



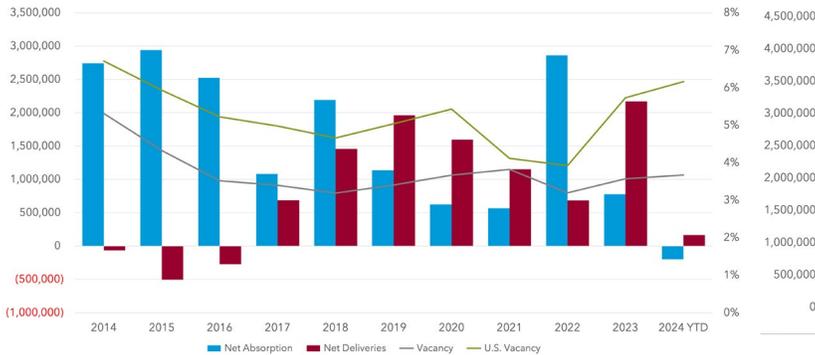
INDUSTRIAL MARKET OVERVIEW

CONNOR KROUSE, Associate

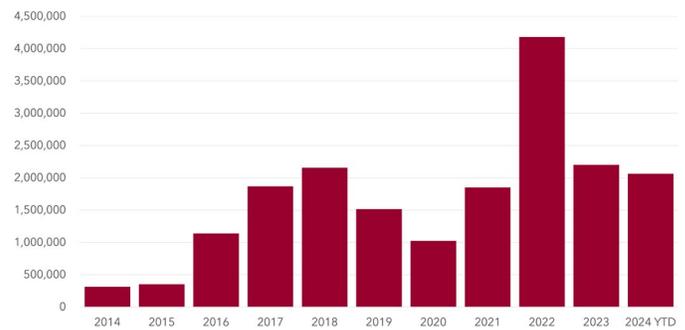
Cleveland's industrial market shifted in Q1 2024, marked by slowing leasing activity and negative net absorption, leading to a rise in vacancy rates, albeit still low at 3.7%. Limited availability of modern industrial spaces, with an availability rate near 5.0%, hampers leasing. Quarterly leasing in 23Q4 was notably low, totaling around 840,000 SF, half of the pre-pandemic average. Elevated interest rates nationally impact construction starts, with only 2.1 million SF underway in Cleveland, below peer markets. Despite this, landlords continue to increase rents by 4.4% annually, surpassing the 10-year average. Investment activity remains robust, with over \$110 million in transactions in 23Q4, focusing on recently delivered and fully leased assets.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	373,000	774,265	1,344,603	632,910	3,868
▲ Vacancy Rate	3.70%	3.60%	3.50%	3.47%	4.05%
▲ Avg NNN Asking Rate PSF	\$6.41	\$6.38	\$6.28	\$5.88	\$5.41
▼ SF Under Construction	2,100,000	2,215,880	3,100,000	3,500,000	4,200,000
▲ Inventory SF	298,050,000	297,400,000	295,800,000	295,400,000	293,200,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
799 E. 73rd Street Cleveland, OH	445,682 SF	\$9,000,000 \$20.19 PSF	Caspian Group First Interstate	Class C
30701 Carter Street Solon, OH	302,368 SF	\$11,520,000 \$38.10 PSF	Mytee Products Cosmax USA Corp	Class B
29100 Lakeland Boulevard Wickliffe, OH	134,400 SF	\$4,550,000 \$33.85 PSF	YTL International Exito Management	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1210 Massillon Road Akron, OH	241,565 SF	ICP LLC	Undisclosed	Manufacturing
21160 Drake Road Strongsville, OH	139,136 SF	ICP LLC	Hearn Industrial Services	Warehouse/ Distribution
5300 Lakeside Avenue E Cleveland, OH	106,580 SF	Meadow Lane Development LLC	Undisclosed	Undisclosed

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