



OFFICE MARKET OVERVIEW

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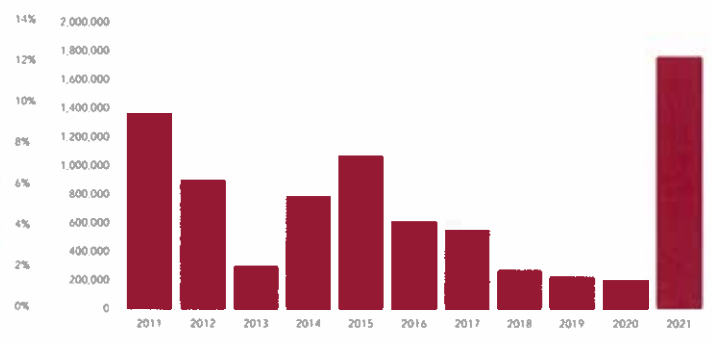
As the COVID-19 Pandemic drags on due to the Omicron Variant, the Cleveland Office Markets continue to lag behind in activity, occupancy, and rental rates. Much of the market's struggles are tied to tenants delaying decisions and limited office employees within a physical office. Additionally, deals are harder to accomplish due to high construction costs and availability of materials. Rates of return are lower than ever and deals are becoming harder to push across the finish line, as rental rates have remained low compared to markets of similar size. Landlords who have the ability to offer adequate tenant improvement dollars will be a competitive advantage into the 2022.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	(647,094)	(1,286,936)	(1,227,066)	(867,217)	(330,954)
▼ Vacancy Rate	8.00%	8.3%	8.0%	7.8%	7.3%
▼ Avg NNN Asking Rate PSF	\$19.18	\$19.29	\$19.48	\$19.38	\$19.38
▲ SF Under Construction	1,765,607	370,940	175,000	175,000	205,688
▲ Inventory SF	107,447,397	106,660,282	106,559,597	106,626,097	106,595,409

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6060 Rockside Woods Boulevard Independence, OH	121,917 SF	\$13,000,000 \$106.63 PSF	Dalad Realty Pleasant Valley Corporation	Class B
1350 W. 3rd Street Cleveland, OH	18,290 SF	\$3,375,000 \$184.53	Real Life Management Welty Building Company	Class C
1835-1849 Prospect Avenue, East Cleveland, OH	64,000 SF	\$2,700,000 \$42.19 PSF	Terry Poltorke Innovation Landing	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1300 East 9th Street Cleveland, OH	22,968 SF	Rugby Realty	AMS	Staffing
9150 S. Hills Boulevard Broadview Heights, OH	13,805 SF	Joseph Skilken Organization	Ken Ganley Companies	Automotive
6480 Rockside Woods Blvd, South Independence, OH	12,570 SF	Corporate Plaza LP	TTI, Inc.	Electronics