



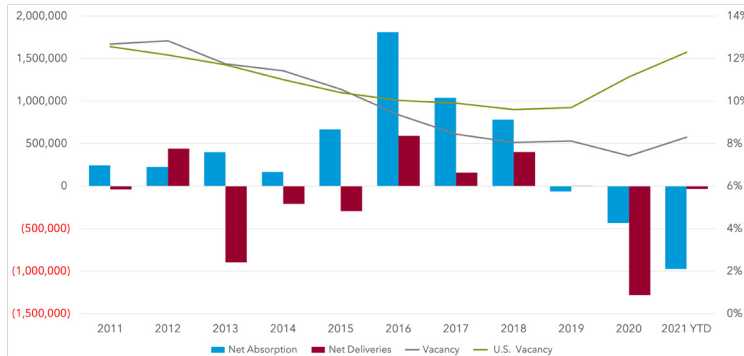
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Senior Vice President*

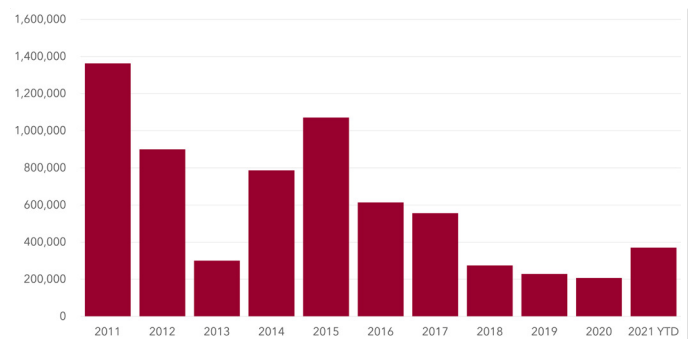
The Cleveland Office Market continued to struggle in Q3 2021. Vacancy rates continued to creep up slightly over the previous quarter and additional subleases are now becoming more readily available due to businesses deciding not to come back to the office due to the pandemic. Although there is a generally negative outlook in the CBD, there are pockets of stability in the suburbs, like the Rockside Road Corridor where occupancy rates are close to pre-pandemic levels. Larger blocks of suburban Class A and B space are being gobbled up by tenants and owner/users looking for a central non-CBD alternative. One thing to watch into Q4 2021 is how rising construction costs and supply chain issues affect the ability for landlords to deliver space on time and on budget.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▼ 12 Mo. Net Absorption SF	(1,286,936)	(1,227,066)	(867,217)	(330,954)	(29,393)
▲ Vacancy Rate	8.30%	8.00%	7.80%	7.30%	7.00%
▼ Avg NNN Asking Rate PSF	\$19.29	\$19.48	\$19.38	\$19.38	\$19.19
▲ SF Under Construction	370,940	175,000	175,000	205,688	245,688
▲ Inventory SF	106,660,282	106,559,597	106,626,097	106,595,409	106,555,409

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
925 Keynote Circle Brooklyn Hts., OH	61,994 SF	\$22,450,000 \$362.13 PSF	EGP 925 Brooklyn Heights, LLC Keynote Property Owner	Class B
5885 Landerbrook Drive Mayfield Hts., OH	87,630 SF	\$7,250,000 \$82.73 PSF	RL Monarch, LLC PDC Office Park	Class B
6400 Rockside Road Independence, OH	33,840 SF	\$3,990,000 \$117.91 PSF	Union Savings Bank 6400 Rockside, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1300 E Ninth Street Cleveland, OH	29,760 SF	Rugby Realty	United Church of Christ	Religious
1100 Superior Avenue Cleveland, OH	9,869 SF	American Landmark	Clearstead Advisors	Financial
902 Westpoint Parkway Westlake, OH	6,741 SF	Westlake Office Associates	University Hospitals	Medical

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