

MARKETBEAT CLEVELAND



Industrial Q3 2023

	YoY Chg	12-Mo. Forecast
2.5% Vacancy Rate	▼	—
1.2M YTD Net Absorption, SF	▼	—
\$5.79 Asking Rent, PSF	▲	▲

Direct, Net Asking Rent

ECONOMIC INDICATORS Q3 2023

	YoY Chg	12-Mo. Forecast
1.1M Cleveland Employment	▲	▲
3.6% Cleveland Unemployment Rate	▼	▲
3.7% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY: Generally Flat Business Activity, Pricing Pressures Eased

Overall, business activity in Northeast Ohio was relatively unchanged in recent weeks. Consumer spending was flat to down, as discretionary goods spending softened further. Manufacturers noted an uptick in activity but expressed concerns over potential adverse effects of the UAW strike. Bankers reported lower loan volumes for commercial and consumer loans because of higher borrowing costs. Nonresidential construction activity increased slightly. General contractors reported strong activity from ongoing projects, but many companies across industry segments noted that new deals have been difficult to complete because of higher financing costs and, in some cases, hesitance on behalf of lenders. Nonresidential construction and real estate companies expect activity to increase modestly in the months ahead. Companies have more frequently reported holding wages steady following sizeable increases over the past few years. Input costs stabilized for manufacturers, while service sector firms indicated broad cost increases from their vendors. Price pressures continued to ease, with companies citing increased competition and greater resistance from customers to price increases.

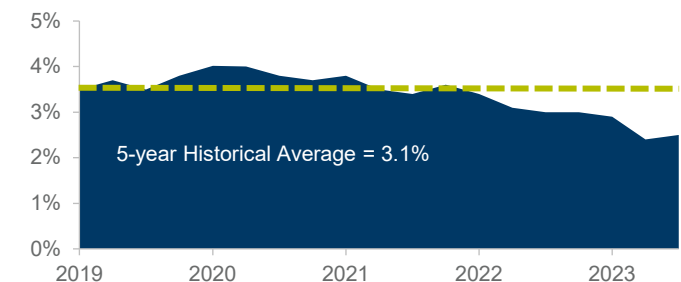
MARKET ACTIVITY: Slight Increase in Vacancy Rate, Large Blocks of New Construction Leased

The overall vacancy rate ticked higher to 2.5% in the third quarter after reaching a record low of 2.4% at midyear. We expect the vacancy rate to maintain its current level with a gradual increase beginning in the early 2024. Leasing activity for Q3 2023 maintained its pace at 2.3 million square feet (msf) compared to 2.2 msf in Q2. There is still strong demand from industrial tenants for space. Renewal activity was strong in Q3 with Paladin Attachments renewing their 79,000 sf at 820 Glaser Parkway, Liberty Glove renewing 68,506 sf at 26801 Fargo Road, and Thermal Holdings renewing 52,394 sf at Shoreway Commerce Park. The theme of Q3 was large blocks of new construction getting leased. Notable deals include FNS Power leasing 434,000 sf at Gateway Commerce Center (State Route 43), Haydon Corporation leasing 254,474 sf at 4847 Gray Lane, AMLOGIX, LLC taking down 208,405 sf at 238-250 Sheldon Rd, and The Millcraft Paper Company taking the last 116,215 sf at 9000 Rio Nero Drive. User sales saw a strong quarter in Q3. Notable sales include: 123,479 sf at 1475 Wolf Creek Trail in Medina, 105,124 sf at 200 Francis D Kenneth Drive in Aurora, 67,789 sf at a craned facility located at 2300 E Aurora Road in Twinsburg, 67,030 sf at 1790 Miller Parkway in Streetsboro, and an 86,500 sf craned facility located at 720 Shiloh Ave. in Wellington. Investor sales include: the sale of 7000 Denison Ave. by ICP, LLC to ARCTRUST, a sale leaseback by General Die Casters for their 121,538 sf complex located at 2150 Highland Road, and a 109,000 sf industrial facility located at 1350 Rockefeller Road sold to St Paul Properties. Q3 saw multiple large construction completions within the industrial sector. The most notable of these is the completion of 9575 State Route 44: a 1 msf speculative project built by Stonemont Financial and Geis Companies.

NET ABSORPTION / DIRECTASKING RENT



OVERALL VACANCY RATE



MARKETBEAT CLEVELAND

Industrial Q3 2023



MARKET STATISTICS

SUBMARKETS	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	1,581	51,301,679	379,824	332,792	3.3%	-353,661	-353,661	0	156,775	\$4.97
East	1,096	43,726,268	332,270	228,147	2.9%	165,205	165,205	434,000	0	\$6.83
Lake County	1,495	44,767,020	200,964	380,319	2.3%	-121,580	-121,580	160,591	222,380	\$5.52
South	659	31,461,927	616,004	121,852	2.5%	241,670	506,528	12,000	273,900	\$6.85
Southeast	1,640	84,037,228	2,186,987	807,472	3.8%	-371,260	-173,390	211,000	909,710	\$6.02
Southwest	1,249	55,128,197	1,936,037	381,974	2.8%	185,845	274,635	70,500	55,500	\$6.40
West	1,317	50,916,037	235,326	292,049	1.8%	13,089	66,335	347,000	0	\$6.33
Akron	2,099	74,536,821	973,199	489,155	2.2%	617,332	831,019	50,000	603,538	\$5.82
Medina County	645	23,219,907	384,333	284,512	0.6%	131,258	131,258	110,000	204,504	\$5.03
Portage County	447	12,417,321	28,470	107,278	2.4%	-75,789	-228,048	528,686	1,025,000	\$5.53
Stark County	1,388	52,915,693	268,376	217,675	1.5%	125,766	125,766	300,362	289,600	\$4.18
CLEVELAND TOTALS	13,626	524,428,098	7,541,790	3,643,225	2.5%	557,875	1,224,067	2,224,139	3,740,907	\$5.79

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

KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
State Route 43	Southwest	FNS Power	434,000	Warehouse
4847 Gray Lane	Akron	Haydon Corporation	254,474	Warehouse
238-250 Sheldon Road	Southwest	AMLOGIX, LLC	208,405	Warehouse
9000 Rio Nero Drive	South	The Millcraft Paper Company	116,215	Warehouse

KEY SALES TRANSACTIONS Q2 2023

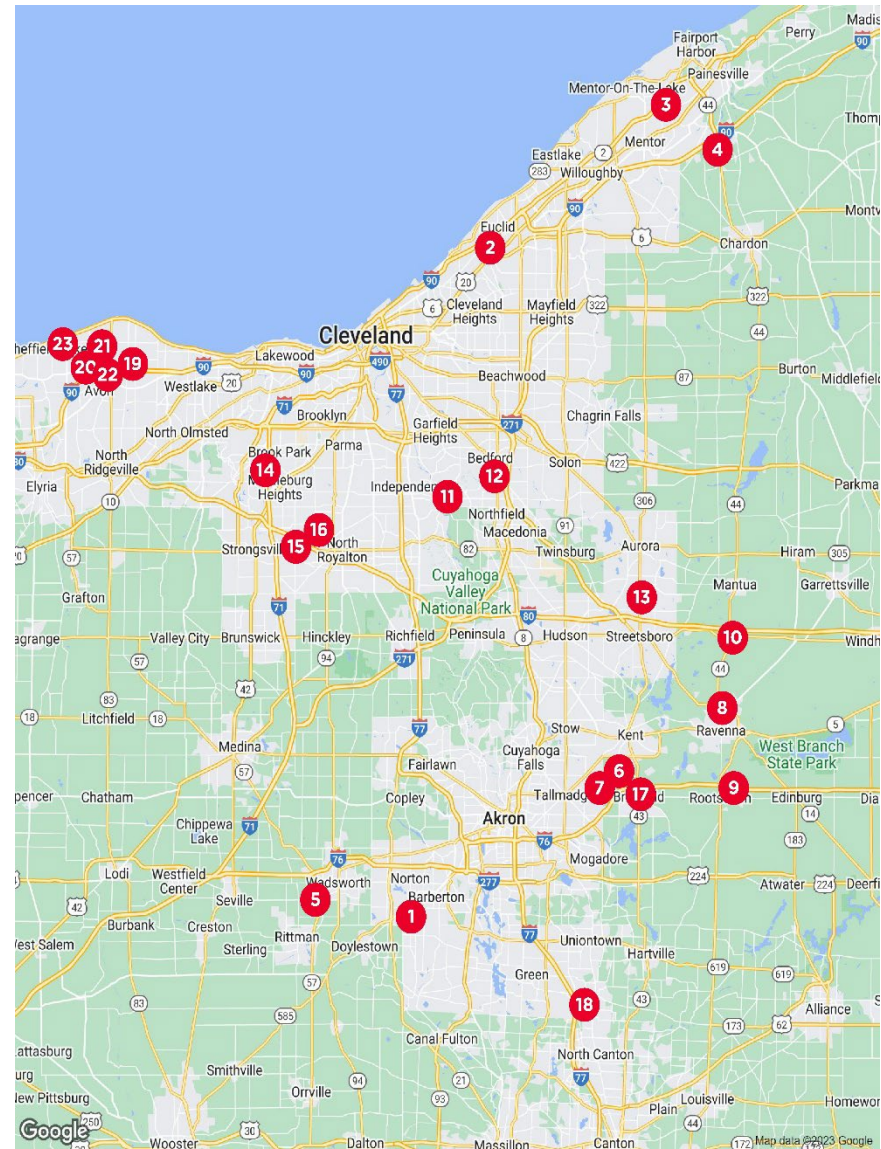
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7000 Denison Avenue	Southwest	ICP LLC / ARCTRUST	144,301	\$11.6M / \$77.66 PSF
1475 Wolf Creek Trail	Medina	Discount Drug Mart / Avcarb LLC	123,479	\$1.7M / \$13.77 PSF
2150 Highland Road	Southeast	Peninsula Capital Partners / Trio Investment Group	121,538	\$9.25M/ \$76.11 PSF
1350 Rockefeller Road	Lake	Thomas Eckhardt / Saint Paul Properties	109,000	\$4.58M/ \$41.97 PSF

KEY CONSTRUCTION COMPLETIONS Q3 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
9575 State Route 44	Portage	Vacant Available	1,000,000	Geis Co.
9000 Rio Nero Drive	South	The Millcraft Paper Company / Faber-Castell	260,000	DiGeronimo Compaines
7845 Northfield Road	Southeast	Vacant Available	247,000	Weston, Inc.
2777 East 75 th Street	Downtown	Orlando Baking Co.	156,775	Weston Inc.



UNDER CONSTRUCTION 2023



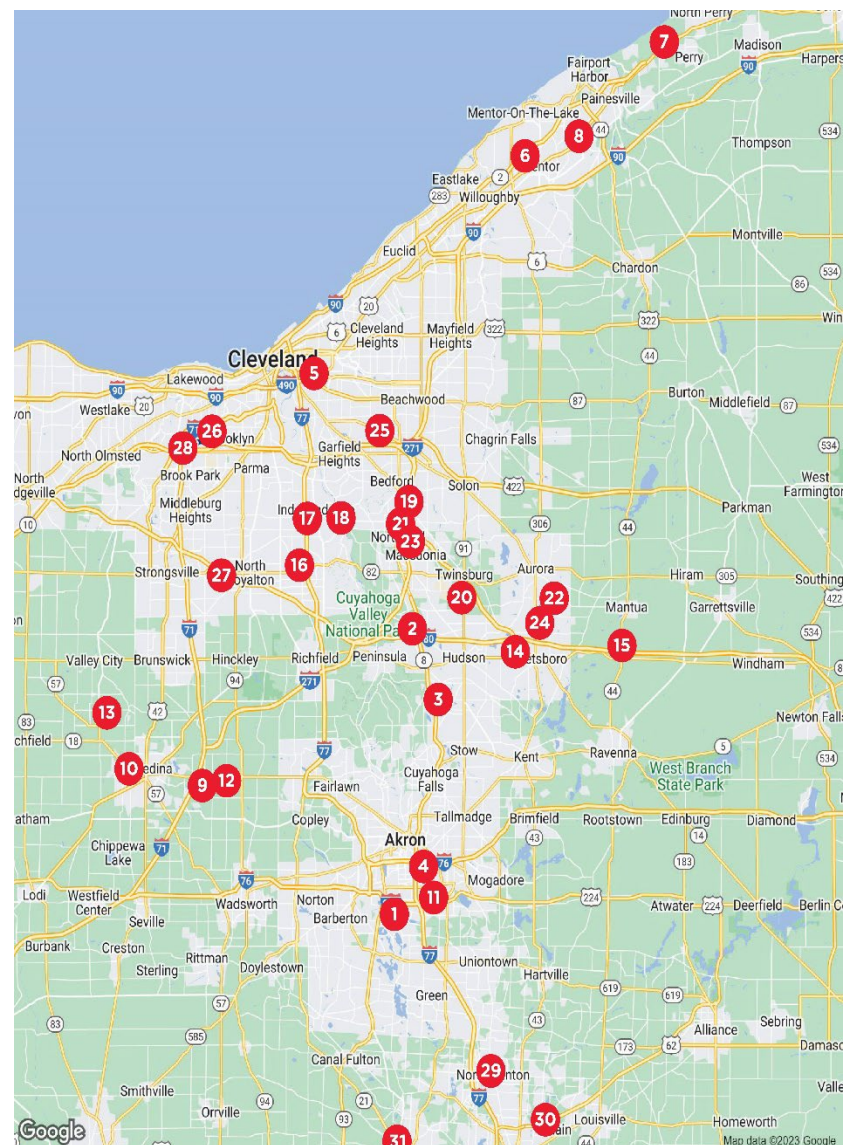
1	Speculative Craned Building 5221 S Cleveland Massillon Rd, Norton, Ohio	21	Cutting Dynamics Pin Oak Parkway, Avon Lake, Ohio
2	Weston - Spec 21800 Tungsten Road, Euclid Ohio	22	Valensil Technologies 33007 Pin Oak Parkway, Avon Lake, Ohio
3	MUM Industries 9115 Tyler Boulevard, Mentor, Ohio	23	Berkshire Refrigerated 620 Abbe Road N, Sheffield Village, Ohio
4	Steven Douglas Corporation 7750 Discovery Lane, Painesville, Ohio		
5	ECS Tuning 1000 Seville Road, Wadsworth, Ohio		
6	Apollo Heating & Cooling 4500 Crystal Parkway Kent, Ohio		
7	DermaMed Coatings Company 271 Progress Boulevard, Kent, Ohio		
8	LG Chem 6800 North Chestnut Street, Ravenna, Ohio		
9	Singleton Reels 4612 Lynn Road, Rootstown, Ohio		
10	Viega Shalersville, Ohio		
11	Mr. Rooter 515 Hub Parkway, Valley View, Ohio		
12	Electrical Co. 200 Hemisphere Way, Bedford, Ohio		
13	Restaurant Depot 10198 State Route 43, Streetsboro, Ohio		
14	Serpentini Collision Center 6679 Engle Road, Middleburg Heights, Ohio		
15	Denk Construction 12557 Abbey Road, North Royalton, Ohio		
16	Morel Landscaping 12020 York Road, North Royalton, Ohio		
17	Kenda Tire Maple Crest Parkway, Brimfield, Ohio		
18	Sonoco Products Company Aultman Road, Canton, Ohio		
19	O.E. Meyer Avon Commerce Parkway, Avon, Ohio		
20	All Pro Freight 33625 Pin Oak Parkway, Avon Lake, Ohio		

MARKETBEAT CLEVELAND

Industrial Q3 2023



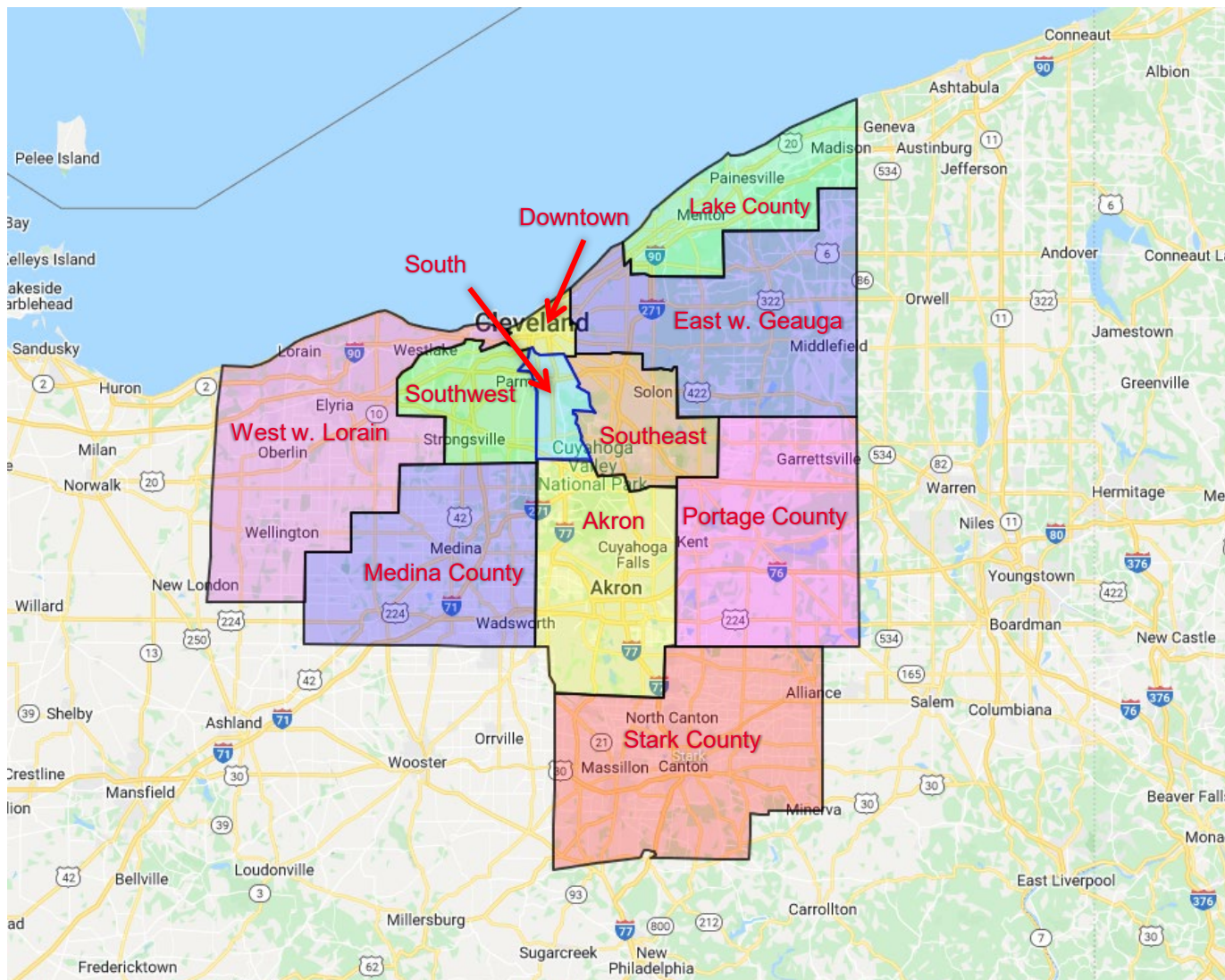
CONSTRUCTION COMPLETIONS 2023



1	Gardner Pie Co. 191 Logan Parkway, Akron, Ohio	21	NPK Construction Equipment 7550 Independence Drive, Walton Hills, Ohio
2	Arhaus 51 E. Hines Hill Road, Boston Hts. , Ohio	22	Ashley Furniture 335 Lena Drive, Aurora, Ohio
3	Fogg-Spec Seasons Rd, Stow, Ohio	23	Weston - Spec 7845 Northfield Road, Walton Hills, Ohio
4	Fleet Fast 582 S. Arlington Street, Akron, Ohio	24	K&M Tire Francis Kenneth Drive, Aurora, Ohio
5	Orlando Baking Co. 2777 East 75th Street, Cleveland, Ohio	25	Tremco 17316 Miles Avenue, Warrensville Hts. ,Ohio
6	Premier - Spec 9525 Hamilton Drive, Mentor, Ohio	26	Perfecta Express 4539 Industrial Parkway, Cleveland, Ohio
7	Mastertech Diamond Products 3545 Lane Road Ext, Perry, Ohio	27	Transport Services 10499 Royalton Road, North Royalton, Ohio
8	Rise Mentor 7840 Tyler Boulevard, Mentor, Ohio	28	Old Dominion Freight Line 15225 Industrial Parkway, Cleveland, Ohio
9	Progressive Molding Company Medina, Ohio	29	Diebold 334 Orchard Ave, Canton, Ohio
10	Gabyak 820 S Progress Drive, Medina, Ohio	30	Terradiol 3800 Harmont Avenue NE , Canton, Ohio
11	Wolff Brothers Supply, Inc. 1200 Kelly Avenue, Akron, Ohio	31	NAI Spring – Spec Phoenix Avenue, Massillon, Ohio
12	Nelsen Corporation 5151 Portside Drive, Medina, Ohio		
13	Wolff Brothers Supply, Inc. 6078 Wolff Road, Medina, Ohio		
14	Aurora Plastics 9280 Jefferson Street, Streetsboro, Ohio		
15	Geis - Spec 9575 State Route 44, Shalersville, Ohio		
16	Ohio CAT 3993 E. Royalton Road, Broadview Hts. , Ohio		
17	Signature Sauces 7196 E Pleasant Valley Rd Cleveland, Ohio		
18	DiGeronimo Co. - Spec 9000 Rio Nero Drive, Independence, Ohio		
19	Interstate McBee 7400 Oak Leaf Road, Oakwood Village, Ohio		
20	Mold Rite Plastics 2222 Highland Road, Twinsburg, Ohio		

 = Speculative Buildings

INDUSTRIAL SUBMARKETS

**George J. Pofok, CCIM, SIOR***Principal*

Tel: +1 216 525 1469

gpofok@crescorealestate.com**Cole Sorenson***Associate*

Tel: +1 216 525 1470

csorenson@crescorealestate.com**Alex Valletto***Research Analyst*

Tel: +1 216 525 1485

avalletto@crescorealestate.com**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.

©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.