



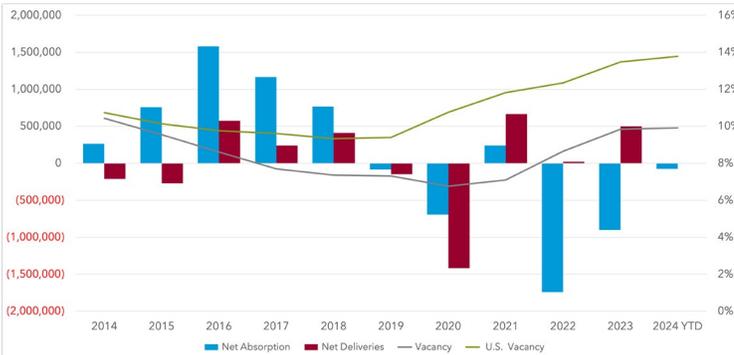
### OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Partner*

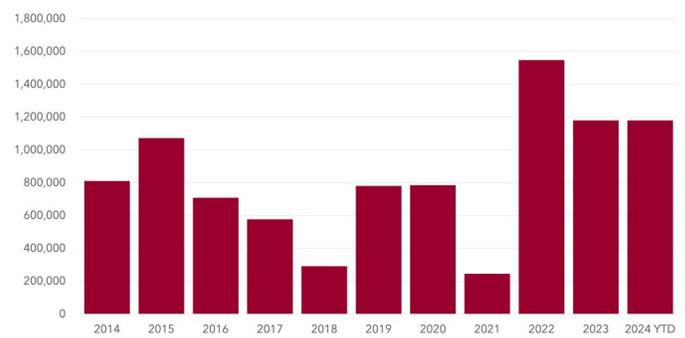
Although it seems like Cleveland's CBD Office Market has hit rock bottom, more signs point to further decline. As arms length office building sales continue (absent sheriff sales and deed's in lieu of foreclosure) values are a fraction of what they've traded at just years before. The suburban markets, however, are a different story. Vacancy rates are holding steady, and many lease deals are getting done. This phenomenon poses a unique situation for many suburban building owners as the debt markets are cautious or blacklisting office all together. With debt coming due over the next couple of years it will be interesting to see how landlords in "healthy" buildings manage their refinance.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	(236,614)	(901,359)	(1,601,020)	(857,708)	(2,459,788)
▲ Vacancy Rate	9.9%	9.8%	9.8%	9.1%	9.3%
▲ Avg NNN Asking Rate PSF	\$19.48	\$19.44	\$19.42	\$19.30	\$19.14
◀ ▶ SF Under Construction	1,179,099	1,179,099	1,353,099	1,384,099	1,500,186
◀ ▶ Inventory SF	113,689,276	113,689,276	113,515,276	113,484,276	113,235,936

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6200 Oak Tree Boulevard Independence, OH	224,943 SF	\$15,513,000 \$68.95 PSF	Avalair Group JDI Realty	Class B
2322 E. 22nd Street Cleveland, OH	58,236 SF	\$1,900,000 \$32.63 PSF	Centers for Families and Children Ventas, Inc.	Class B
5778 Darrow Road Hudson, OH	16,352 SF	\$3,025,000 \$184.99 PSF	Wang Family Trust Germac Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
13201 Granger Road Garfield Heights, OH	14,323 SF	American Dream Builders	Beech Brook	Social Services
7325 Production Drive Mentor, OH	12,000 SF	Peerless Electric	LLA Therapy	Health Care
6500 Rockside Road Independence, OH	10,762 SF	Metrocenter RLF	Haley & Aldrich	Engineering

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