



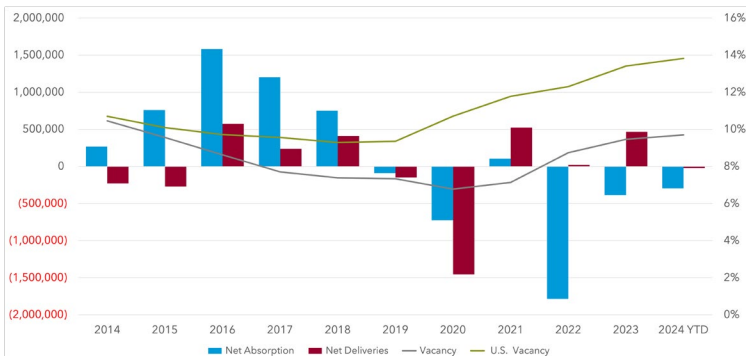
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, *Partner*

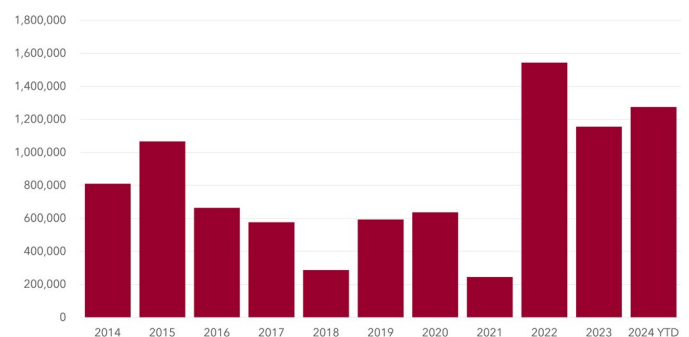
Cleveland's office vacancy rate rose to 9.7% in Q3 2024, below the national average of 13.8%, due to limited deliveries and conversions since the pandemic. About 35,000 SF was returned to the market as companies downsize their office spaces, with the average new lease size decreasing by 15% to 2,800 SF. Downtown Cleveland has seen particularly low leasing activity, while some suburban areas like the Chagrin Corridor remain positive. Construction is slow, with 1.3 million SF underway, representing just 1.1% of the market. Rent growth remains steady at 0.3%, but rising vacancy and demand uncertainty may lead to negative growth by mid-2024.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	(227,379)	(463,419)	307,874	(385,531)	(1,163,251)
▼ Vacancy Rate	9.7%	9.8%	9.5%	9.5%	9.4%
▲ Avg NNN Asking Rate PSF	\$19.66	\$19.63	\$19.63	\$19.55	\$19.60
▼ Sale Price PSF	\$92.00	\$93.00	\$93.00	\$93.00	\$97.00
◀▶ Cap Rate	12.4%	12.4%	12.3%	12.2%	11.9%
▲ Under Construction SF	1,275,253	1,127,253	1,132,253	1,156,099	1,330,099
▼ Inventory SF	112,918,358	112,968,125	112,965,028	112,941,182	112,767,182

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
29325 Chagrin Boulevard Pepper Pike, OH	31,920 SF	\$2,525,000 \$79.10 PSF	Premier Chagrin Executive LLC Chagrin Executive Offices LLC	Class B
280 Executive Parkway W Hudson, OH	50,669 SF	\$2,522,500 \$49.78 PSF	ICP LLC Boston Mills Partners LLC	Class B
23825 Commerce Park Drive Beachwood, OH	18,120 SF	\$2,300,000 \$126.93 PSF	Primrose School Todd Associates, Inc.	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4450 Cranwood Parkway Warrensville Heights, OH	30,600 SF	4450 Cranwood Owner LLC	NSL Analytical	Lab
6085 Parkland Boulevard Mayfield Heights, OH	57,911 SF	RL Eastpoint LLC	Current Lighting	Building Products
15306 NEO Parkway Garfield Heights, OH	35,672 SF	NEO Park Ten LLC	Spectrum Mid America	Telecommunications

