



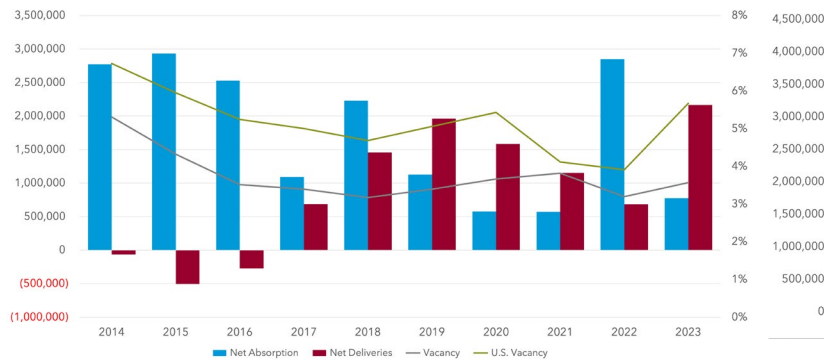
INDUSTRIAL MARKET OVERVIEW

CONNOR KROUSE, Associate

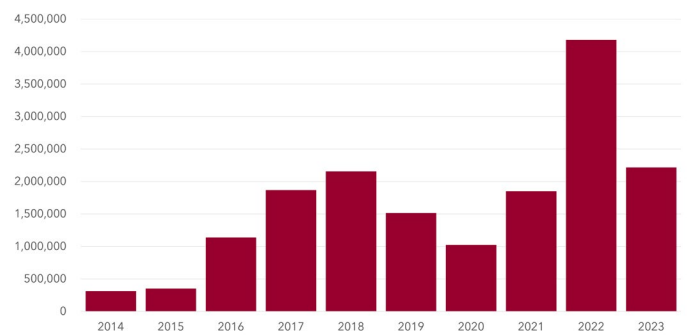
Cleveland's industrial market, historically balanced, sees increased vacancy and leasing challenges with a 3.6% current vacancy. Limited modern industrial space availability at 4.9% impedes leasing, contrasting with the 8.3% national benchmark. 23Q4 witnessed low quarterly leasing at 800k SF. National interest rate spikes impact Cleveland's construction starts (2.2 million SF underway, 0.6% of inventory), slowing deliveries and maintaining balanced market conditions. Industrial rent growth at 5.1% year-over-year in Q1 2024 surpasses the national average. Despite softer net absorption, tight vacancy, and constrained deliveries, Cleveland's industrial market is expected to endure in the near term.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	774,265	1,344,603	632,910	3,868	804,819
▲ Vacancy Rate	3.60%	3.50%	3.47%	4.05%	4.14%
▲ Avg NNN Asking Rate PSF	\$6.38	\$6.28	\$5.88	\$5.41	\$4.99
▼ SF Under Construction	2,215,880	3,100,000	3,500,000	4,200,000	4,900,000
▲ Inventory SF	297,400,000	295,800,000	295,400,000	293,200,000	292,800,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5300 Majestic Parkway Bedford Heights, OH	324,752 SF	\$22,400,000 \$68.98 PSF	AIC Ventures LCN Capital Partners	Class B
26400 Richmond Road Bedford Heights, OH	208,420 SF	\$17,300,000 \$83.01 PSF	Real Capital Solutions, Inc. Jade-Sterling Steel Co., Inc.	Class C
14790 Foltz Parkway Strongsville, OH	185,210 SF	\$15,050,000 \$81.26 PSF	Trident Capital Group Founders Properties	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1000 Keystone Parkway Cleveland, OH	170,985 SF	Weston, Inc.	Undisclosed	Distribution
1955 Midway Drive Twinsburg, OH	100,800 SF	Weston, Inc.	Undisclosed	Distribution
9525 Hamilton Drive Mentor, OH	84,770 SF	Mentor Joint Venture LLC.	IRBE	Services

