

Office

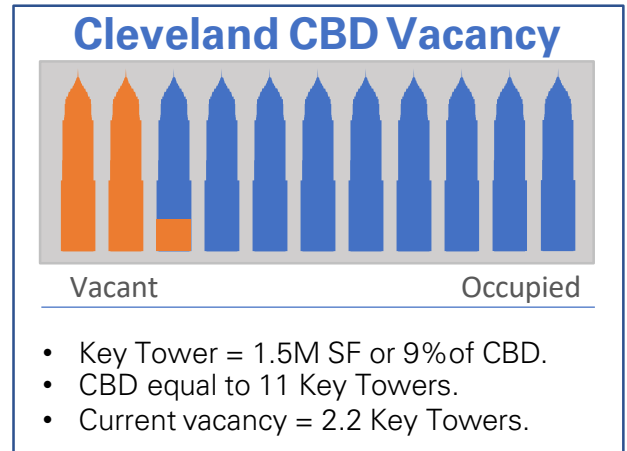
- **Office market will lose another 8 million SF in the next five years**
- Office sizes are shrinking
- Hybrid work is changing patterns
- Buildings without amenities have no future

Apartments

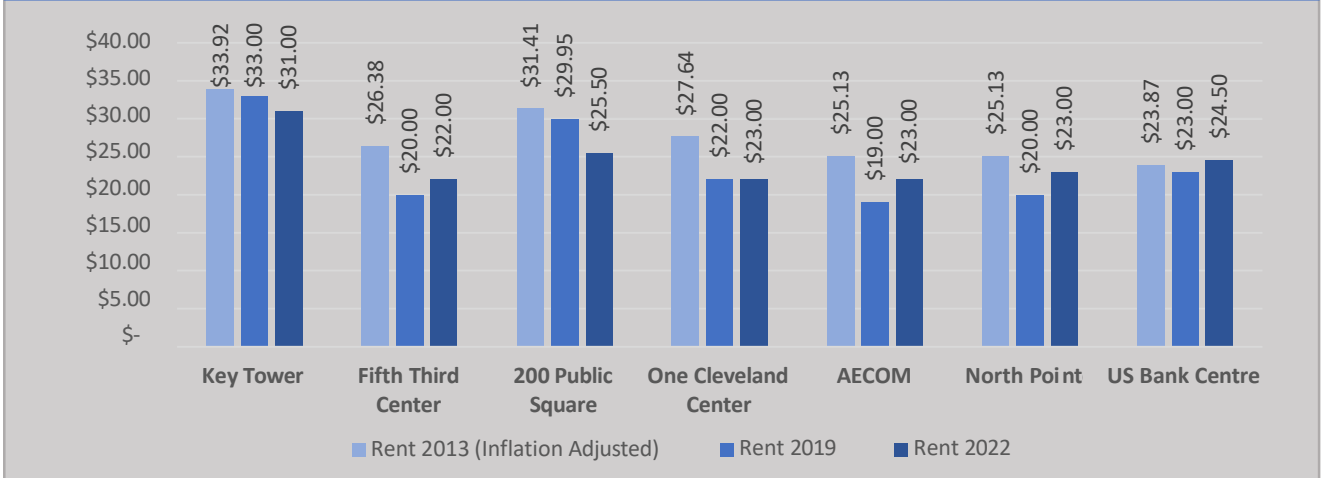
- **Due to higher interest rates, sale prices on conversions will likely plummet to the \$7 - \$10 per square foot range.**
- After adjusting for inflation, rents are same as 2005
- 7 M SF office converted since 2008.
- No conversion sales since interest rates increased.
- Apartment conversions may have been an asset bubble due to lower interest rate.

Hotels

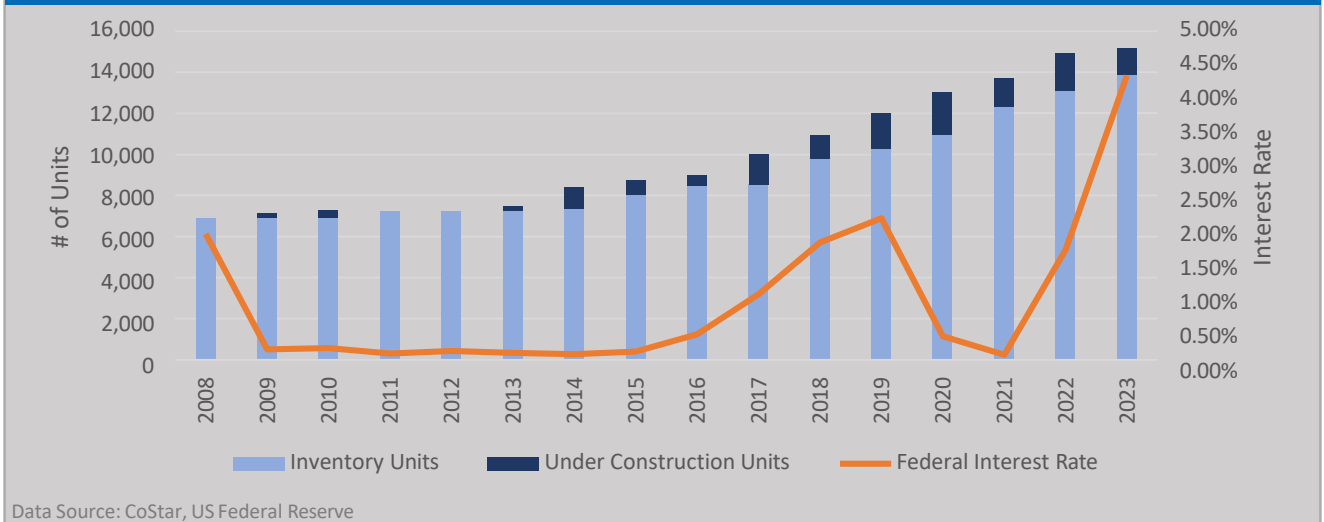
- RevPAR is at a decade high
- Cleveland benefited from large special events
- Tourism is a bright spot in the CBD



Office Asking Rents from 2013 Compared to Today

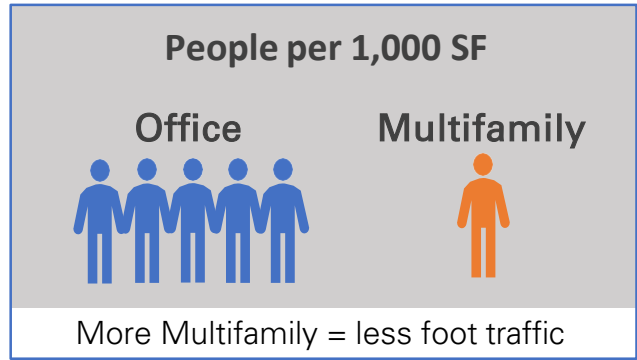
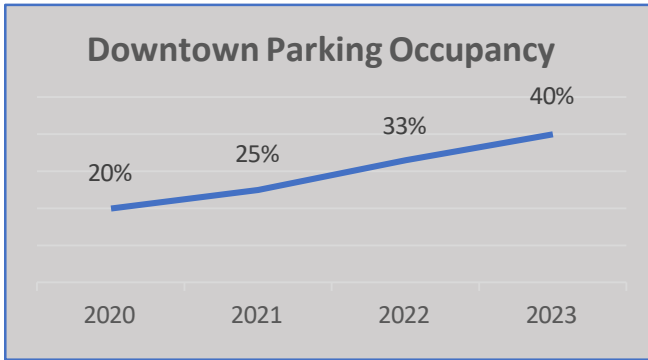


Were Downtown Residential Conversions an Asset Bubble?



Data Source: CoStar, US Federal Reserve

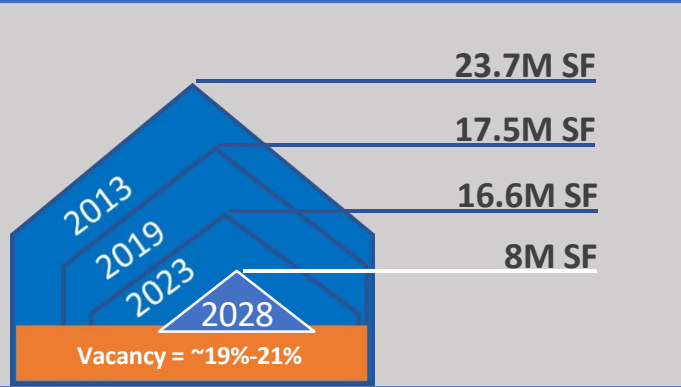
Parking and Retail Demonstrate Daytime Population Loss



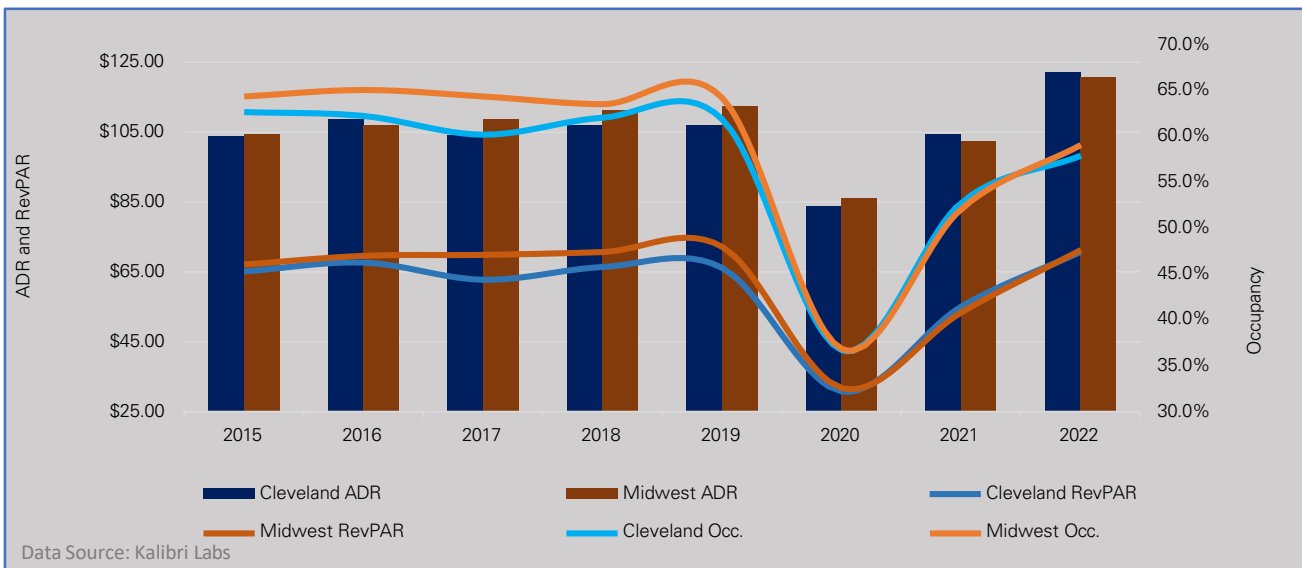
Retail

- **CVS closed 8000 E. 9th Street, January 2023**
- 431,737 SF retail space available.
- Average listing size of 4,111 SF.
- Lease rate average \$20.08/SF.

Office Market Lost 7.1 M SF in Last Decade



Cleveland Hospitality Market Average, Poised for Growth



Sources unless otherwise noted: Newmark Valuation & Advisory; Newmark Research

Terry Coyne
 Vice Chairman
 t 216-218-0259
Terry.Coyne@nmrk.com

