



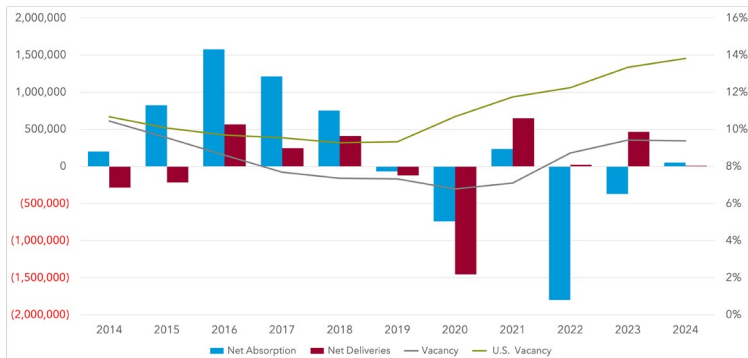
OFFICE MARKET OVERVIEW

ABRAM SCHWARZ, SIOR, *Partner*

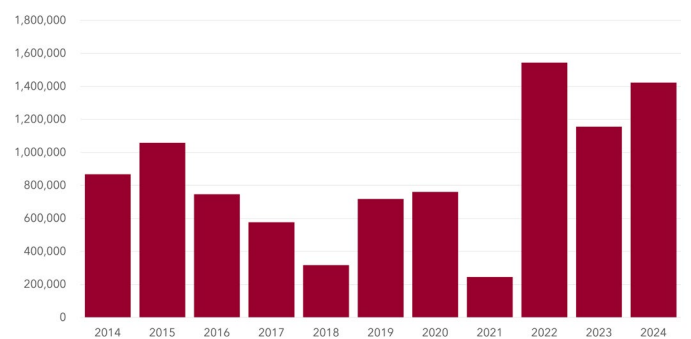
As of the fourth quarter of 2024, Cleveland's office real estate market has shown signs of stabilization. Overall vacancy decreased to 9.4%, down 30 basis points from the previous quarter. The market absorbed over 50,000 square feet in Q4 2024. Average asking rental rates decreased slightly by \$0.02 per square foot from Q3 2024, reaching \$19.87 per square foot. Additionally, there is a growing trend of converting underutilized office buildings into residential spaces, aiming to address both office vacancies and housing shortages as evidenced by the sale of the former Medical Mutual Office Building in Downtown Cleveland.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	50,730	(189,433)	(433,832)	305,132	(371,347)
◀▶ Vacancy Rate	9.4%	9.7%	9.7%	9.5%	9.4%
▲ Avg NNN Asking Rate PSF	\$19.87	\$19.89	\$19.83	\$19.85	\$19.77
▲ Sale Price PSF	\$88	\$89	\$91	\$93	\$95
▲ Cap Rate	13.1%	13.0%	12.7%	12.4%	12.2%
▼ Under Construction SF	1,423,253	1,423,253	1,275,253	1,280,253	1,156,099
▲ Inventory SF	113,407,578	113,407,578	113,426,101	113,423,004	113,399,158

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2060 E. Ninth Street Cleveland, OH	381,174 SF	\$10,956,667 \$28.74 PSF	Spark Hotels Medical Mutual of Ohio	Class C
28500 & 28501 Clemens Road Westlake, OH	203,856 SF	\$6,250,000 \$30.66 PSF	Premier Development Properties Hyland Software	Class B
6789 Ridge Road Parma, OH	29,958 SF	\$1,000,000 \$33.38 PSF	A & I Ohio Properties RCS Capital Corp	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
155 Montrose West Avenue Akron, OH	30,638 SF	Realife	Skypoint Recovery	Mental Health
14656 & 15365 NEO Parkway Garfield Hts, OH	30,636 SF	NEO Park Ten	Charles River Laboratories	Health Sciences
4020 Kinross Lakes Parkway Richfield, OH	19,685 SF	CLE Kinross LLC	Sikich	Accounting

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