



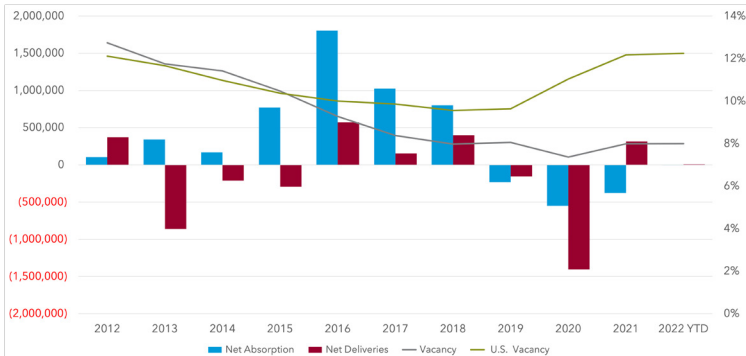
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Senior Vice President*

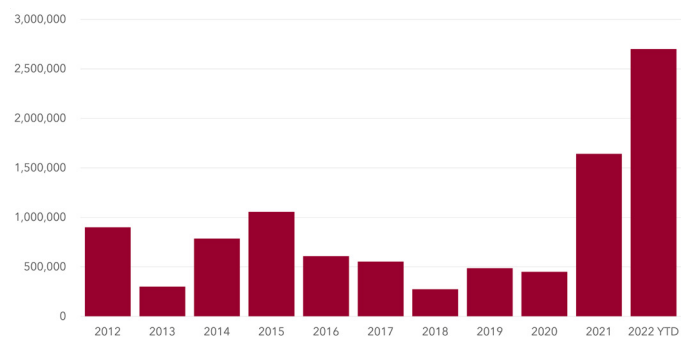
The headline should read, "Cleveland Office Market continues to lag as employers struggle to get their employees back to the office." While Q1 2022 showed signs of activity, many office tenants have shrunk their overall footprint, which ultimately negatively impacts the health of the overall market. Cleveland's office market now has some of the largest blocks of vacant space the market has seen. Most are in Cleveland's CBD where the competition is fierce. The suburban markets, however, are marginally healthier, with some positive absorption, which as is the case on the Rockside Corridor. Things could change towards the end of the year, when it's expected that larger tenants presently in the market will officially downsize.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▲ 12 Mo. Net Absorption SF	(233,071)	(377,930)	(1,047,168)	(970,329)	(823,962)
◀▶ Vacancy Rate	8.0%	8.0%	8.2%	7.8%	7.8%
▲ Avg NNN Asking Rate PSF	\$19.34	\$19.30	\$19.30	\$19.41	\$19.30
▲ SF Under Construction	2,700,507	1,642,607	293,011	221,350	214,350
▲ Inventory SF	107,817,341	107,810,341	107,828,751	107,698,751	107,765,251

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
45 Erieview Plaza Cleveland, OH	496,040 SF	\$21,250,000 \$42.84 PSF	SomeraRoad, Inc. Highlands REIT, Inc.	Class B
2429 Martin Luther King Jr. Drive Cleveland, OH	31,365 SF	\$14,000,000 \$446.36 PSF	Massmutual Asset Finance, LLC Kingsbarn Realty Capital	Class B
3601 S Green Road Beachwood, OH	34,363 SF	\$2,750,000 \$80.03 PSF	The Fairways Building, LLC Properties Management	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
127 Public Square Cleveland, OH	164,000 SF	Millenia Companies	Benesch Friedlander	Labor Union
200 Public Square Cleveland, OH	58,568 SF	DRA Advisors	Reminger	Legal
6060 Rockside Woods Boulevard Independence, OH	34,639 SF	PVC Independence	United Transportation Union	Labor Union

