



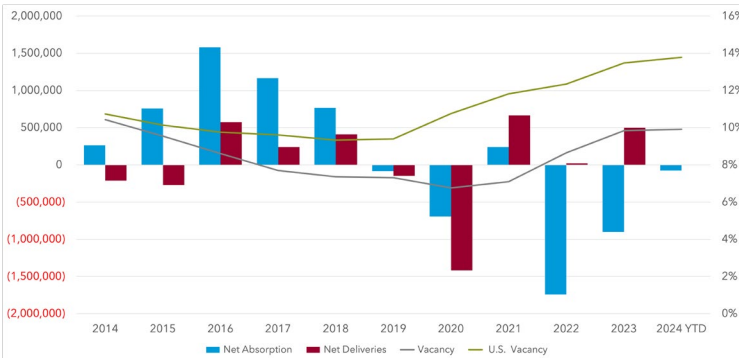
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Partner*

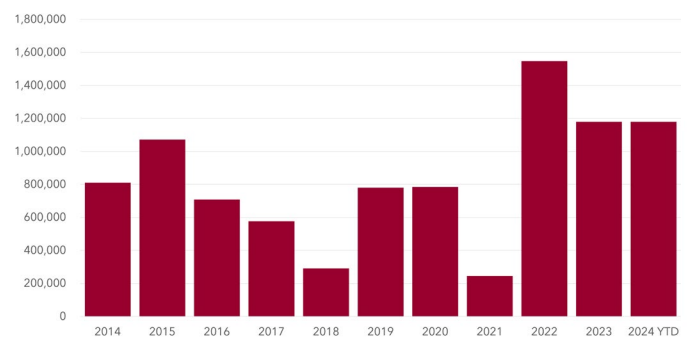
Although it seems like Cleveland's CBD Office Market has hit rock bottom, more signs point to further decline. As arms length office building sales continue (absent sheriff sales and deed's in lieu of foreclosure) values are a fraction of what they've traded at just years before. The suburban markets, 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 |

