

	YoY Chg	12-Mo. Forecast
<b>3.1%</b> Vacancy Rate	▼	▲
<b>866K</b> Net Absorption, SF	▼	▲
<b>\$4.77</b> Asking Rent, PSF	▲	▬

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
<b>1.06M</b> Cleveland Employment	▲	▲
<b>5.5%</b> Cleveland Unemployment Rate	▼	▼
<b>3.6%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

### ECONOMY: Expected weakening in economy and customer demand with continued price increases

Business activity in the region declined slightly and businesses expect further weakening in the months ahead. The softening in customer demand was evident across sectors as households and businesses contend with higher costs and rising interest rates. Additionally for goods producers, ongoing supply chain challenges and uncertainty about the economic outlook led to declines in orders and reduced capital investment. Businesses that increased staff levels or raised wages have eased since the start of 2022 but continue to add staff moderately amid high turnover and continue to give pay increases that are above historical averages. Most noted higher labor costs were widespread across the food, energy and petroleum-related products. Most businesses raised prices; however some are reporting that their profit margins had shrunk as they were unable to fully pass cost increases to consumers.

### MARKET ACTIVITY: Lease Rates Uptick, Vacancy Rate Drops but Activity Slows

The direct weighted triple net (NNN) asking rental rate increased slightly from \$4.74 per square foot (psf) to \$4.77 psf, however leasing activity for the 2Q22 slipped from 116 lease deals totaling 3.5 million square feet (msf) to 89 lease deals totaling 2.9 msf. This included six deals (four new and two renewals) over 200,000 SF. Notable deals included DSV, a new to market Danish transport and logistics company, leasing a 368,537 square foot (sf) building at 9780 Mopar Drive in Streetsboro, Stellantis (fka Fiat Chrysler) renewing their lease for 343,416-sf next door at 9777 Mopar Drive and Spectrum Diversified Designs subleasing 308,500-sf from TTI/Dirt Devil at 7005 Cochran Road in Solon. Spectrum Diversified offers storage and organization products for every from of the home which is found under the Tovolo brand name. The second quarter 2022 saw 64 user sales totaling 1.3 msf and 19 investor sales totaling 1.9 msf which is consistent with the same period 2021. The most notable investment sales were 1331-1373 Chillicothe Road, a 368,882-sf building located in Aurora that was leased to Andersen Windows, Mytee Products and Peck Food Service sold for \$10.8 million (\$29.50 psf) to Industrial Commercial Properties, 5800 Grant Avenue, a 206,417-sf 1980's vintage building in Cuyahoga Hts. leased to Bunzl sold to Diamond Properties for \$7.5 million (\$36.33 psf), 1120 West 130<sup>th</sup> Street, a 100,301-sf building in Brunswick leased to Prime Woodcraft sold to Plymouth Industrial REIT for \$12.7 million (\$82.52 psf).

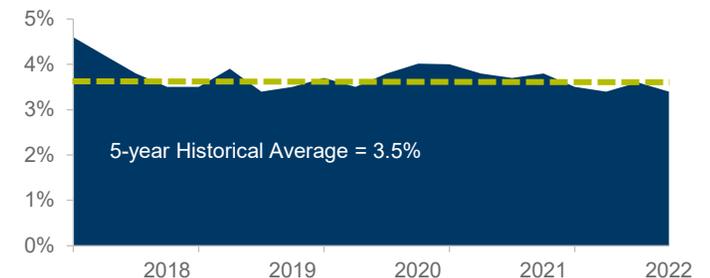
### NEW INDUSTRIAL CONSTRUCTION: 2022 Deliveries and Pipeline remain strong

There are currently 38 projects either completed or under/ready for construction totaling 8.9 msf. Geis Companies and Stonemont Financial have recently released news that it has begun development of a 1 msf spec building in Shalersville at the Route 44 exit of the Ohio Turnpike. This is the largest spec industrial building in Northeast Ohio history.

### NET ABSORPTION / ASKING RENT



### OVERALL VACANCY RATE



## MARKET STATISTICS

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASE ACTIVITY (SF)	YTD USER SALES ACTIVITY (SF)	OVERALL VACANCY RATE	YTD DIRECT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	DIRECT WEIGHTED AVERAGE NET RENTAL RATE *
Downtown	1,574	50,984,239	326,360	171,873	4.3%	198,159	348,559	156,775	0	\$4.14
East	1,088	45,046,764	151,849	76,001	2.5%	-64,437	-227,818	198,000	0	\$4.75
Lake County	1,495	43,247,191	303,308	379,986	2.1%	600,827	717,397	0	0	\$4.87
South	669	30,980,398	736,868	253,019	3.7%	259,438	252,990	340,000	45,000	\$6.15
Southeast	1,627	83,841,593	1,827,951	348,360	6.2%	-333,118	-177,438	773,100	206,750	\$4.01
Southwest	1,239	54,137,900	750,082	360,388	2.5%	15,888	45,888	1,044,059	0	\$5.60
West	1,303	51,175,014	156,846	314,848	2.2%	-350,636	-353,636	0	130,000	\$4.36
Akron	2,081	71,933,553	1,196,184	579,703	2.4%	-29,448	-29,448	50,000	0	\$5.05
Medina County	641	23,130,935	101,719	258,675	0.9%	138,926	138,926	357,000	0	\$4.49
Portage County	445	12,271,883	0	10,763	2.2%	338,055	380,674	208,750	65,000	\$10.27
Stark County	1,357	50,980,346	296,040	140,066	1.4%	49,593	49,593	1,250,000	890,000	\$4.55
<b>CLEVELAND TOTALS</b>	<b>13,519</b>	<b>517,729,816</b>	<b>5,847,207</b>	<b>2,893,682</b>	<b>3.1%</b>	<b>823,247</b>	<b>1,145,687</b>	<b>4,882,684</b>	<b>1,336,750</b>	<b>\$4.77</b>

\*Rental rates reflect weighted net asking \$psf/year

## KEY LEASE TRANSACTIONS Q2 2022

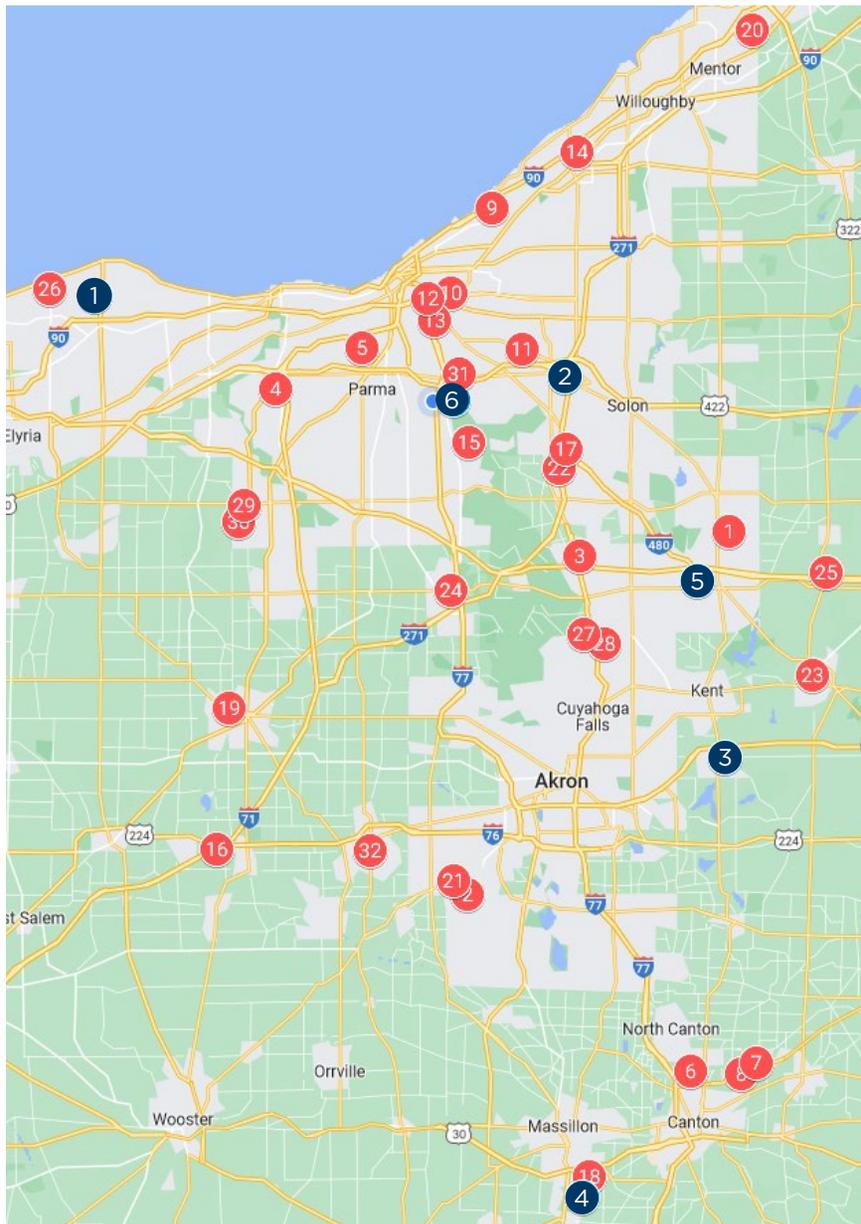
PROPERTY	SUBMARKET	TENANT	SF	TYPE
9777 Mopar Drive (Renewal)	Southeast	Stellantis	343,416	Warehouse
7005 Cochran Road (Sublease)	Southeast	Spectrum Diversified Designs	308,500	Warehouse
4211 Shuffel Street N	Stark County	Performance Health	255,000	Warehouse
30301 Carter Street (Renewal)	Southeast	Home Depot USA	219,998	Warehouse
1210 Massillon Road	Akron	Little Tikes Company	200,000	Warehouse
30333 Emerald Valley Parkway	Southeast	Radix	120,000	Warehouse

## KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1120 W 130 <sup>th</sup> Street	Medina County	I.D. Images, LLC / Plymouth Industrial REIT	152,903	\$12.7M / \$82.52 PSF
1331-1373 Chillicothe Road	East	Smythe Property Advisors / ICP, LLC	365,882	\$10.8M / \$29.52 PSF
5800 Grant Avenue	South	Reiner Family / Diamond Properties	206,417	\$7.5M / \$36.33 PSF

## KEY CONSTRUCTION COMPLETIONS Q2 2022

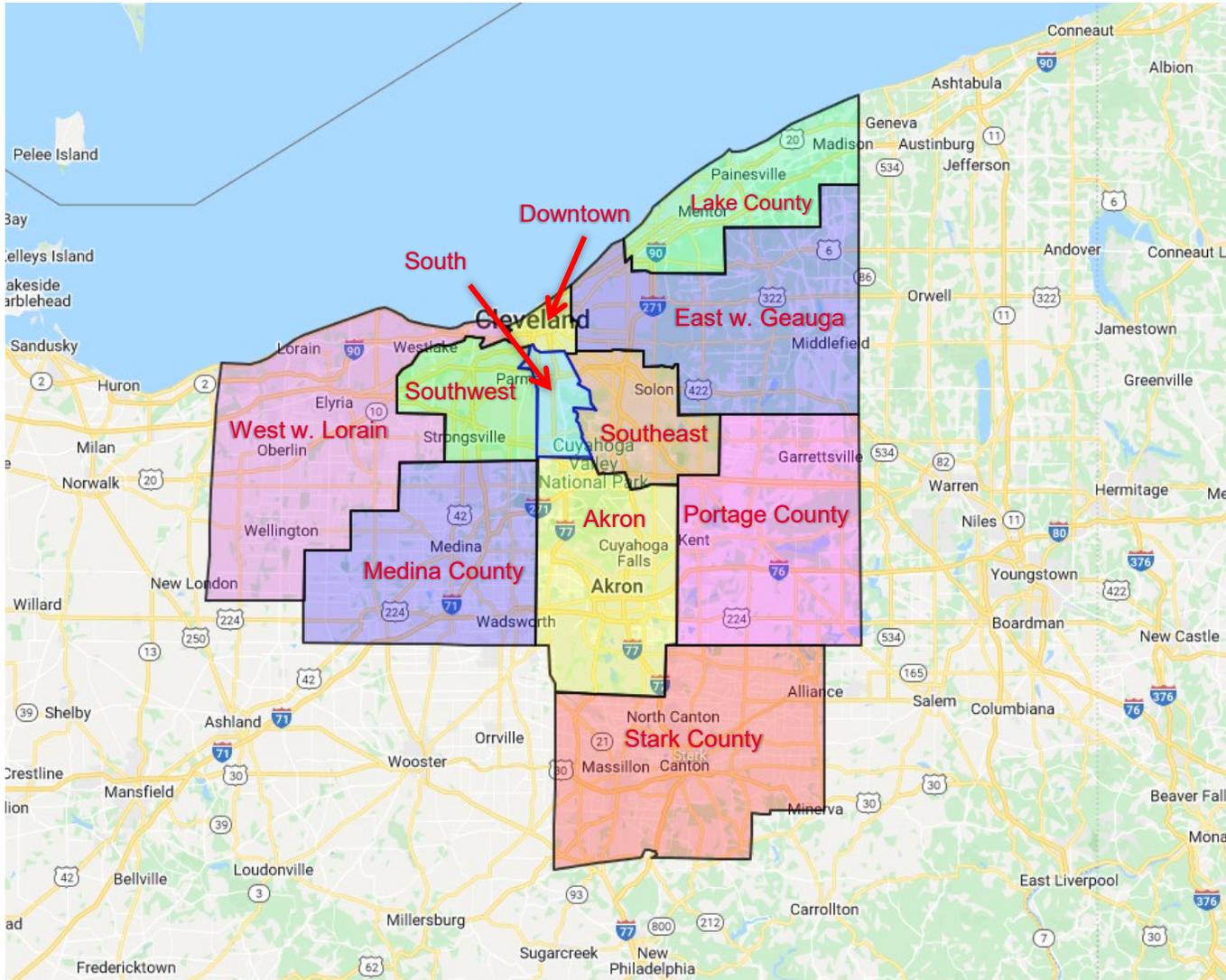
PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3001 Sterilite Street SE	Stark County	Tractor Supply Company	890,000	Tractor Supply Company
24200 Aurora Road	Southeast	Speculative Construction	145,000	Scannell Properties



● = Speculative Buildings

UNDER CONSTRUCTION		21	Speculative Building 5221 S. Cleveland Massillon Road, Norton, Ohio 44203
1	Ashley Furniture Lena Drive, Aurora, Ohio 44202	22	Interstate McBee 7400 Oak Leaf Road, Oakwood Village, Ohio 44146
2	Petit Auto Wash 2811 Eastern Road, Barberton, Ohio 44203	23	LG Chem 6800 North Chestnut Street, Ravenna, Ohio 44266
3	Arhaus Furniture 51 E Hines Hill Road, Boston Heights, Ohio 44236	24	Allega Construction Columbia Road, Richfield, Ohio 44286
4	Weston - Speculative 18300 Snow Road, Brook Park, Ohio 44142	25	Geis Companies - Speculative Route 44 & Beck Rd, Shalersville, Ohio 44255
5	Amazon 10543 Memphis Avenue, Brooklyn, Ohio 44144	26	Berkshire Refrigerated - Cold Storage 620 N. Abbe Road, Sheffield Village, Ohio 44054
6	Kenda Tire Maple Crest Parkway, Brimfield, Ohio 44240	27	Ray Fogg Corporate Properties - Speculative 4852 Gray Lane, Stow, Ohio 44224
7	Amazon 3550 Columbus Road NE, Canton, Ohio 44705	28	Ray Fogg Corporate Properties - Speculative Gray Lane, Stow, Ohio 44224
8	Terradiol 3800 Harmont Avenue NE, Canton, Ohio 44705	29	Scannell Properties - Speculative 21487 Royalton Road, Strongsville, Ohio 44149
9	Greater Cleveland Food Bank 13815 Coit Road, Cleveland, Ohio 44110	30	CCL Design 17700 Foltz Parkway, Strongsville, Ohio 44149
10	Orlando Baking Company 2777 E. 75 <sup>th</sup> Street, Cleveland, Ohio 44104	31	Amazon 5585 Canal Road, Valley View, Ohio 44125
11	Tremco Commercial Sealants E. 175 <sup>th</sup> & Miles Avenue, Cleveland, Ohio 44128	32	Soprema USA 310 Quadral Drive, Wadsworth, Ohio 444281
12	Premier Development - Speculative E. 55th St & Morgana Avenue, Cleveland, Ohio 44127	<b>TOTAL SF: 7,521,694</b>	
13	Stonemont Financial - Speculative E. 52nd St & Morgana Avenue, Cleveland, Ohio 44127	<b>COMPLETIONS</b>	
14	Ray Fogg Corporate Properties - Speculative Bluestone Business Park, Euclid, Ohio 44132	1	Hinckley Lighting 33000 Pin Oak Parkway, Avon Lake, Ohio 44012
15	CSA American Testing & Certification 8901 E. Pleasant Valley Road, Independence, Ohio 44131	2	Scannell Properties - Speculative 24200 Aurora Road, Bedford Heights, Ohio 44146
16	Stonemont Financial - Speculative I-71 & I-76, Lodi, Ohio 44254	3	Hamrick Packaging Solutions 257 International Drive, Brimfield, Ohio 44240
17	Kroger Foods Alexander Rd. & Macedonia Rd, Macedonia, Ohio 44146	4	Tractor Supply Company 3001 Sterilite Street SE, Massillon, Ohio 44646
18	NAI Spring Phoenix Avenue, Massillon, Ohio 44646	5	The Simplay 3 Company 9450 Rosemont Drive, Streetsboro, Ohio 44241
19	Gabyak Corporation 9238 S Progress Drive, Medina, Ohio 44256	6	Precision Metal Products 5745 Canal Road, Valley View, Ohio 44125
20	Premier Development - Speculative 9525 Hamilton Drive, Mentor, Ohio 44060	<b>TOTAL SF: 1,356,756</b>	

## INDUSTRIAL SUBMARKETS



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