



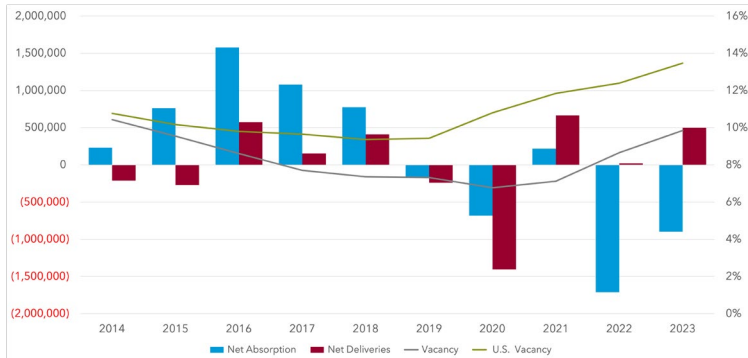
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Senior Vice President*

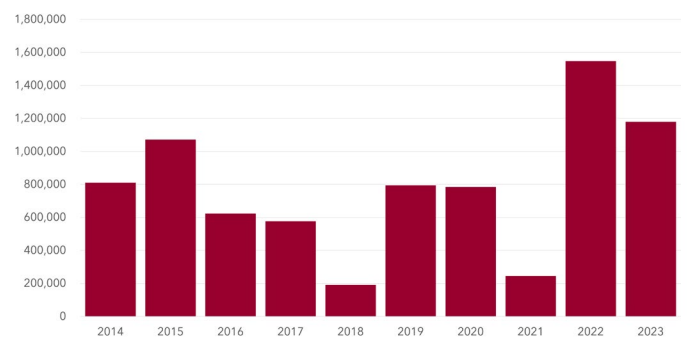
Cleveland's office market has always been known to recycle tenants with few new users entering the market, but things have continued to worsen as this phenomenon continues and users reduce their footprint, creating a huge hole in the occupancy rates. With peaking interest rates in early Q4 2023, lending on office products requiring much higher equity positions than in years past, and diminishing property values have all combined to grind office sales to a halt. The grim outlook for the CBD is vastly different than the Class A suburban office markets which have benefited from the CBD's mass exodus.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	(897,467)	(1,597,128)	(850,210)	(2,459,788)	(1,712,677)
◀▶ Vacancy Rate	9.80%	9.80%	9.10%	9.30%	8.70%
▲ Avg NNN Asking Rate PSF	\$19.50	\$19.49	\$19.41	\$19.29	\$19.11
▼ SF Under Construction	1,179,099	1,353,099	1,384,099	15,186	1,546,877
▲ Inventory SF	113,657,933	113,483,933	113,452,933	1,500,186	1,546,877

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
76 S. Main Street Akron, OH	335,736 SF	\$49,094,895 \$146.23 PSF	First Energy Corp OhioEdison Tower LLC	Class B
21100 Southgate Park Boulevard Maple Heights, OH	96,262 SF	\$3,577,757 \$37.17 PSF	Jack Trocki Development Co. Maple Heights Commerce One LLC	Class C
4859 Dover Center Road North Olmsted, OH	20,000 SF	\$1,492,500 \$74.63 PSF	Dover Center Lorain LLC Dover Center Investments	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
950 Main Avenue Cleveland, OH	100,000 SF	Wolstein Group	Oswald Companies	Insurance
950 Main Avenue Cleveland, OH	26,706 SF	Wolstein Group	Aon	Financial Services
20445 Emerald Parkway Cleveland, OH	22,939 SF	Amsdell Companies	DSV	Logistics

