

	YoY Chg	12-Mo. Forecast
3.0% Vacancy Rate	▼	▲
1.8M YTD Overall Net Absorption SF	▲	▬
\$4.74 Asking Rent, PSF	▲	▬

Direct, Net Asking Rent

ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
1.1M Cleveland Employment	▲	▲
5.3% Cleveland Unemployment Rate	▼	▼
3.5% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY: Signs of Inventory Replenishment and Easing Supply Chain Disruptions

Activity changed little in recent weeks though it varied considerably by sector. Companies stated that higher interest rates dampened demand in rate sensitive sectors such as automobile sales, residential real estate and nonresidential construction. Manufacturers experienced increased demand with some reportedly benefitting from inventory replenishment and easing supply chain disruptions (which have not yet normalized). Professional and business service firms reported further increases in demand from already high levels. Companies were generally more pessimistic about the near-term outlook than during the previous quarter, which has likely contributed to lowered capital spending plans. While cost and price pressures remain high, companies are experiencing modest relief.

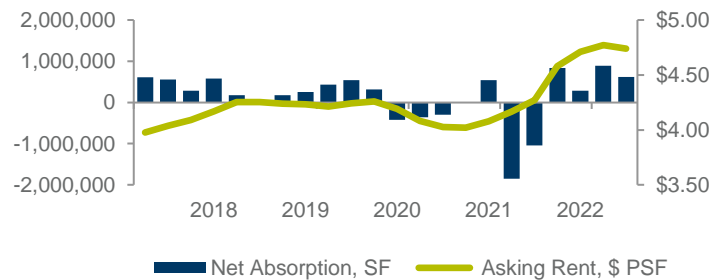
MARKET ACTIVITY: Lease Rates Uptick, Vacancy Rate Drops but Activity Slows

Leasing activity saw the highest velocity of the year with 114 new leases and renewals totaling 3.5 million square feet (msf). Forty percent of those deals were in the 10-50,000 sf range. Notable deals included Wild Republic leasing 396,000 square feet (sf) at 7711 E. Pleasant Valley Road in Independence, Greenbridge, formerly Polychem, a leading provider of sustainability solutions to packaging, consumer and industrial products companies signing a long-term lease for 150,000 sf at 7000 Dennison Avenue on the westside of Cleveland, B'laster Products, a maker of lubricants and penetrants, leasing 77,416 sf at 945 Lafayette Road in Medina and Sherwin-Williams Co. leasing 75,700 sf at Sapphire Corporate Center in Middleburg Hts. Sales activity experienced a slow down in both the number of transactions and square footage. The third quarter saw 54 user sales totaling 1.2 msf of which only nine were above 50,000 sf. The average transaction size of those under 50,000 sf was just over 10,000 sf. A couple of user sales included American Fireworks purchasing 13700 Broadway Avenue from Wirebirds for \$2.8 million (\$33.56 sf) and Ohio Gratings purchasing 8333 Boyle Parkway in Twinsburg for \$2.35 million (\$67.63 sf). Notable investment sales included a 400,166-sf sale/leaseback between the True Value Company and W.P. Carey located at 26025 First Street in Westlake and Industrial Commercial Properties sold for \$16.5 million (\$83.54 psf) to Plymouth Industrial REIT, 22209 Rockside Road, a 197,518-sf converted former Wal-Mart in Bedford leased to JB Hudco.

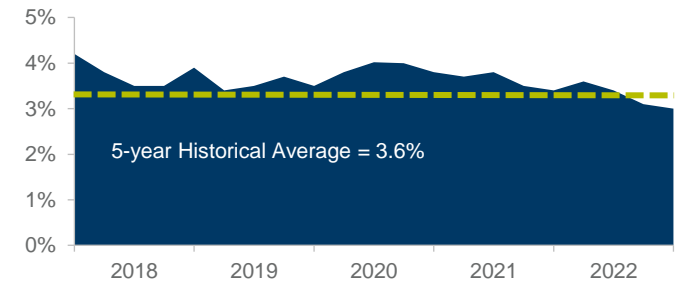
NEW INDUSTRIAL CONSTRUCTION: Existing Activity

Seven projects totaling 2.0 msf were completed during 3Q22 including three Amazon projects (Brooklyn, Canton and Valley View). Fogg Building Method completed their fifth building at the Seasons Road / Route 8 interchange. This 250,000-sf building was 80% pre-leased to Veritiv Corp. The Greater Cleveland Food Bank completed its new 198,000-sf warehouse and distribution center in the Collinwood area. The agency served 56 million pounds of food to over 404,000 people in the area. Allega Construction completed their move from Valley View to Richfield building a 25,000-sf service center with lay-down yard.

NET ABSORPTION / DIRECTASKING 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	1,575	51,013,981	627,351	171,873	3.7%	264,273	417,673	156,775	0	\$4.26
East	1,088	45,103,641	244,200	124,463	3.0%	-307,103	-470,484	0	198,000	\$4.93
Lake County	1,492	43,937,374	453,327	539,489	2.1%	842,710	959,280	125,000	0	\$5.04
South	668	31,050,902	1,445,398	253,019	4.0%	187,010	168,768	543,000	345,000	\$6.34
Southeast	1,632	84,394,573	2,544,472	712,185	6.1%	8,665	12,463	904,510	206,750	\$4.22
Southwest	1,239	53,958,188	1,151,905	659,994	2.7%	38,007	61,967	793,193	123,366	\$6.05
West	1,307	51,230,673	583,052	343,689	2.1%	-247,684	-250,684	175,000	130,000	\$4.87
Akron	2,087	71,808,352	1,726,208	797,712	2.4%	70,419	61,169	50,000	327,000	\$5.03
Medina County	644	23,377,831	236,295	279,023	0.7%	97,572	97,572	507,112	0	\$4.49
Portage County	446	12,389,370	0	19,763	0.8%	732,783	775,402	1,208,750	65,000	\$10.40
Stark County	1,360	51,128,631	364,800	211,896	1.1%	-50,329	-50,329	359,600	1,890,000	\$4.77
CLEVELAND TOTALS	13,538	519,393,516	9,377,008	4,113,106	3.0%	1,636,323	1,782,797	4,813,940	3,285,116	\$4.74

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

KEY LEASE TRANSACTIONS Q3 2022

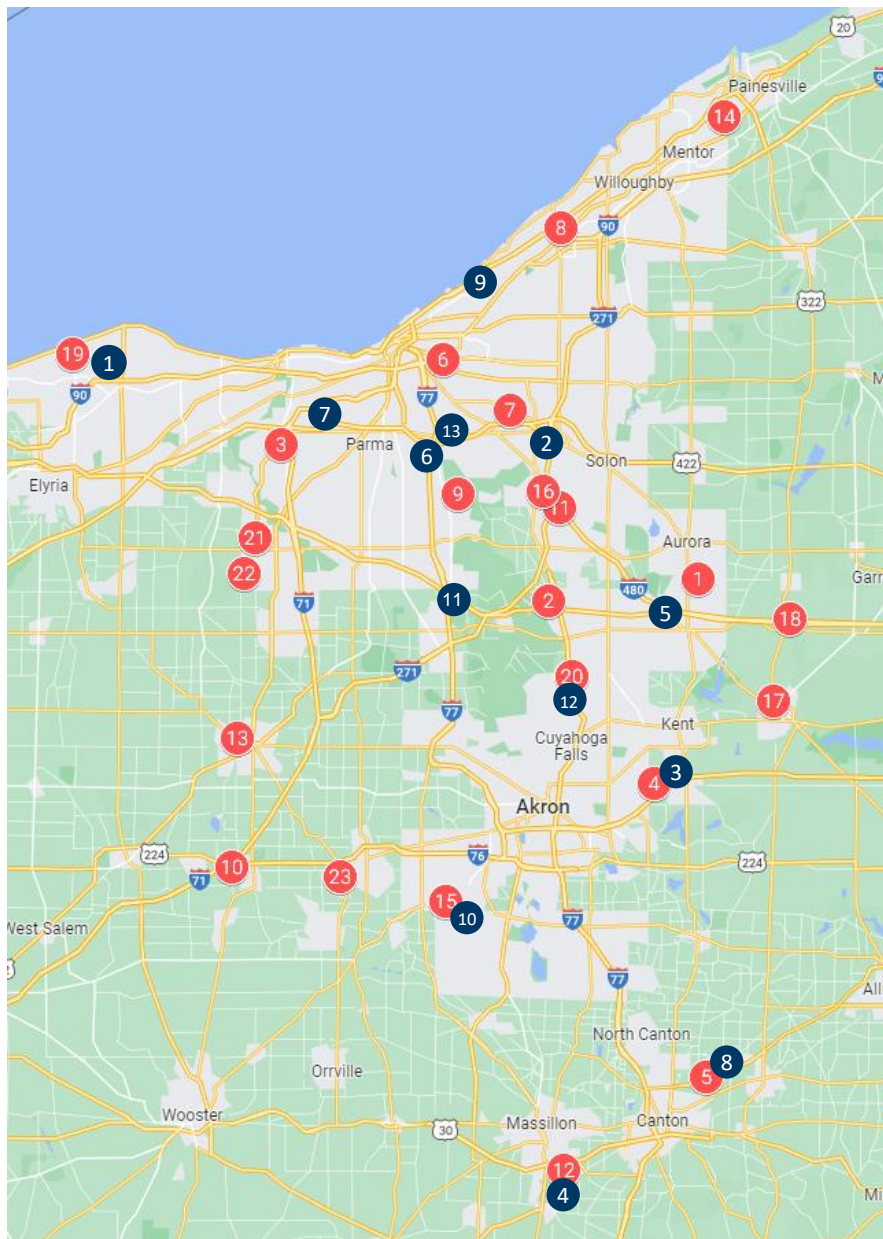
PROPERTY	SUBMARKET	TENANT	SF	TYPE
7711 East Pleasant Valley Road	South	Wild Republic	396,000	Warehouse
9780 Mopar Drive	Southeast	DSV: Global Transport & Logistics	368,537	Warehouse
150 Loomis Parkway	Akron	The Boston Group	152,259	Warehouse
7000 Denison Avenue	Southwest	Greenbridge / Polychem	150,000	Warehouse
9300 Dutton Drive	Southeast	Ravago Chemicals	92,870	Warehouse

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
26025 First Street (Sale/Leaseback)	West	True Value / W.P. Carey	400,166	\$29.5M / \$73.73 PSF
22209 Rockside Road	Southeast	ICP, LLC / Plymouth Industrial REIT	197,518	\$16.5M / \$83.54 PSF
12375 Kinsman Road	East	Kinsman 30 LTD / White Management	152,000	\$3.1M / \$20.40 PSF
5900 Pennsylvania Avenue	Southeast	R L Lipton / All Pro Freight Systems	87,117	\$3.5M / \$40.18 PSF

KEY CONSTRUCTION COMPLETIONS Q3 2022

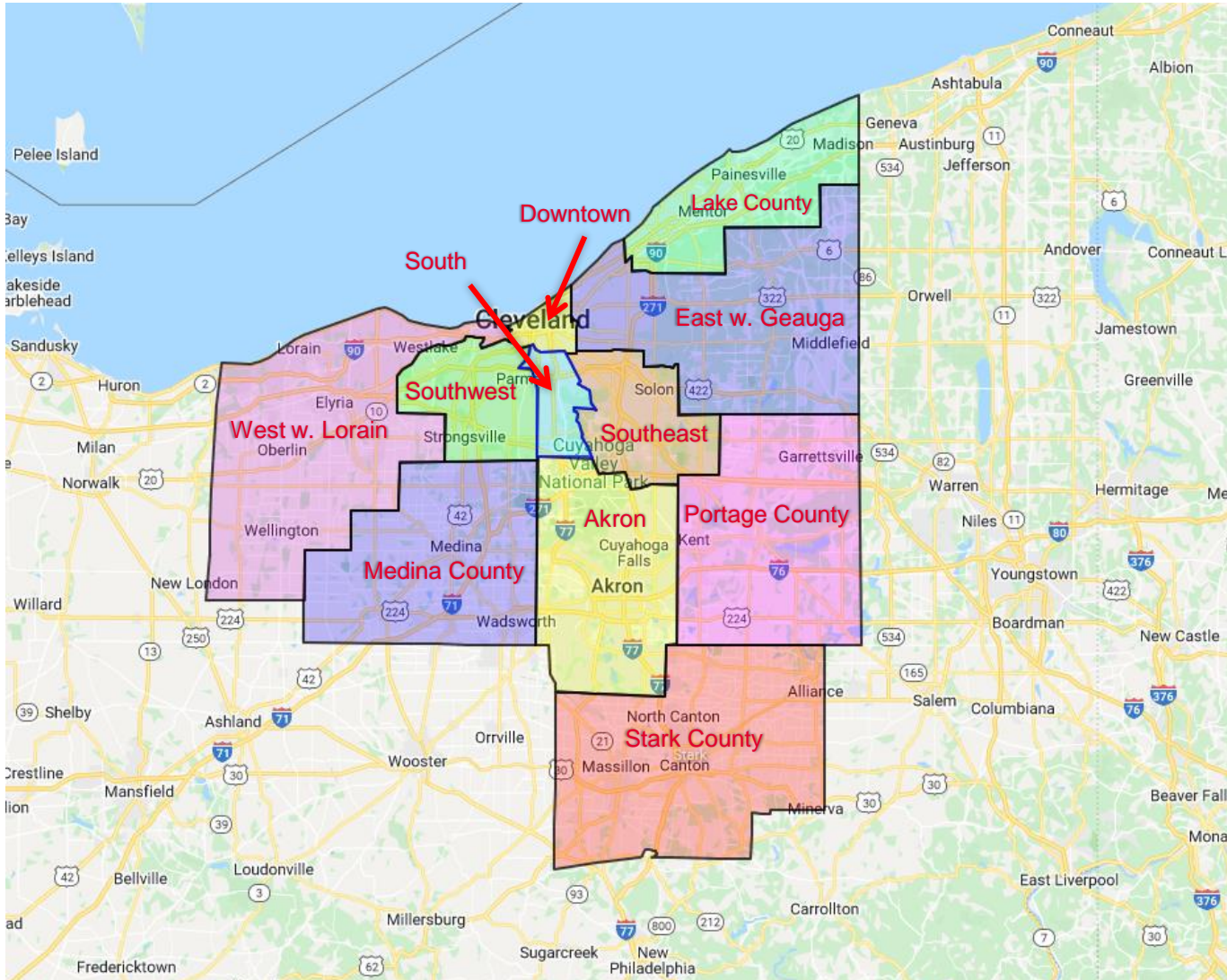
PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
3550 Columbus Road NE	Stark	Amazon	1,000,000	Panattoni Development
4852 Gray Lane	Akron	Veritiv Corp.	247,291	Ray Fogg Development Partners
13815 Coit Road	East	Greater Cleveland Food Bank	198,000	DiGeronimo Companies



● = Speculative Buildings

UNDER CONSTRUCTION		22	CCL Design 17700 Foltz Parkway, Strongsville, Ohio 44149
1	Ashley Furniture Lena Drive, Aurora, Ohio 44202	23	Soprema USA 310 Quadral Drive, Wadsworth, Ohio 444281
2	Arhaus Furniture 51 E Hines Hill Road, Boston Heights, Ohio 44236	TOTAL SF: 4,813,940	
3	Weston – Speculative 18300 Snow Road, Brook Park, Ohio 44142	COMPLETIONS	
4	Kenda Tire Maple Crest Parkway, Brimfield, Ohio 44240	1	Hinckley Lighting 33000 Pin Oak Parkway, Avon Lake, Ohio 44012
5	Terradiol 3800 Harmont Avenue NE, Canton, Ohio 44705	2	Scannell Properties - Speculative 24200 Aurora Road, Bedford Heights, Ohio 44146
6	Orlando Baking Company 2777 E. 75 th Street, Cleveland, Ohio 44104	3	Hamrick Packaging Solutions 257 International Drive, Brimfield, Ohio 44240
7	Tremco Commercial Sealants E. 175 th & Miles Avenue. Cleveland, Ohio 44128	4	Tractor Supply Company 3001 Sterilite Street SE, Massillon, Ohio 44646
8	Ray Fogg Corporate Properties – Speculative Bluestone Business Park, Euclid, Ohio 44132	5	The Simplay 3 Company 9450 Rosemont Drive, Streetsboro, Ohio 44241
9	CSA American Testing & Certification 8901 E. Pleasant Valley Road, Independence, Ohio 44131	6	Precision Metal Products 5745 Canal Road, Valley View, Ohio 44125
10	Stonemont Financial – Speculative I-71 & I-76, Lodi, Ohio 44254	7	Amazon 10543 Memphis Avenue, Brooklyn, Ohio 44144
11	Kroger Foods Alexander Rd. & Macedonia Rd, Macedonia, Ohio 44146	8	Amazon 3550 Columbus Road NE, Canton, Ohio 44705
12	NAI Spring Phoenix Avenue, Massillon, Ohio 44646	9	Greater Cleveland Food Bank 13815 Coit Road, Cleveland, Ohio 44110
13	Gabyak Corporation 9238 S Progress Drive, Medina, Ohio 44256	10	Petit Auto Wash 2811 Eastern Road, Barberton, Ohio 44203
14	Premier Development – Speculative 9525 Hamilton Drive, Mentor, Ohio 44060	11	Allega Construction Columbia Road, Richfield, Ohio 44286
15	Speculative Building 5221 S. Cleveland Massillon Road, Norton, Ohio 44203	12	Ray Fogg Corporate Properties – Speculative 4852 Gray Lane, Stow, Ohio 44224
16	Interstate McBee 7400 Oak Leaf Road, Oakwood Village, Ohio 44146	13	Amazon 5585 Canal Road, Valley View, Ohio 44125
17	LG Chem 6800 North Chestnut Street, Ravenna, Ohio 44266	TOTAL SF: 3,285,116	
18	Geis Companies – Speculative Route 44 & Beck Rd, Shalersville, Ohio 44255		
19	Berkshire Refrigerated – Cold Storage 620 N. Abbe Road, Sheffield Village, Ohio 44054		
20	Ray Fogg Corporate Properties – Speculative Gray Lane, Stow, Ohio 44224		
21	Scannell Properties – Speculative 21487 Royalton Road, Strongsville, Ohio 44149		

INDUSTRIAL SUBMARKETS



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