. 2025	Warehouse	3rd Tier - East Region	7.50%	10.50%	8.70%
RERC	1st Qtr. 2025	Warehouse	3rd Tier - Midwest Region	6.80%	11.70%	8.50%
<b>Overall Average</b>						<b>8.89%</b>

National survey data typically includes larger (superior) markets all over the United States as well as higher quality (some institutional grade) properties; thus, only the most relevant data points are shown. Given the subject is an older building in a tertiary market location, a rate between the upper end of the average data and higher end of the Midwest data is considered most appropriate, **or a rate in the range of 9.5% to 11.7%.**

**Market-Extracted Data**

The following data was extracted from regional sales.

Area Capitalization Rates						
#	Address	Sale Date	Building Size (sf)	Building age	Capitalization Rate	Comments
1	1803 Pittsburgh Avenue Erie, Erie County, PA	1/27/2021	128,890	1964	8.8%	Purchased by tenant
2	435 W. Wilson Street Salem, Columbiana Co., OH	3/1/2021	117,000	1908-1979	9.6%	Sold with national tenant with 4-years remaining on lease.
3	9988 Newbury-Kinsman Rd. Novelty, OH	5/9/2024	113,920	1963	10.0%	Multi-tenant building with 1-5 year lease terms remaining.
4	7350 Young Drive Walton Hills, Cuyahoga Co., OH	Offering	142,016	1985 - 2000	10.2%	Selling with short term lease to expire 1/21/27.
5	3011 W. 17th Street Erie, Erie County, PA	7/6/2021	101,500	1985	11.8%	Sold with short term (2 yr) lease.
6	25 Union Street Campbell, Mahoning Co., OH	8/27/2021	158,784	1960	14.6%	Sold with short term (2 yr) lease.
					Average	10.9%

The above market data indicates a range of capitalization rates ranging from 8.8% to 14.6%, with an overall average of 10.9%. The low end of this range is a property that sold to the tenant in-place. To most accurately reflect a fee simple rate, sales with shorter lease terms in-place are most reflective of an appropriate capitalization rate. Also, since the 2021 to 2023 sale dates interest rates have risen and have pushed capitalization rates upward. A review of PwC Real Estate Investor report indicates capitalization rates for national warehouse properties have risen 80 basis points from 3-years ago. Based on this data, and with most weight on the sales with short term leases in-place, the current offering (data # 5), and considering the rise in interest rates, **an appropriate capitalization rate in the range of 10.0% to 11.8% is considered appropriate.**

#### **Capitalization Rate Conclusion**

After considering the mortgage equity technique, the Debt Service Coverage Ratio, national survey data, and capitalization rate data in the local/regional market, as well as the subject's location, age, condition, and size, and overall market demand, a capitalization rate of **11.0% is selected.**

## LEASE UP COSTS

To reflect the Fee Simple valuation market rent is applied and a lease up to third party tenants would be required if the subject was purchased by an investor. The following accounts for specific one-time expenses to lease up the subject property:

### Stabilization (Lease-up) Costs

	Assumptions									Stabilization Costs				
	SF	Months Vacant	Free Rent (mos.)	Total Months No Rent	Annual Rent PSF	Expense Recovery \$ PSF	Lease Term (yrs.)	Tenant Impvmts. (TI's) PSF	Marketing Costs (LC)	Rent Loss	Expense Recovery Loss	TI's	LC	Total Costs
Unit														
East	141,925	18	0	18	\$4.00	\$2.00	5	\$0.00	6.0%	\$851,547	\$425,774	\$0	\$170,309	\$1,447,630
West	37,485	6	0	6	\$4.00	\$2.00	5	\$0.00	6.0%	\$74,970	\$37,485	\$0	\$44,982	\$157,437
Totals										\$926,517	\$463,259	\$0	\$215,291	\$1,605,067
Profit for Lease-up		15%												\$240,760
Subtotal														\$1,845,827
Present Value Factor		4%												0.962
Subtotal														\$1,774,834
<b>Total Stabilization Costs (round)</b>														<b>\$1,775,000</b>

A 6-month and 18-month lease up period was utilized after considering the size of suites to be occupied. A 15% entrepreneurial incentive is also added to account for the return/profit an investor would expect related to the risk of these projections/costs. Also, the percentage of space to be leased was applied at 85% of the building area to reflect the space needed to achieve stabilized occupancy (i.e., 85%). Also, the costs are discounted to present value at a 4% safe rate.

### INCOME CAPITALIZATION APPROACH CONCLUSION

<b>Net Operating Income</b>	/	<b>Capitalization Rate</b>	=	<b>Indicated Value</b>
\$590,000	/	11%	=	\$5,363,636
		Less: Stabilization Costs	-	<u>\$1,775,000</u>
		Indicated Value	=	\$3,588,636
		<b>Rounded</b>	=	<b>\$3,600,000</b>

<b>Opinion of Market Value "As Is", in Fee Simple:</b>	<b>\$3,600,000</b>
--	--------------------

## SALES COMPARISON APPROACH

In the Sales Comparison Approach, an opinion of market value is developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are under contract (i.e., for which purchase offers and a deposit have been recently submitted). A major premise of the Sales Comparison Approach is that an opinion of the market value of a property can be supported by studying the market's reaction to comparable and competitive properties.<sup>1</sup>

To apply the sales comparison approach, appraisers follow a systematic procedure:<sup>2</sup>

1. Research the competitive market for information on properties that are similar to the property being appraised and that have been sold recently, or were listed for sale, or are under contract. Information on agreements of sale, options, listings and bona fide offers may also be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales;
2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the properties such as buyer and seller motivations, economic characteristics (if the property is income-producing) value component allocations, and other significant factors as well as information about the market to ensure that comparisons are credible;
3. Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit, price per lot or proposed lot, price per room) and develop a comparative analysis for each unit. The goal is to define and identify a unit of comparison that explains or mirrors market behavior;
4. Look for differences between the comparables being considered and the subject property using all appropriate elements of comparison. Then adjust the price of each comparable, reflecting how it differs to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, an appraiser should be concerned about comparability and the wisdom of relying on that comparable as a basis for comparison;
5. Reconcile the various value indicators produced from the analysis of comparables into a value indication from the sales comparison approach. A value can be expressed as a single point estimate, as a range of values, or in terms of a relationship (e.g., more or less than a given amount).

---

<sup>1</sup> *The Appraisal of Real Estate, 15<sup>th</sup> Edition, Appraisal Institute, p. 351*

<sup>2</sup> *Ibid.*, pp. 355

## **SALES COMPARISON APPROACH DATA**

The following pages include the most relevant comparable data of properties that have recently sold. The sales data research was focused on the following factors:

- Property Interest (Fee Simple sales);
- Market Conditions (sales within the past 5 years with a focus on the most recent sales);
- Property Type (Industrial);
- Location (Eastern Ohio and Western PA);
- Building Size (larger than 100,000 s/f);
- Building Age/Condition (semi-modern industrial buildings, focusing on sales constructed from the 1960's to the 1990's).

## Improved Sale No. 1



### Property Identification

**Record ID** 9253  
**Property Type** Industrial, Warehouse  
**Property Name** Former WEK Industries  
**Address** 1085 Jefferson Eagleville Road, Jefferson Township, Ashtabula County, Ohio 44047  
**Tax ID** 25-018-00-042-00; -043-00

### Sale Data

**Grantor** TMD WEK North, LLC  
**Grantee** GES Jefferson, LLC  
**Sale Date** February 21, 2023  
**Deed Book/Page** 790-756  
**Property Rights** Fee Simple  
**Verification** Alec Pacella (Broker; NAI Pleasant Valley); (216) 455-0925, July 07, 2022; Confirmed by Bob Stout

**Sale Price** \$1,300,000  
**Cash Equivalent** \$1,300,000  
**Adjusted Price** \$1,300,000

## Improved Sale No. 1 (Cont.)

### Land Data

Land Size	10.000 Acres or 435,600 SF
Front Footage	North side of Jefferson Eagleville Road;
Zoning	Commercial
Topography	Level
Shape	Rectangular
Flood Info	Zone X
Buildings	1
Parking	138 paved spaces

### General Physical Data

Building Name	Former WEK Industries
Building Type	Single Tenant
Gross SF	113,600

Area Breakdown	Office	7,500
	Warehouse	106,100

Construction Type	Pre-engineered metal
Sprinklers	Yes
Stories	1
Floor Height	10'-20'
Year Built	1987
Condition	Average

Truck High Docks	7
Drive-in Doors	2
Crane	None

### Indicators

Sale Price/Gross SF	\$11.44
Floor Area Ratio	0.26
Land to Building Ratio	3.83:1

### User Comments

This industrial warehouse is located along the north side of Jefferson Eagleville Road in Jefferson Township, Ashtabula County, OH. The property is improved with a 113,600-square foot building formerly known as WEK Industries and is comprised of (2) tax parcels totaling 10-acres. The building was constructed in 1987 and is in overall average condition. The building features 7,500-square feet of office space, (7) loading docks, (2) overhead doors, 10' to 20' interior ceiling height and sprinkler system. There is no crane service available.

Note: The property was originally listed for \$2.3 million and sold for \$1.3 million.

### Remarks

SRP 12/21/2022 for N.L.

## Improved Sale No. 2



### Property Identification

**Record ID** 10875  
**Property Type** Industrial, Light Industrial  
**Property Name** Industrial / Warehouse  
**Address** 6800 Center Road, Saybrook Township, Ashtabula County, Ohio  
**Tax ID** 48-015-00-038-01, 038-02, 038-00 & 48-015-00-040-00  
**MSA** Cleveland

### Sale Data

**Grantor** Saybrook Investment Corporation & Saybrook Business Park Incorporated  
**Grantee** 6800 Center, LLC  
**Sale Date** October 01, 2024  
**Deed Book/Page** 2024-000086425  
**Property Rights** Fee Simple  
**Conditions of Sale** Arm's Length, but environmental issues  
**Verification** Jeffrey Staats, St. Clair Management; July 08, 2025; Other sources: OM, Public Records, appraisal P-967-13, Confirmed by Bob Stout  
  
**Sale Price** \$9,250,000  
**Cash Equivalent** \$9,250,000  
**Adjusted Price** \$9,250,000

### Land Data

**Land Size** 104.908 Acres or 4,569,792 SF  
**Front Footage** 1,684 ft e/s State Route 45; 1,154 ft n/s New London Road;  
**Zoning** I, Industrial  
**Topography** Level at grade  
**Utilities** All public

### Improved Sale No. 1 (Cont.)

Shape Nearly Square  
Flood Info Zone X  
Parking Surface

#### General Physical Data

Building Name Industrial / Warehouse  
Building Type Single Tenant  
Gross SF 950,000

Construction Type Brick and steel  
Roof Type Flat; Rubber membrane  
Foundation Concrete slab  
Electrical Heavy duty industrial  
HVAC Pad and Rooftop mounted  
Sprinklers 100% wet  
Stories 1  
Floor Height 22'-24'  
Year Built 1950

Column Spacing 40'x50'  
Truck High Docks (32)  
Drive-in Doors (2)  
Crane (5) craneways with 3-5 ton cranes

#### Indicators

Sale Price/Gross SF \$9.74  
Floor Area Ratio 0.21  
Land to Building Ratio 4.81:1

#### User Comments

This is the sale of an industrial / manufacturing facility situated on 104± acres along the east side of State Route 45 in Saybrook Township, Ashtabula County, Ohio. The improvements include a 950,000±-sf industrial facility. The north building was built in 1956 and 1969. The south building was building in 1998. Plastpro is currently occupying approx. 350,000-sf with approx. 600,000-sf currently vacant. There are 22 loading docks with load levelers and 2 overhead doors in the north building and 10 loading docks and 2 at grade overhead doors in the south building. There is a former rail line and train well enclosure along the north building's east elevation though no longer in service. The south building contains (5) craneways with 3-5 ton cranes. There was an environmental issue on one of the parcels that influenced the final sale price from the asking price of \$11,000,000.

#### Remarks

TS, 7-2025 for BS

### Improved Sale No. 3



#### Property Identification

**Record ID** 10017  
**Property Type** Industrial, Heavy Industrial  
**Property Name** Multi-Tenant Industrial Warehouse (Former Steris)  
**Address** 2424 West 23rd Street, Millcreek Township, Erie County, Pennsylvania  
**Tax ID** 33-049-194.0-032.00 & 033.00  
**MSA** Erie

#### Sale Data

**Grantor** Erie Commerce LLC  
**Grantee** Phoenix Erie Industrial Investors  
**Sale Date** December 19, 2023  
**Deed Book/Page** 2023/21891  
**Property Rights** Leased Fee  
**Conditions of Sale** Normal Market - Arm's Length  
**Financing** Conventional  
**Verification** Luke Herder (Grantee, acquisition agent); (262) 470-6124, March 25, 2024; Other sources: Marketing Flyers, P-1753-25, Confirmed by Sergio Lo Presti

**Sale Price** \$7,000,000  
**Cash Equivalent** \$7,000,000  
**Adjusted Price** \$7,000,000

### Improved Sale No. 3 (Cont.)

#### Land Data

<b>Land Size</b>	26.710 Acres or 1,163,488 SF
<b>Front Footage</b>	Extensive frontage along n/s of West 23rd Street;
<b>Topography</b>	Generally level and slightly below street frontage
<b>Utilities</b>	All public
<b>Shape</b>	Generally square
<b>Rail Service</b>	Adj. rail spur
<b>Access/Visibility</b>	Average to good
<b>Buildings</b>	Various

#### General Physical Data

<b>Building Name</b>	Multi-Tenant Warehouse
<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	510,000 Luke Herder confirmed
<b>Area Breakdown</b>	Warehouse 391,000 Office 69,000
<b>Construction Type</b>	Brick, block, metal panels
<b>Roof Type</b>	Flat, steel deck
<b>Foundation</b>	Concrete
<b>Sprinklers</b>	100% wet; some dry
<b>Year Built</b>	1957-1990
<b>Condition</b>	Average
<b>Truck High Docks</b>	10
<b>Drive-in Doors</b>	2

#### Indicators

<b>Sale Price/Gross SF</b>	\$13.73
<b>Floor Area Ratio</b>	0.40
<b>Land to Building Ratio</b>	2.53:1
<b>Occupancy at Sale</b>	25

#### User Comments

The property is comprised of a 510,000-s/f industrial building including 122,469 sf +/- of office space plus warehouse space (estimated provided by the grantee), situated on 26.71 acres in the Township of Millcreek, Erie County Pennsylvania. It was formerly known as the Steris plant and prior to that, American Sterilizer Corporation. The property was purchased in 2007 and converted to a multi-tenant industrial facility. The improvements were built 1957, 1983, 1990 and 1991 with various additions through 2001. There are approx. 500 +/- paved parking spaces. 25% of the facility was leased at the time of sale, according to the verification source; the balance is now available for lease. The buyer plans to renovate the facility in early 2024 (namely adding docks). It is noted; the property contact (Luke Herder, Phoenix Investors) indicated the upper office floors are considered to have nominal contributory value and have been vacant since Steris vacated the building in 2007. Luke, indicated the property has an effective usable area of 460,000 s/f.

#### Remarks

SL 3-25-24

## Improved Sale No. 4



### Property Identification

<b>Record ID</b>	10362
<b>Property Type</b>	Industrial, Light Industrial
<b>Property Name</b>	Light Industrial Building
<b>Address</b>	106 Kuder Drive, Pymatuning Township, Mercer County, Pennsylvania
<b>Tax ID</b>	23-081-012-004-008

### Sale Data

<b>Grantor</b>	UACJ Metal Components North America Inc.
<b>Grantee</b>	Yurisc Properties Partnership
<b>Sale Date</b>	November 13, 2024
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	None
<b>Verification</b>	David Schepner, Listing Agent; 814-720-0810, Confirmed by Natalie LaCoe

<b>Sale Price</b>	\$2,100,000
<b>Cash Equivalent</b>	\$2,100,000
<b>Adjusted Price</b>	\$2,100,000

## Improved Sale No. 4 (Cont.)

### Land Data

<b>Land Size</b>	7.830 Acres or 341,075 SF
<b>Front Footage</b>	w/s Kuder Drive; n/s Dart Drive;
<b>Zoning</b>	I, Industrial
<b>Topography</b>	Relatively level
<b>Utilities</b>	All public
<b>Shape</b>	Irregular
<b>Access/Visibility</b>	Average; Average
<b>Buildings</b>	1
<b>Parking</b>	Paved lot

### General Physical Data

<b>Building Name</b>	Light Industrial
<b>Building Type</b>	Single Tenant
<b>Gross SF</b>	123,476

<b>Area Breakdown</b>	Manufacturing	103,944
	Office	7,415
	Storage	12,117

<b>Construction Type</b>	Masonry, Metal and Frame
<b>Roof Type</b>	Gable, metal, asphalt shingle
<b>Foundation</b>	Concrete slab
<b>Electrical</b>	3,000 amp
<b>HVAC</b>	Rooftop; Reznors
<b>Sprinklers</b>	100% wet
<b>Floor Height</b>	16-23'
<b>Year Built</b>	1970 thru 2017
<b>Condition</b>	Average

<b>Truck High Docks</b>	(5)
<b>Drive-in Doors</b>	(3) 14'; (2) 8'
<b>Crane</b>	3 & 5 ton (limited service area)

### Indicators

<b>Sale Price/Gross SF</b>	\$17.01
<b>Floor Area Ratio</b>	0.36
<b>Land to Building Ratio</b>	2.76:1

### User Comments

This light industrial facility is located along Kuder Drive in Pymatuning Township, Mercer County, PA. The property is improved with a 123,476 s/f light industrial building. The improvements are situated on 7.83 acres. The building was constructed between 1970 and 2017. The building features 7,415 s/f of office space, 5 loading docks, 5 overhead doors, and 16'-23' interior clearance height. There is a 12,117 s/f portion of the building used for storage that is not heated or lighted. The buyer intends to utilize the building to construct electric charging stations.

See SSL File #P-1719-24

### Remarks

TS, 8-2024 for NL

## Improved Sale No. 5



### Property Identification

<b>Record ID</b>	9728
<b>Property Type</b>	Industrial, Light Industrial
<b>Property Name</b>	Former Honeywell
<b>Address</b>	1345 15th Street (State Route 8), Franklin City, Venango County, Pennsylvania 16323
<b>Tax ID</b>	10,227.-016..-000

### Sale Data

<b>Grantor</b>	Dalloz Fall Protection, Inc.
<b>Grantee</b>	RCGriff Holdings, LLC
<b>Sale Date</b>	March 30, 2023
<b>Deed Book/Page</b>	2023-1147
<b>Property Rights</b>	Fee Simple
<b>Marketing Time</b>	260 Days
<b>Conditions of Sale</b>	Normal Market - Arm's Length
<b>Financing</b>	Assumed Cash Equivalent
<b>Verification</b>	Rick O'Brien (Listing Broker; JLL); (412) 208-1403, May 26, 2023; Other sources: CoStar, Confirmed by Aaron Brown

### Improved Sale No. 5 (Cont.)

Sale Price	\$2,300,000
Cash Equivalent	\$2,300,000
Adjusted Price	\$2,300,000

#### Land Data

Land Size	5.950 Acres or 259,182 SF
Front Footage	East side of 15th Street (State Route 8);
Zoning	"IN", Industrial
Utilities	All public
Shape	Square
Buildings	1
Parking	Paved lined spaces

#### General Physical Data

Building Name	Former Honeywell
Building Type	Single Tenant
Gross SF	107,369

Area Breakdown	Office	23.2%
	Industrial	76.8%

HVAC	Reznor heating; No AC
Sprinklers	None
Stories	1
Floor Height	18' avg.
Year Built	1995
Condition	Average

Crane	None
-------	------

#### Indicators

Sale Price/Gross SF	\$21.42
Floor Area Ratio	0.37
Land to Building Ratio	2.67:1

#### User Comments

This light industrial facility is located along the east side of 15th Street (State Route 8), across from the Venango Regional Airport, in the City of Franklin, Venango County, PA. The property is improved with a 107,369-square foot building formerly known as Honeywell and is situated on a 5.950-acre parcel. The building was constructed in 1995 and was in overall average condition at the time of sale. The building features 23% of office space, (5) loading docks and 18' average interior ceiling height. There is no sprinkler system or crane service.

#### Remarks

SRP 06/26/2023 for A.B.

## SALES COMPARISON APPROACH GRID

SALES COMPARISON GRID						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
<b>Address</b>	1500 Chamberlain Blvd.	1085 Jefferson Eagleville Rd.	6800 Center Road	2424 W. 23rd Street	106 Kuder Drive	1345 15th Street
<b>City or Township</b>	City of Conneaut	Jefferson Village	Saybrook Twp.	Millcreek Twp.	Pymatuning Twp.	City of Franklin
<b>County/State</b>	Ashtabula Co., OH	Ashtabula Co., OH	Ashtabula Co., OH	Erie Co., PA	Mercer Co., PA	Venango Co., PA
<b>Consideration</b>		<b>\$1,300,000</b>	<b>\$9,250,000</b>	<b>\$7,000,000</b>	<b>\$2,100,000</b>	<b>\$2,300,000</b>
<b>Sale Price per square foot</b>		<b>\$11.44</b>	<b>\$9.74</b>	<b>\$13.73</b>	<b>\$17.01</b>	<b>\$21.42</b>
<b>Property Rights</b>	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
<b>Financing</b>	Assumed Cash Equiv.	Similar	Similar	Similar	Similar	Similar
<b>Conditions of Sale</b>	Normal Market Cond.	Normal Market	Environmental	Normal Market	Normal Market	Normal Market
Dollar Adjustment		\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price		\$1,300,000	\$9,250,000	\$7,000,000	\$2,100,000	\$2,300,000
<b>Buyer Expenditures</b>	None	None	None	None	None	None
Dollar Adjustment		\$0	\$0	\$0	\$0	\$0
Adjusted Sale Price		\$1,300,000	\$9,250,000	\$7,000,000	\$2,100,000	\$2,300,000
<b>Market Conditions</b>	Jun-25	Feb-23	Oct-24	Dec-23	Nov-24	Mar-23
Per Annum Adjustment @	2.0%	4.62%	0.00%	2.97%	0.00%	4.42%
Dollar Adjustment		\$60,049	\$0	\$207,890	\$0	\$101,578
Adjusted Sale Price		\$1,360,049	\$9,250,000	\$7,207,890	\$2,100,000	\$2,401,578
<b>GBA (s/f)</b>	211,000	113,600	950,000	510,000	123,476	107,369
<b>Adj. Price per square foot</b>		<b>\$11.97</b>	<b>\$9.74</b>	<b>\$14.13</b>	<b>\$17.01</b>	<b>\$22.37</b>
<b>Elements of Comparison</b>						
<b>Location</b>	Small City/Average	Similar	Similar	Similar	Similar	Similar
% Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Dollar Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Age</b>	1963 - 1997	1987	1956-1998	1957-91	1970-2017	1995
<b>Condition</b>	Average to good	Sl. Inferior	Similar	Sl. Inferior	Similar	Sl. Superior
<b>Effective Age</b>	25	30 years	25 years	30 Years	25 Years	20 Years
% Adjustment		7.5%	0.0%	7.5%	0.0%	-7.5%
Dollar Adjustment		\$0.90	\$0.00	\$1.06	\$0.00	(\$1.68)
<b>GBA (SF)</b>	211,000	113,600	950,000	510,000	123,476	107,369
% Adjustment		-5.0%	60.0%	40%	-5%	-5%
Dollar Adjustment		(\$0.60)	\$5.84	\$5.65	(\$0.85)	(\$1.12)
<b>Office Area</b>	3.1%	6.6%	0.3%	26.9%	6.0%	23.2%
Dollar Adjustment		(\$0.71)	\$0.55	(\$4.76)	(\$0.59)	(\$4.02)
<b>Interior Clearance</b>	14' - 22'	10'-20'	22'-24'	16' 6" - 30'	16' - 23'	18'
% Adjustment		3.0%	-5.0%	0.0%	0.0%	0.0%
Dollar Adjustment		\$0.36	(\$0.49)	\$0.00	\$0.00	\$0.00
<b>Site Area (Acres)</b>	20.000	10.0	104.9082	26.71	7.830	5.95
<b>Site Coverage Ratio</b>	40.3%	26.1%	20.8%	36.9%	36.2%	41.4%
Dollar Adjustment		(\$0.62)	(\$1.07)	\$0.00	\$0.00	\$0.00
<b>Other Amenities</b>						
<b>Sprinkler/Crane Capacity</b>	Partial/Ltd.	Yes/No	Yes/Partial	Yes / Yes	Yes / Ltd.	None
<b>Loading (Door &amp; Dock Ratio)</b>	1.08	0.85	0.38	0.43	0.86	0.61
% Adjustment		Similar	Similar	Similar	Sl. Inferior	Sl. Inferior
Dollar Adjustment		\$0.00	\$0.00	\$0.00	\$0.85	\$1.12
<b>Net Adjustments</b>		(\$0.67)	\$4.84	\$1.95	(\$0.59)	(\$5.70)
<b>Indicated Value per square foot</b>		<b>\$11.30</b>	<b>\$14.57</b>	<b>\$16.08</b>	<b>\$16.42</b>	<b>\$16.67</b>
<b>Statistics</b>	Before Adjustments	After Adjustments				
<b>Low</b>	\$9.74	\$11.30				
<b>High</b>	\$21.42	\$16.67				
<b>Range</b>	120%	47%				
<b>Mean</b>	\$14.67	\$15.01				
<b>Median</b>	\$13.73	\$16.08				



## COMPARABLE IMPROVED SALES MAP

### SALES COMPARISON APPROACH ANALYSIS

The **unadjusted comparables** indicate a range of sale prices from \$9.74 to \$21.42 per square foot with a range of 120%. Adjustments are explained as follows:

- **Property Rights:** Sale 3 sold with approximately 25% of the building tenant occupied. No adjustment will be applied but this factor will be considered herein. All other Sales sold in fee simple and no adjustments are needed.

- **Financing:** All Sales sold with cash or cash equivalent financing and no adjustments are needed.
- **Conditions of Sale:** Sale 2 sold with some environmental issues on one of the tax parcels. This resulted in the sale being negotiated down from the initial asking price of \$11,000,000. This factor will not be adjusted for but will be considered herein. All other Sales sold under normal market conditions and were arm's length; no adjustments are necessary.
- **Buyer Expenditures:** No buyer expenditures were reported and no adjustment is required.
- **Market Conditions:** Sales 2 and 4 are recent sales and no adjustment is applied. All other sales are adjusted at 2.0% per annum to reflect overall rising property values.
- **Overall Location:** The subject is located in a small city in northeast Ohio, with relatively average access. Sale 3 is located in the immediate suburbs of the City of Erie, a larger population center, with relatively nearby access to I-79 and I-90. No adjustment is applied but this factor will be considered in the final reconciliation. All other sales are located in relatively similar locales; no adjustment is applied.
- **Age/Effective Age/Condition:** All Sales are adjusted at 1.5% per year of effective age differential.<sup>1</sup> The overall condition of each property is reflected in the selected effective age.
- **Gross Building Area:** Due to the principle of "diminishing returns", smaller buildings typically yield higher unit rates than larger buildings. Adjustments are applied where appropriate. Sales 2 and 3 require significant upward adjustments due to their much larger sizes.
- **Office Space Ratio:** All Sales are adjusted for their office ratio differentials based on a contributory value of \$20 psf of interior office finish differential. Example: Sale 1 has 6.6% office finish or a 3.5% office ratio differential.  $3.5\% \text{ office differential} \times \$20 \text{ psf} = \$0.70 \text{ psf adjustment}$  (slight differences applied due to rounding).
- **Clearance Height:** The Sales are adjusted at 1% per annum per foot of height differential.<sup>2</sup>
- **Site Coverage Ratio:** A lower site coverage ratio allows for expansion or additional yard storage/ parking area, while a higher site coverage ratio limits this potential. Given this factor, Sales 1 and 2 are adjusted on an estimated contributory land value of \$20,000 per acre. The adjustment process calculates the required land area of each adjusted sale in order to equal the land to building ratio at the subject property. This differential (positive or negative) is multiplied by the estimated contributory value per acre and divided by the sales GBA.

---

<sup>1</sup> A 45-50 year economic life equals 2.0% to 2.2% depreciation per year. Given that the adjustment is applied to a unit rate that includes land value, and since land is not depreciable, a lower 1.5% per year adjustment is utilized.

<sup>2</sup> Review of Marshall Valuation Service cost data revealed an incremental cost of up to 2.4% per foot of warehouse building height differential. Considering typical depreciation (physical and functional/external), the principle of diminishing returns, and that land is not depreciable, an adjustment of 1% per annum is applied.



## EXPOSURE AND MARKETING PERIOD

Projections of reasonable marketing and/or exposure periods for the subject are based on consideration of historical data, as well as anticipated future marketing conditions. Implicit in the concept of a reasonable marketing period are the following factors:

- An active offering/exposure of the property by the owner or an agent via traditional marketing including the media, signage, MLS services, and/or trade journals/publications.
- An offering at a price that is commensurate with the appraised value.
- A consideration of the typical "holding" costs to the owner during the marketing period, including property taxes, insurance, maintenance, and/or security services.
- The terms and conditions of the offering, including an assumption of an "all-cash" or cash equivalency at time of closing.

**Marketing times of local/regional sales are typically within 6 to 18 months, but some have had extended marketing times. Given the subject's location, age, condition, size and overall appeal, and considering recent market conditions, a reasonable exposure time for the subject is from 6 to 18 months prior to the effective date of this appraisal. Furthermore, to achieve a sale price commensurate with the market value opinion herein, a marketing time of 6 to 18 months following the effective date is projected.**

## RECONCILIATION AND FINAL VALUE CONCLUSION

Opinion of Market Value by the:	"As Is"
Cost Approach:	N/A
Income Capitalization Approach:	\$3,600,000
Sales Comparison Approach:	\$3,375,000

The *purpose* of this **Appraisal Report** is to provide an opinion of **Market Value "As Is"**, as of **June 13<sup>th</sup>, 2025**, the effective date, in **fee simple**.

This appraisal relied on the Income Capitalization Approach and Sales Comparison Approach; the Cost Approach was not presented due to age and forms of depreciation impacting the subject, which are difficult to accurately measure and would not be considered by a typical purchaser.

In the Income Approach, a triple net rental rate was ascertained from which all operating expenses are passed through to the tenants in the projected operating statement. The capitalization rate was derived via the mortgage equity technique, debt service coverage ratio, national survey data, and market extraction from both sales and offerings. All though the projections in the approach were adequately supported, the reliability of this approach is based on achieving the rent level projected for the building, at the occupancy level, and with the same lease terms.

The Sales Comparison Approach included recent sales of nearby properties and each was adjusted for differences with the subject property; after application of the adjustments, the range of sale prices was narrowed and a unit rate was selected and applied to the subject's gross building area. Most weight of opinion is placed on this approach, as it is considered to be reflect a fee simple valuation of a large industrial property.

In Conclusion, after analysis of relevant data and utilization of sound judgment, my opinion of Market Value "As Is", assuming a typical marketing/exposure time, and as of the effective date, is:

**Opinion of Market Value "As Is":**

**\$3,400,000**

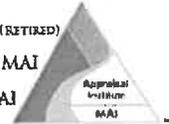
## **ADDENDUM**

- **Letter of Engagement**
- **Legal Reference**
- **Appraisal Coverage Area Map**
- **Qualifications and State Certifications**



**SAMMARTINO, STOUT & LO PRESTI**  
REAL ESTATE ANALYSTS, APPRAISERS & CONSULTANTS

RAYMOND J. SAMMARTINO, MAI (RETIRED)  
ROBERT G. STOUT, JR., MAI  
SERGIO S. LO PRESTI, MAI



June 13<sup>th</sup>, 2025

Ms. Erica Fix  
Conneaut Plant Controller  
General Aluminum  
1370 Chamberlain Blvd.  
Conneaut, OH 44030  
Via e-mail: [efix@angstrom-usa.com](mailto:efix@angstrom-usa.com)

Dear Ms. Fix:

Sammartino, Stout & Lo Presti, Inc. is available to complete an appraisal of the below described property and on the terms and conditions as outlined in this agreement / Letter of Engagement.

<b>Appraisal of:</b>	1500 Chamberlain Blvd., Conneaut, Ashtabula Co., OH; Tax Pcls: 121280004100, 121280004200 & 121280004300
<b>Client &amp; Intended User:</b>	General Aluminum
<b>Intended Use:</b>	Tax Appeal
<b>Purpose:</b>	Develop an opinion of Market Value "As Is"
<b>Property Rights:</b>	Fee Simple
<b>Effective Date(s):</b>	Date of Property Viewing
<b>Scope of Work:</b>	Interior/exterior viewing; Highest and Best Use; Appropriate Approach(es) to value with summarized market data and analysis; USPAP compliant
<b>Report Type:</b>	Written, Narrative Appraisal Report
<b>Completion Time:</b>	30-40 days from receipt of signed Letter of Engagement
<b>Copies:</b>	Digital PDF file via e-mail
<b>Total Fee:</b>	(30-day billing)
<b>Board Testimony:</b>	Appraisal fee includes one appearance at Board level.
<b>Court Testimony:</b>	Court testimony and preparation will be billed at \$100/hr. (min. 1 hr. per Appearance). Travel at 1/2 hourly rate. 30 day billing.
<b>Disclosure:</b>	This firm has not provided appraisal services on this property in the last 3 years.

**Payment / Billing**

The client (as noted above) is responsible for payment payable by check to Sammartino, Stout & Lo Presti, Inc. Balance is due within 30 days of the date of the invoice. A 4.0% fee applies for all credit card payments. Any expenses incurred in collecting this invoice, including reasonable attorney fees, not less than \$1,000, will be added to all other amounts due. Pennsylvania law shall apply without regard to any provision that would make the laws of another jurisdiction applicable. Federal and state courts in Erie County, Pennsylvania shall have exclusive jurisdiction and venue with respect to any disputes arising from or related to the subject matter of this invoice. The parties consent to the personal jurisdiction of any such court. Sammartino, Stout & Lo Presti, Inc. reserves the right, without liability, to withhold delivery of services including, but not limited to, deposition or testimony until all invoice(s) are paid in full.

**General**

Should the results of our investigation indicate that the scope of the assignment or property to be appraised is materially different than indicated, or if we are requested to expand the scope of work or properties included, we reserve the right to adjust the fee based on the additional work effort/scope of work. No additional work will be completed or fee charged without written permission by The Client. Performance of this contract and fees developed herein are based on reasonable and timely access to the property during normal business hours. When developing this appraisal, we will rely on property information provided by The Client, their representative, the ownership, as well as market data. If new (relevant) information becomes available after submission of the report, we reserve the right to amend or modify the report and the conclusions therein (additional fees may apply).

The appraisal will not include services not covered by this agreement, and neither party to this agreement is bound by any promise, term, nor condition not incorporated in this agreement. Changes to this engagement require written instructions/requests by The Client and written acceptance by The Company. If this agreement is terminated by The Client, we reserve the right to bill for accumulated fees and costs incurred to the point of cancellation, as determined by The Company. Likewise, The Company reserves the right to terminate this agreement if The Client becomes unresponsive to property information or property viewing request(s), subject to billing for accumulated fees and costs to the point of cancellation, as determined by The Company.

**Obligations**

The Company's obligations pursuant to this Agreement are complete when the Appraisal Report in the format specified in this Agreement is delivered to The Client pursuant to this Agreement. The signing appraiser(s) agree to be responsive to The Client's legitimate inquiries regarding the contents of the report after delivery.

**Maximum Time Period for Legal Actions**

Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal shall be filed in court within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.

**Severability**

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

**Client's Duty to Indemnify Appraiser(s) and The Company**

The Client agrees to defend, indemnify and hold harmless The Company and its employees and shareholders from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against The Company or its employees by any third party that if proven to be true would constitute a breach by The Client of any of The Client's obligations, representations or warranties made in this Agreement, or any violation by The Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, The Company shall promptly notify The Client of such Claim, and shall cooperate with The Client in the defense or settlement of any Claim. The Client shall have the right to select legal counsel to defend any Claim, provided that The Company shall have the right to engage independent counsel at The Company's expense to monitor the defense or settlement of any Claim. The Client shall have the right to settle any Claim, provided that The Company shall have the right to approve any settlement that results in any modification of The Company's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

**Client's Representations and Warranties**

The Client represents and warrants to The Company that: (1) The Client has all right, power and authority to enter into this Agreement; (2) The Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by The Client under any agreement between The Client and any other party; and (3) The Client has not engaged The Company, nor will The Client use the Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

**Limitation on Damages**

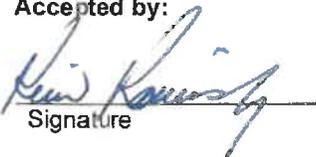
The Client agrees that The Company (and all employees/shareholders) shall not be liable to The Client for any claims, liabilities, causes of action, losses, damages (whether compensatory, consequential, special, direct, indirect, incidental, punitive, exemplary, or any other type), costs and expenses (including, but not limited to reasonable attorneys' fees and expert witness fees) and the reasonable time and expenses of The Company's personnel involved in any way arising out of this agreement in any amount greater than the total amount of fees paid by The Client to The Company, except to the extent finally and judicially determined to have been the result of bad faith, gross negligence, or intentional or willful misconduct of The Company. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, either in contract, statute, tort, strict liability or otherwise.

Respectfully,



Robert G. Stout, Jr., MAI, Managing Partner

Accepted by:

  
Signature

Kevin Kaminsky / Dir. of Finance  
Print Name / Title

06.17.25  
Date

**TRANSFERRED**  
Auditor, Ashtabula County, Ohio

AUG 24 2022

*Paul Tom* 1.50



Doc ID: 006863140002 Type: G/T  
Kind: WARRANTY DEED  
Recorded: 08/24/2022 at 02:42:11 PM  
Receipt#: 2022-00006836  
Fee Amt: \$34.00 Page 1 of 2  
Ashtabula County, Ohio  
Barbara Schaab Recorder  
File# 2022-00009133

BK 779 Pg 189-190

PRECISE TITLE  
PICK UP

In compliance with Sec. 319.202  
R.C. and Sec. (F) 319.54 R.C. \$ 13,000,000.00  
effective January 1<sup>st</sup>, 1968

*R*

**LIMITED WARRANTY DEED**

**KNOW ALL MEN BY THESE PRESENTS THAT Industrial Attitude, LLC, an Illinois limited liability company, Grantor, of Effingham County, Illinois, for valuable consideration paid, grants, with limited warranty covenants, to Spirit Realty, L.P., a Delaware limited partnership, Grantee, whose tax mailing address is 2727 N. Harwood, Suite 300, Dallas, Texas 75201, certain real estate being more particularly described as follows:**

Situated in the City of Conneaut, County of Ashtabula, and State of Ohio, and being Sublot Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of the Seaway Industrial Park Allotment as recorded in Volume 11 of Plats, Page 91 of Ashtabula County Records, be the same more or less, but subject to all legal highways.

Subject however, to those items listed on Exhibit A hereto.

Parcel Nos: 12-128-00-043-00 (Sublots 1, 2, 3, 4, 5, 6, 7, and 8); 12-128-00-042-00 (Sublot 9); and 12-128-00-041-00 (Sublot 10).

Prior Reference: Official Records Book 639, Page 1261.



NCS-1100908-PRV-1

WITNESS its hand this 1<sup>st</sup> day of February, 2022.

INDUSTRIAL ATTITUDE, LLC, BY  
AGRACEL, INC., ITS MANAGER

By   
Ryan Witges  
Its Chief Operating Officer

STATE OF Illinois, COUNTY OF Effingham, SS:

The foregoing instrument was acknowledged before me, this 1<sup>st</sup> day of February, 2022, by Ryan Witges, Chief Operating Officer of Agracel, Inc., Manager of Industrial Attitude, LLC. This is an acknowledgment certificate; no oath or affirmation was administered to the signer with regard to this notarial act.

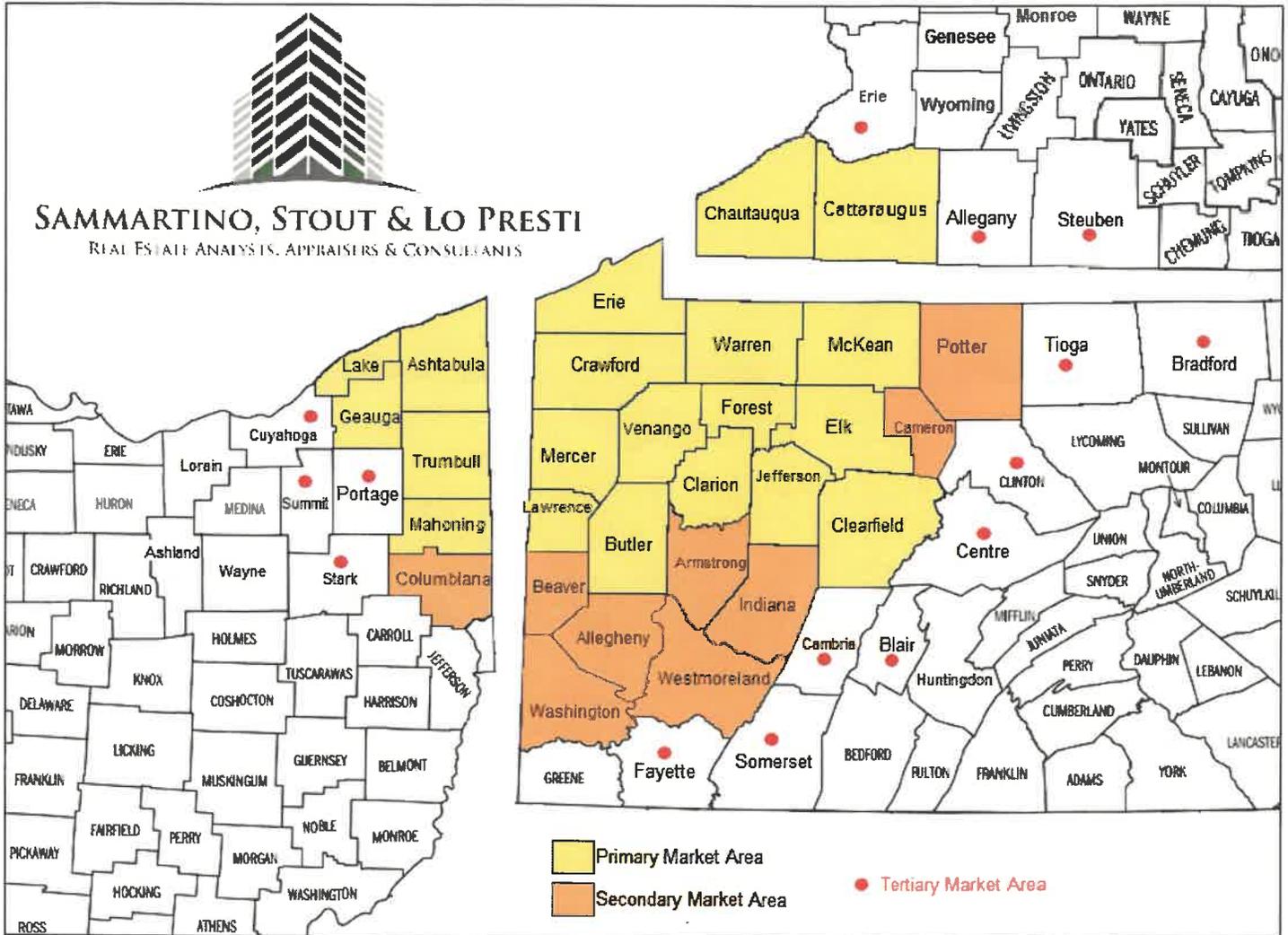
"Official Seal"  
JASON RUNDE  
Notary Public, State of Illinois  
My Commission Expires 7/28/23

  
Notary Public

This Instrument Prepared By:

JOHNSON OLIVER & HOWARD LPA  
By: Stephen L. Oliver  
701 Sixth Street  
Post Office Box 1505  
Portsmouth, Ohio 45662

# APPRAISAL COVERAGE AREA



**Note:** We service additional counties in Pennsylvania, New York and Ohio on a case-by-case basis.

3111 STATE STREET, ERIE, PA 16508 | (814) 456-2900 | (814) 456-8070 FAX  
CORPORATE@SSL-REA.COM | WWW.SSL-REA.COM

# QUALIFICATIONS

## Robert G. Stout, Jr., MAI

Updated 6/2025

Federal Tax ID: 25-1724267



### State Certifications / Licenses:

**Pennsylvania Certified General Real Estate Appraiser, GA-001659L**

**Ohio Certified General Real Estate Appraiser, 2002011635**

**New York Certified General Real Estate Appraiser, 46000049332**

### Professional Employment:

- 1992-96, Messenkopf & Eckert, real estate salesperson, broker, and residential appraiser
- 1996-2005, Sarmartino & Mueller Inc., and Sarmartino, Mueller & Powell Inc., real estate appraiser (commercial/industrial)
- 2006-2015, Sarmartino & Stout, Inc., partner and real estate appraiser (commercial/industrial)
- 2016-present, Sarmartino, Stout & Lo Presti, Inc. managing partner and real estate appraiser (commercial/industrial)

### Professional Affiliations / Organizations:

- MAI Member, Appraisal Institute
- Western Pennsylvania Appraisal Institute Chapter Member (2020-present)
- Northwest Pennsylvania Appraisal Institute Chapter Member (through 2020)
  - Chapter President 2008-09
  - Chapter Vice President 2006-07
  - Chapter Director 2004-05, 2016-18
  - Chapter Treasurer 1998
  - Chapter Committee Member 1996
- Ohio Chapter of the Appraisal Institute
- Appraisal Institute Leadership Development Advisory Council (LDAC), 2005, 06, & 07

### Education:

- Clarion University, Bachelor of Science in Business Administration  
Major: Real Estate, 1992

### Continuing Education / Relevant Course Work:

- PA Law, as required
- Uniform Standards of Professional Appraisal Practice (USPAP), as required
- Fair Housing – Fair Lending, as required
- Business Practices and Ethics, as required
- Appraisal Institute Annual Convention 2022
- 46<sup>th</sup> Annual Economic Seminar, Dec. 2023
- Ignorance isn't Bliss: Understanding an Investigation by a State Appraiser Regulatory Bd
- Appraising Automobile Dealerships
- Small Hotel/Motel Valuation
- Analyzing Assessment Appeals
- Residential & Commercial Trends Seminar
- Learn How to Solve Land Valuation Problems
- IRS Seminar with Mock Trial
- Discounted Cash Flow Model
- RP-401, Allocating Components / Going Concern Appraisals
- Understanding Collateral Underwriting
- Supervisory Appraiser/Trainee Course

- Practical Regression in Excel
- Commercial/Residential Bank Review Panel
- Appraising the Appraisal, AI
- Mineral Rights Valuation
- Appraisal Curriculum Overview
- Fundamentals of Separating Real, Personal Property, & Intangible Bus. Assets
- 48<sup>th</sup> Ed. Right-of-Way Conference
- Office Building Valuation
- Valuation of Conservation Easements
- Appraising Convenience Stores, AI
- Cost Approach, Feasibility & Highest and Best Use, Appraisal Institute
- Highest and Best use and Market Analysis, Course 520, Appraisal Institute
- Argus Version 8.0, RE Solutions, Inc.
- Basic Income & Capitalization, Course 310, Appraisal Institute
- Advanced Sales Comparison & Cost Approach, Course 530, Appraisal Institute
- Real Estate Risk Analysis
- EDI The Future is Now
- Marshall & Swift Cost Approach

**Qualified Before Courts & Administrative Bodies:**

Mr. Stout has qualified as an expert witness in quasi-judicial proceedings in Erie, Crawford, Clarion, Clearfield, Lawrence, Warren and Washington Counties, Pennsylvania as well as Ashtabula and Lake Counties, Ohio and the Ohio State Board of Revision in Columbus, Ohio.

**Instruction:**

- Golf Course Appraisal, 2024 Assessors Association of Pennsylvania (AAP) Conference (co-presenter)
- Net Leased & LIHTC Properties, 2021 Assessors Association of Pennsylvania (AAP) Conference (co-presenter);
- *Golf Course Appraisal*, 2019 Assessors Association of Pennsylvania (AAP) Conference (co-presenter)

**AN APPRAISER LICENSE/CERTIFICATE**  
has been issued under ORC Chapter 4763 to:

**NAME:**  
Robert G Stout Jr

**LICERT NUMBER:**  
2002011635

**LIC LEVEL:**  
Cert. General R. E. Appraiser - Reciprocity

**CURRENT ISSUE DATE:**  
06/15/2025

**EXPIRATION DATE:**  
07/29/2027

**OSPAF DUE DATE:**  
07/29/2027



Department of  
Commerce  
Division of Real Estate & Professional Occupations



**Commonwealth of Pennsylvania - Department of State**  
**Bureau of Professional and Occupational Affairs**

Mailing Address P.O. Box 2649, Harrisburg, PA 17105      Toll Free: 1-833-DOS-BPOA



---

**ROBERT G STOUT**

---

License Number	: GA001659L	Initial License Date	: 07/01/1998	Expiration Date	: 06/30/2027
License Type	: Certified General Appraiser	License Status as of 5/16/2025 : Active			
Issued By	: State Board of Certified Real Estate Appraisers				
Address	: 3111 STATE STREET, Erie, PA 16508				



*Arion R. Claggett*

Acting Commissioner Arion R. Claggett

---

*[Signature]*

Signature of Licensee

SCAN ME



202505151597

Please verify the license by visiting <https://www.pals.pa.gov/verify> or by scanning the QR Code

<p>UNIQUE ID NUMBER 46000049332</p>	<p><i>State of New York</i> <i>Department of State</i> <b>DIVISION OF LICENSING SERVICES</b></p>	<p>FOR OFFICE USE ONLY Control No. <b>1555845</b></p>
<p>PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.</p>		<p>EFFECTIVE DATE MO   DAY   YR 12   22   24</p>
<p>STOUT ROBERT G C/O SAMMARTINO, STOUT &amp; LOPRES 3111 STATE ST ERIE, PA 16508</p>		<p>EXPIRATION DATE MO   DAY   YR 12   21   26</p>
<p>HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER</p>		
<p>In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.</p> <p><b>WALTER T. MOSLEY</b> SECRETARY OF STATE</p>		

DOS-1968 (Rev. 3/21)



**SAMMARTINO, STOUT & LO PRESTI**  
 REAL ESTATE ANALYSTS, APPRAISERS & CONSULTANTS

RAYMOND J. SAMMARTINO, MAI (RETIRED)  
 ROBERT G. STOUT, JR., MAI  
 SERGIO S. LO PRESTI, MAI



## Ohio Appraiser Disclosure Statement

Name of Appraiser: Robert G. Stout, Jr., MAI

Class of Certification/License:

- Certified General  
 Licensed Residential  
 Temporary     General     Licensed

Certification/License Number:    2002011635

Scope - This Report:     is within the scope of my Certification/License  
     is NOT within the scope of my Certification/License

Services Provided By:     Disinterested and unbiased third party  
     Interested and biased third party  
     Interested third party on contingent fee basis

Signature of person preparing and reporting the appraisal:

\_\_\_\_\_  
 Robert G. Stout, Jr., MAI