



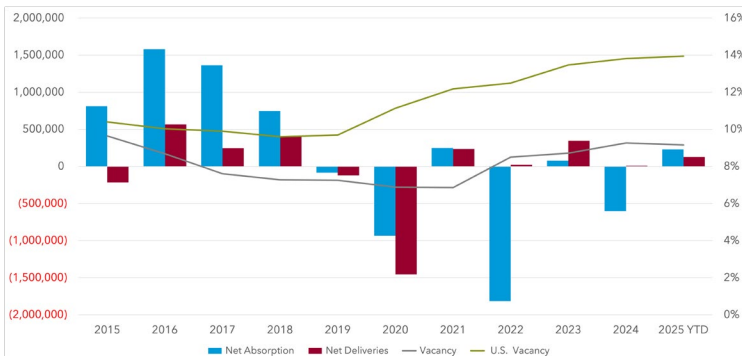
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Partner*

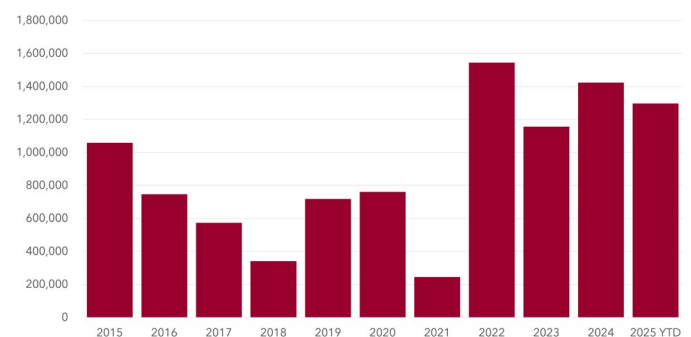
Cleveland's office vacancy rose to 9.2% in Q2 2025, still below the 2008 crisis peak but higher than pre-pandemic levels. Around 3.8M SF was returned as firms consolidate, with relocations expected to continue as older leases expire. Leasing trends show a shift to smaller spaces, with average lease sizes down 10%. Downtown Cleveland is hit hardest, while suburban areas like Chagrin Corridor see positive absorption. Construction starts dropped due to high financing rates, keeping supply growth low. Rents remain stable but face downward pressure as vacancies rise. Despite ongoing negative absorption, limited new construction should slow Cleveland's vacancy growth compared to other major markets.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ 12 Mo. Net Absorption SF	(263,623)	(602,266)	(339,690)	(482,375)	142,174
▼ Vacancy Rate	9.1%	9.3%	9.1%	9.0%	8.8%
▲ Avg NNN Asking Rate PSF	\$20.01	\$20.00	\$20.04	\$19.97	\$19.99
▲ Sale Price PSF	\$92	\$91	\$92	\$93	\$95
▼ Cap Rate	12.6%	12.7%	12.6%	12.4%	12.2%
▼ Under Construction SF	1,296,000	1,423,253	1,423,253	1,275,253	1,280,253
▲ Inventory SF	111,780,128	111,652,875	111,652,875	111,671,398	111,668,301

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3401 Enterprise Parkway Beachwood, OH	130,000 SF	\$15,000,000 \$115.38 PSF	3401 EP Holdings LLC Goldberg Companies	Class A
274 White Pond Drive Akron, OH	35,047 SF	\$6,800,000 \$194.03 PSF	Blick Enterprise, Inc. Sikich	Class A
24755 Chagrin Boulevard Beachwood, OH	40,000 SF	\$5,350,000 \$133.75 PSF	Signature Health 24755 Chagrin LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1200 E. Market Street Akron, OH	18,735 SF	IRG, LLC & ICP LLC	Dinsmore & Shoal	Law
6050 Oak Tree Boulevard Independence, OH	13,771 SF	Park Center Plaza LP	Checkpoint Surgical	Medical Devices
3747-3781 Fishcreek Road Stow, OH	9,540 SF	Hallrich	Home Health	Healthcare

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