LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q4 2022
CLEVELAND, OH

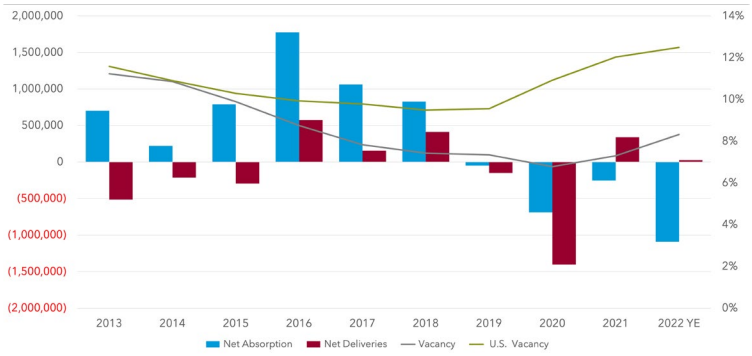
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Senior Vice President*

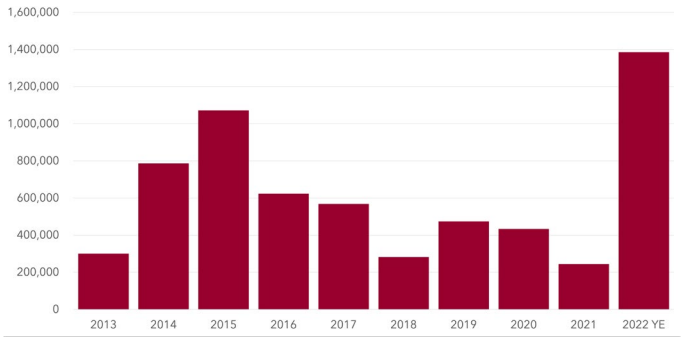
For the twelfth straight quarter the Cleveland office market posted negative net absorption. While the suburban office market continues to have some activity, in the Class A product, the CBD has lagged behind. Although, the new Sherwin-Williams HQ project, which is one of the largest our market has seen in years, is well underway and generating some significant buzz. The 1,070,000 SF Class A tower currently under construction was recently sold in a sale-leaseback (90% stake) for approximately $196/SF. The new building accounts for over 80% of our office market's current space under construction. It will be interesting to track leasing activity heading into 2023 given the high cost of construction and limited rent increases.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(1,090,453)	(167,599)	(454,334)	(187,529)	(252,654)
▲ Vacancy Rate	8.30%	7.60%	7.60%	7.30%	7.30%
◄ ► Avg NNN Asking Rate PSF	$19.17	$19.17	$19.20	$19.16	$19.09
▼ SF Under Construction	1,385,808	1,404,938	1,374,938	1,333,338	244,631
◄ ► Inventory SF	109,198,472	109,198,472	109,198,472	109,198,472	109,198,472

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1 Frankfort Ave. Sherwin-Williams HQ Cleveland, OH	1,070,000 SF	$210,000,000 $196.26 PSF	Benderson Development Sherwin-Williams	Class A
20325 Center Ridge Rd. - Westgate Plaza Rocky River, OH	97,870 SF	$2,350,000 $24.01 PSF	Wolfe Pintus Westage LLC Bayview Financial Group	Class B
3659 Green Rd. - PDC Building Beachwood, OH	70,118 SF	$3,530,000 $50.34 PSF	JMR Commercial PDC Building LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1317 Euclid Avenue Cleveland, OH	14,600 SF	Playhouse Square Foundation	City Club of Cleveland	Non-Profit
950 Main Avenue Cleveland, OH	14,647 SF	Fairmount Properties LLC	Dollar Bank	Financial Services
6480 Rockside Woods Boulevard S Independence, OH	13,030 SF	Corporate Plaza, LP	WellBe Senior Medical	Medical

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