

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.1% Vacancy Rate	▲	▬
22.9K YTD Net Absorption, SF	▲	▲
\$19.14 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.1M Cleveland Employment	▬	▬
4.5% Cleveland Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS

OFFICE MARKET REBOUNDED IN Q3

After a strong start to the year marked by positive net absorption and a decline in vacancy rates, the market lost momentum in Q2, posting negative net absorption and higher vacancies. However, Q3 saw a rebound from this with 50,000 square feet (sf) of positive net absorption, bringing the year-to-date total to 22,900 sf. This turnaround also drove the vacancy rate down from 11.3% to 11.1%, signaling a slight improvement over the previous quarter and a providing a positive outlook heading into Q4.

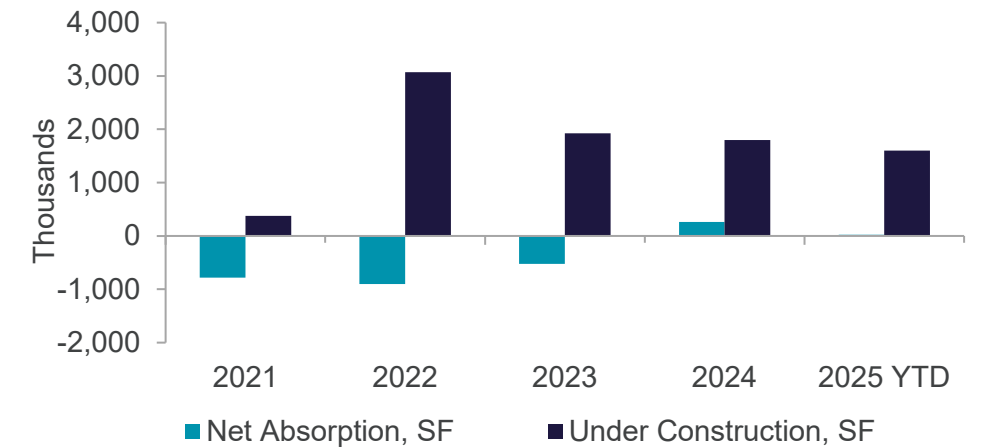
Three submarkets led this recovery, that being Akron, the Southwest submarket, and Stark County, all recording notable drops in vacancy rates as deal activity increased. Each ended the quarter with vacancy rates below 11%, placing them among the stronger performers in the Cleveland office market and highlighting potential growth areas heading into Q4 2025 and then into Q1 2026. Meanwhile, smaller office submarkets such as Medina County, Lorain County, and Portage & Geauga Counties continued to post vacancy rates below 5%, underscoring the sustained demand for office space in the outer areas of the Cleveland market.

STRONG Q3 TOPPED OFF BY MASSIVE SALE-LEASEBACK

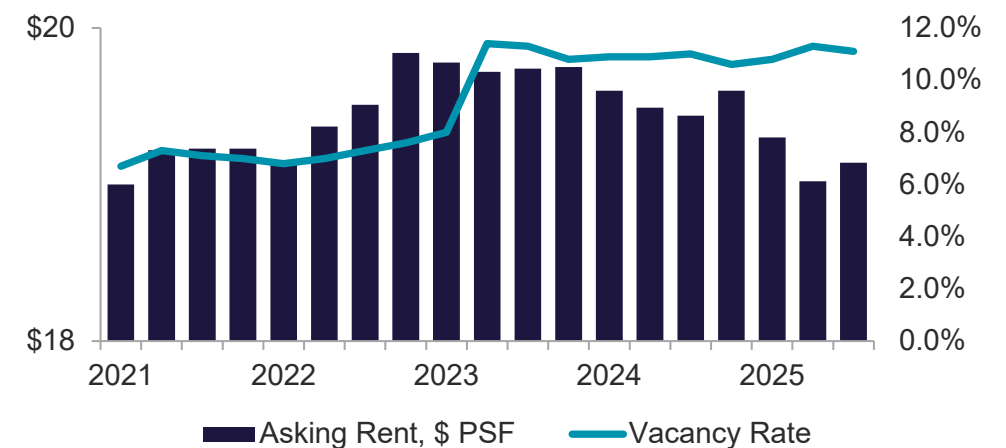
Q3 saw 5 leases and 3 sales over 95,000 sf, a feat typically not accomplished in one singular quarter in the office market. The quarter also saw over 2.5 million square feet (msf) of total new leases being signed, a staggering amount that may be inflated by the biggest deal of the year. This deal was the sale leaseback of Cleveland Clinic's Northeast Ohio portfolio. The portfolio included 17 properties in the Cleveland market, 24 in total, with over 1.8 msf being sold from the Cleveland Clinic to MedCraft Healthcare Real Estate, and then being leased back, as the Clinic continues to shift more capital into expanding current hospitals.

This quarter also saw the sale of one of FirstEnergy's buildings in Akron, as they parted ways with 76 South Main Street, a 366,000 sf nearly vacant office building in the heart of downtown Akron. The buyer was Pleasant Valley Corporation, their second such building that they have purchased this year in an effort to revitalize the downtown core of Akron. The building transferred for just \$900,000 or \$2.46 per square foot (psf), meaning it is quite the shell of a building in desperate need of some renovations

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	23,242,572	2,762,055	209,377	12.8%	-76,208	-34,957	150,862	1,003,000	\$20.10	\$20.97
Akron	12,679,726	985,689	143,925	8.9%	99,168	9,420	319,454	-	\$18.61	\$19.38
Chagrin, East & Lander	8,750,497	1,044,806	8,932	12.0%	18,933	66,921	286,766	-	\$22.61	\$24.39
Rockside & South	6,929,368	1,356,114	95,951	22.0%	34,304	28,563	222,362	600,000	\$19.25	\$23.43
West	7,076,489	551,878	27,849	8.2%	-56,369	-155,676	227,972	-	\$16.92	\$19.23
Stark County	7,223,648	768,147	3,920	10.7%	120,453	23,348	1,213,666	-	\$11.28	\$11.29
Southwest	5,082,476	490,678	5,856	9.8%	29,429	154,967	226,052	-	\$14.69	\$21.50
Midtown	4,743,226	385,588	22,990	8.6%	-41,568	89,356	57,882	-	\$22.10	\$26.70
Northeast & Lake County	4,571,340	370,195	5,652	8.2%	-33,531	-88,657	154,354	-	\$18.90	\$20.73
Fairlawn & Montrose	2,891,768	342,786	45,372	13.4%	-27,674	-36,218	6,259	-	\$20.61	\$21.10
Portage & Geauga	2,089,982	101,269	-	4.8%	-9,751	-13,828	22,392	-	\$14.51	-
Lorain County	2,060,346	87,482	-	4.2%	4,307	3,022	187,985	-	\$17.86	\$28.90
Medina County	1,619,374	35,942	-	2.2%	5,141	-20,507	44,522	-	\$21.49	-
Southeast	1,729,706	175,477	-	10.1%	-13,940	-2,835	362,075	-	\$19.82	\$21.01
CLEVELAND TOTALS	90,690,518	9,458,106	569,824	11.1%	52,694	22,919	3,482,603	1,600,003	\$19.14	\$21.67

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

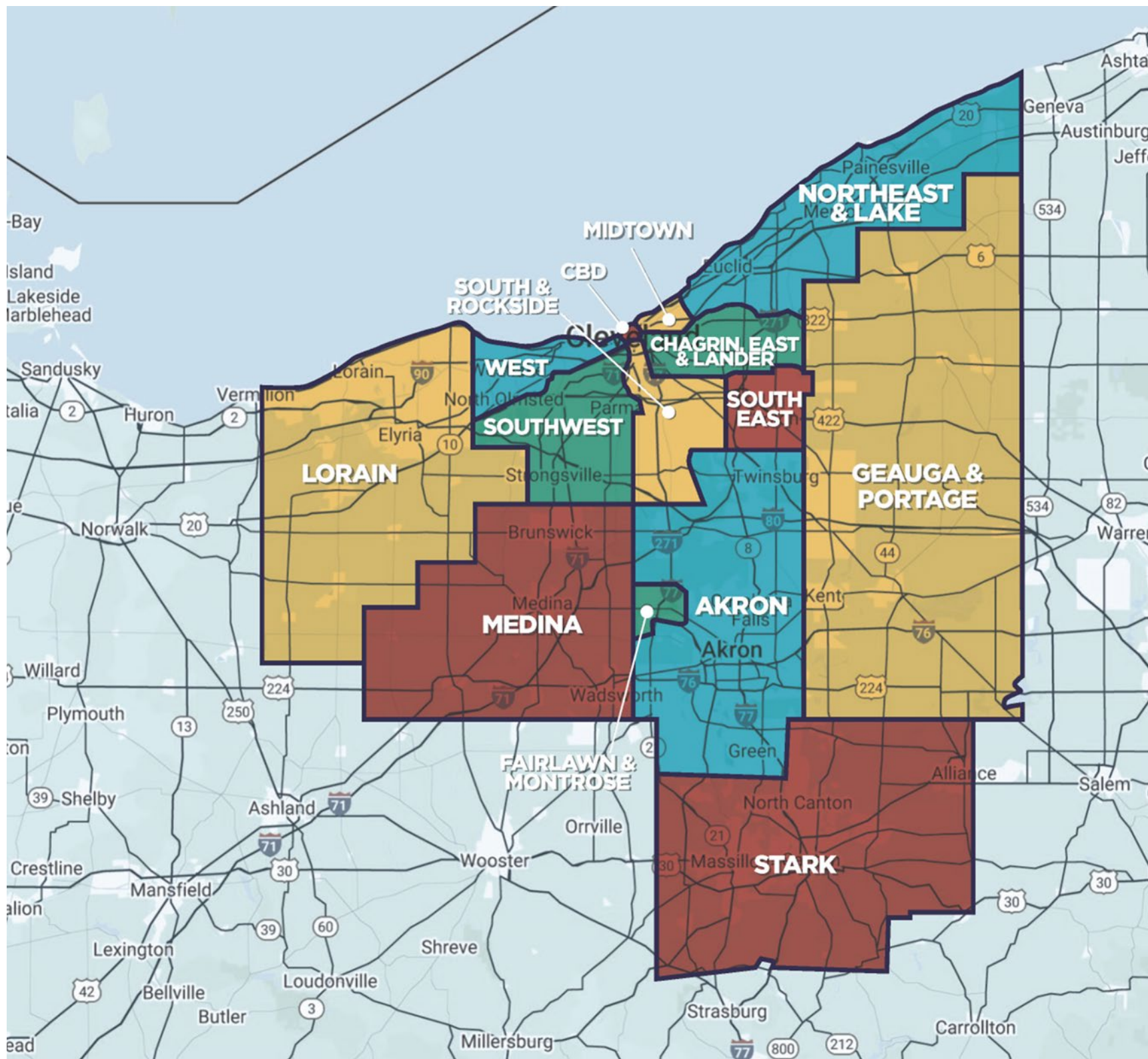
PROPERTY	SUBMARKET	TENANT	SF	TYPE
Cleveland Clinic Portfolio	Various	Cleveland Clinic	1,896,453	Sale-Leaseback
4900 Tiedeman Road	Southwest	N/A	98,473	New
3121 Euclid Avenue	Midtown	Global School Properties	50,186	New
1001 Lakeside Avenue E	CBD	Jones Day	30,622	Renewal*
1301 E 9 th Street	CBD	AT&T	24,610	Renewal*

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Cleveland Clinic Portfolio	Various	Cleveland Clinic / MedCraft Healthcare	1,896,453	N/A
76 S Main Street	Akron	FirstEnergy / Pleasant Valley Corporation	366,261	\$900,000 / \$2.46
28501 Clemens Road	West	Premier Development / Achievement Centers for Children	69,558	\$4.9M / \$70.44
8401 Chagrin Road	Portage & Geauga	Roundtable Online Learning / Terye Levy	54,505	\$5.2M / \$95.62

OFFICE SUBMARKETS



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