



Akron Office Outlook

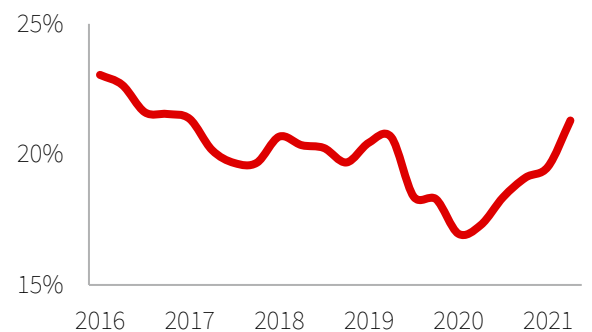
Q2 2021

Akron's office market is clouded in uncertainty while occupancy losses continue to mount

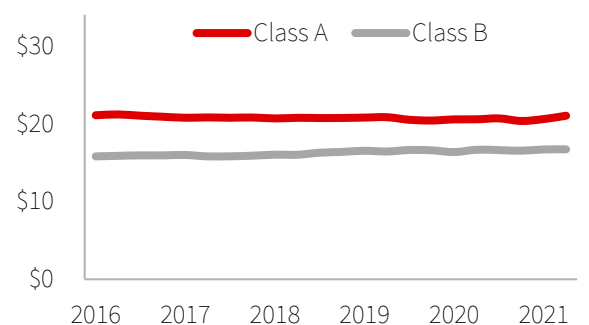
- Akron's office leasing activity has remained relatively suppressed since the start of 2021 as companies embrace flexible work schedules for their employees and delay long term real estate decisions.
- Vacancy has increased 390 basis points year-over-year to 21.3%. This marks the highest vacancy in Akron's office market since Q1 2016.
- Through the course of the pandemic the market has turned tenant-favorable. While landlords are holding firm on starting rents, there has been a considerable uptick in concessions on long-term deals.
- Absorption in Q2 2021 was -67,981 s.f. This marked the fifth consecutive quarter with negative absorption in Akron. Further occupancy losses are expected over the course of 2021.
- Akron's sublease market continues to grow as companies attempt to mitigate their real estate costs amid a remote working environment. Nearly 58,000 s.f. has been added in 2021
- No notable office sales have occurred in 2021. However, several renovation projects such as Diebold's new headquarters and the Law Building are currently undergoing massive overhauls to breathe new life into the community and spark interest among investors.

Fundamentals		Forecast
Inventory	9,437,160 s.f.	►
YTD net absorption	-172,919 s.f.	▼
Under construction	0 s.f.	►
Total vacancy	21.3%	▲
Direct asking rent	\$18.46 p.s.f.	▲
Concessions	Increasing	▲

Total vacancy (%)



Direct asking rent (p.s.f.)





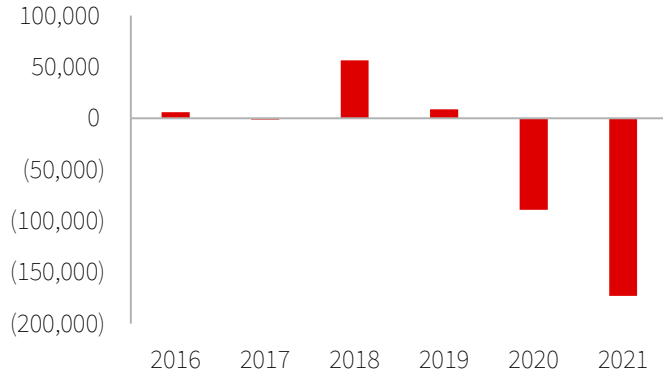
Statistics

	Class	Inventory (s.f.)	YTD absorption (s.f.)	Total vacancy (s.f.)	Total vacancy (%)	Average asking rent (\$ p.s.f.)
Downtown	Totals	3,321,788	-12,488	537,031	16.2%	\$18.28
Fairlawn	Totals	1,823,754	-28,722	299,707	16.4%	\$18.34
Green	Totals	680,389	3,138	103,783	15.3%	\$18.37
Hudson/Stow	Totals	693,197	-21,966	234,062	33.8%	\$18.34
Richfield	Totals	649,636	-50,193	163,332	25.1%	\$20.34
Suburban Akron	Totals	1,872,878	-52,943	584,064	31.2%	\$18.57
Twinsburg/Macedonia	Totals	395,518	-9,745	85,346	21.6%	\$16.52
Suburban	Totals	6,115,372	-160,431	1,470,294	24.0%	\$18.53
Akron	Totals	9,437,160	-172,919	2,007,325	21.3%	\$18.46
Downtown	A	1,626,773	-7,054	259,266	15.9%	\$20.80
Fairlawn	A	583,424	-2,533	107,025	18.3%	\$19.73
Green	A	45,262	0	25,000	55.2%	\$0.00
Hudson/Stow	A	32,759	0	19,538	59.6%	\$20.00
Richfield	A	460,346	-50,193	131,663	28.6%	\$21.35
Suburban Akron	A	566,791	-50,668	296,323	52.3%	\$21.66
Twinsburg/Macedonia	A	39,816	0	0	0.0%	\$0.00
Suburban	A	1,728,398	-103,394	579,549	33.5%	\$21.13
Akron	A	3,355,171	-110,448	838,815	25.0%	\$21.02
Downtown	B	1,695,015	-5,434	277,765	16.4%	\$16.15
Fairlawn	B	1,240,330	-26,189	192,682	15.5%	\$17.61
Green	B	635,127	3,138	78,783	12.4%	\$18.37
Hudson/Stow	B	660,438	-21,966	214,524	32.5%	\$18.09
Richfield	B	189,290	0	31,669	16.7%	\$17.13
Suburban Akron	B	1,282,437	-2,275	287,741	22.4%	\$15.54
Twinsburg/Macedonia	B	355,702	-9,745	85,346	24.0%	\$16.52
Suburban	B	4,363,324	-57,037	890,745	20.4%	\$16.91
Akron	B	6,058,339	-62,471	1,168,510	19.3%	\$16.71

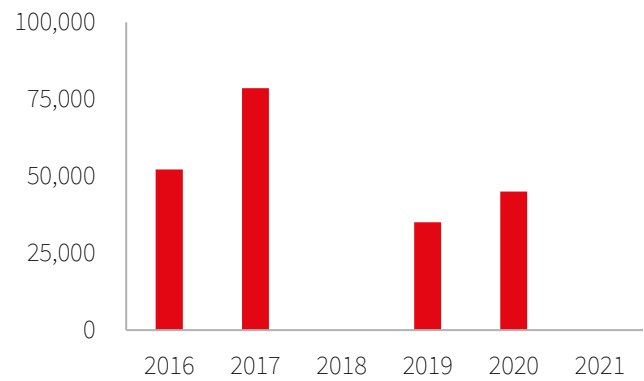
Note: Updates to the property set were made based on market dynamics. Historical data points included in this report reflect the updated property set.

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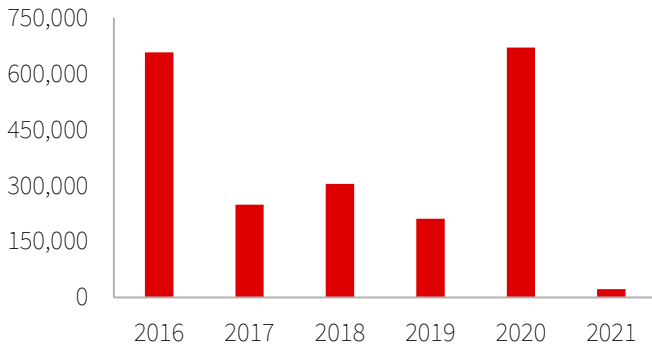
Net absorption (s.f.)



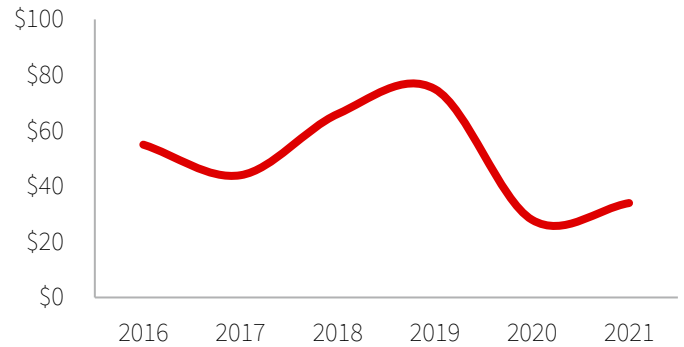
Construction completions (s.f.)



Office sales (s.f.)



Average sales price (p.s.f.)



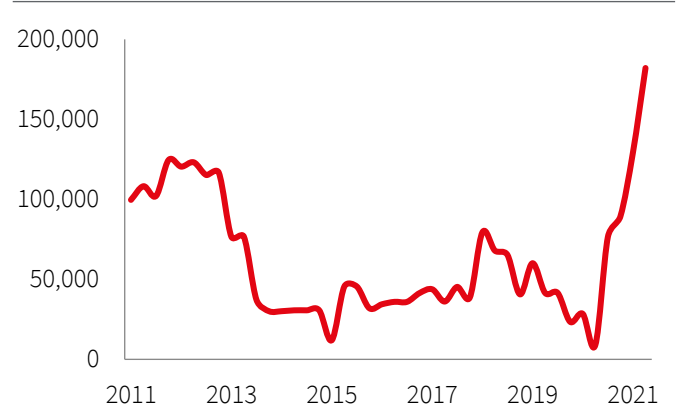
Notable leases

Tenant	Address	Submarket	Lease s.f.	Sign date
Diebold Nixdorf	50 Executive Pkwy	Hudson/Stow	72,545	Dec-20
ViaQuest	260 Springside Dr	Fairlawn	20,355	Nov-20
Hondros College	755 White Pond Dr	Suburban Akron	17,510	Dec-20
Burns & McDonnell	544 White Pond Dr	Suburban Akron	14,090	Aug-20
Northwestern Mutual	3800 Embassy Pkwy	Fairlawn	9,045	Dec-20
Maxim Healthcare Services	3737 Embassy Pkwy	Fairlawn	8,732	Nov-20

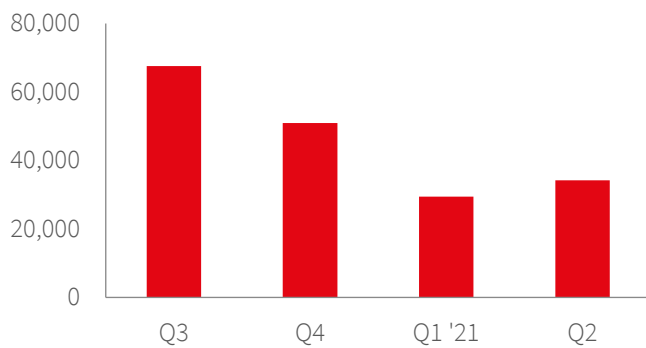
Sublease fundamentals

Current sublease availabilities	12
Available sublease space	182,072 s.f.
Sublease vacancy	1.9%
Sublease rent discount	10.4%
Median sublease size	9,166 s.f.
Average remaining lease term	66 months

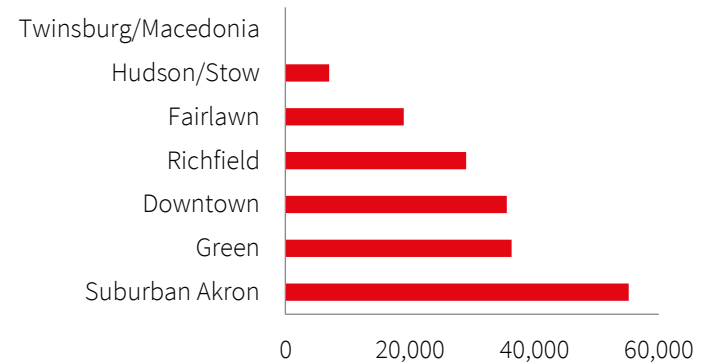
Historical sublease vacancy (s.f.)



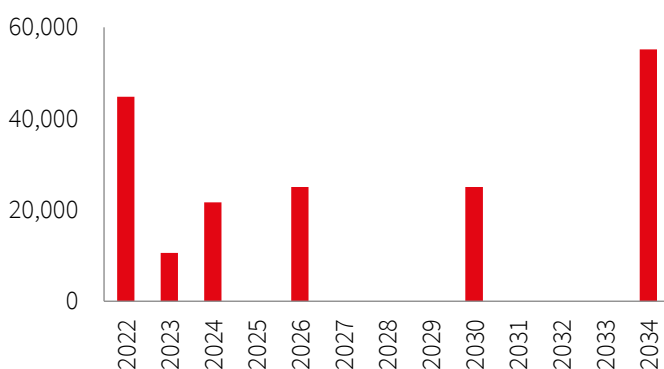
Sublease space added by quarter (s.f.)



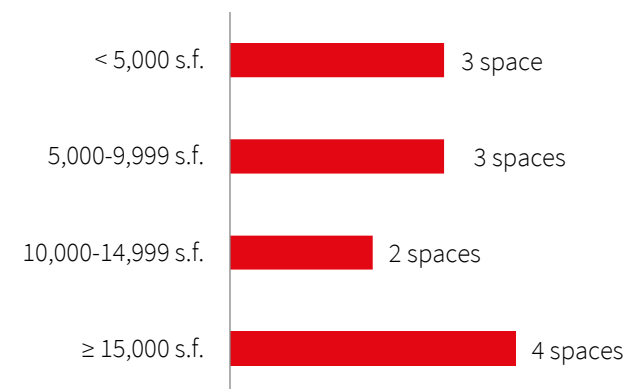
Sublease availability by submarket (s.f.)



Sublease availability by lease expiration (s.f.)



Sublease availability by size (# of availabilities)



This analysis includes available sublease space with at least one year of term remaining. Coworking space was excluded.

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