



# Office Outlook

Akron | Q4 2020

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An in-depth look at the Akron office market. Analysis includes leasing, sales, construction and employment.

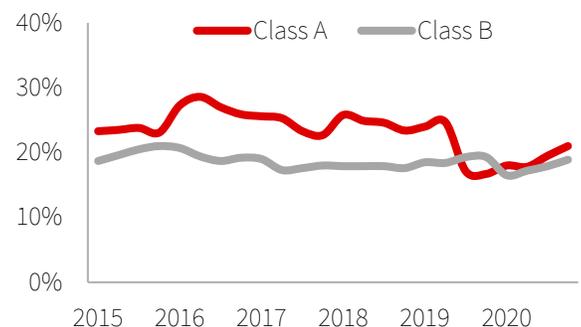


## Despite historically low leasing volume, Investors see opportunity in Akron's office market

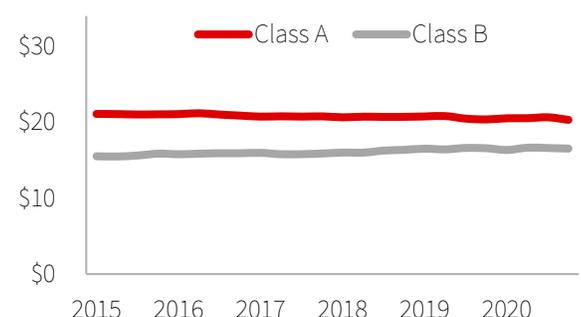
- Akron's office leasing activity has significantly declined as companies continue to utilize work-from-home policies amidst the COVID-19 pandemic. 2020 leasing volume was 70% below historical levels.
- Class A vacancy has increased 4.3% since 2019. This is primarily due to Babcock & Wilcox putting roughly 50,000 s.f. of their headquarters at East End up for sublease.
- Class B vacancy has increased a modest 70 basis points since 2019 to 18.9%. A small decrease in Q1 nearly offset the following increase in vacancy over the remainder of the year.
- Rents have remained relatively unchanged year-to-date. We may see a slight trend downward in the near-term as the market turns tenant-favorable and landlords become competitive on pricing.
- Year-to-date absorption in 2020 was -89,087 s.f., primarily driven by the Babcock & Wilcox sublease space that was added to the market.
- 45,000 s.f. of Class A space delivered in 2020 at White Pond Crossing. Higher quality buildings are becoming increasingly desirable as companies put more consideration towards employee health and wellness in the workplace.
- Sales activity was strong in Akron through 2020. 10 office properties traded during the year, accounting for roughly 670,000 square feet and nearly \$14 million in investment. Most notably was the 230,000-square-foot former Akron Beacon headquarters located at 44 E Exchange Street. The buyer, an Alabama-based investor, plans to renovate the entire building into Class A office space.

Fundamentals		Forecast
Inventory	9,603,993 s.f.	►
YTD net absorption	-89,087 s.f.	▼
Under construction	0 s.f.	►
Total vacancy	19.6%	▲
Direct asking rent	\$17.96 p.s.f.	▼
Concessions	Increasing	▲

### Total vacancy (%)



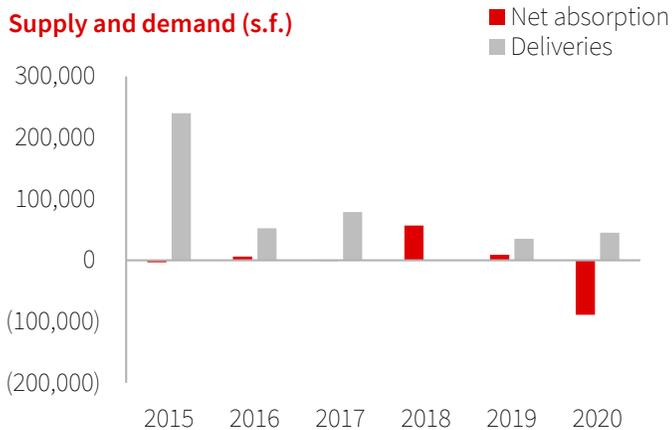
### Direct asking rent (p.s.f.)



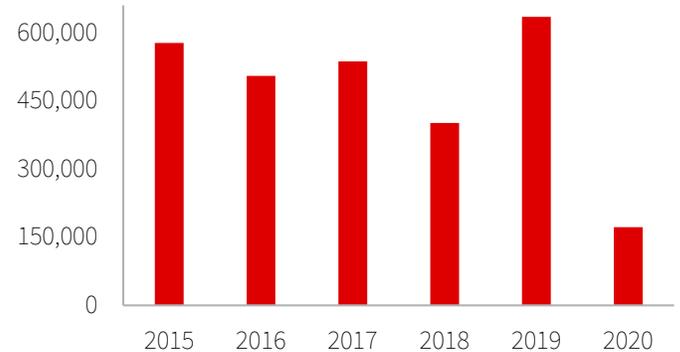
## Akron Office Market Report

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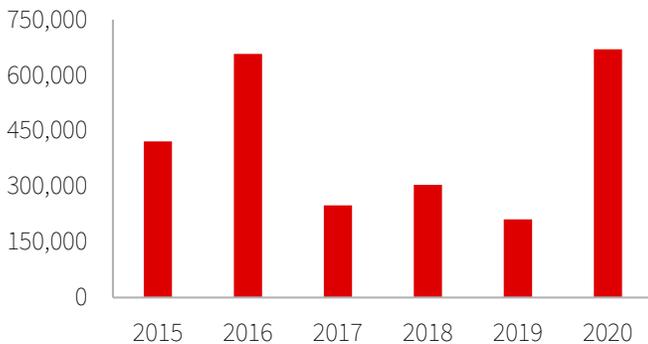
### Supply and demand (s.f.)



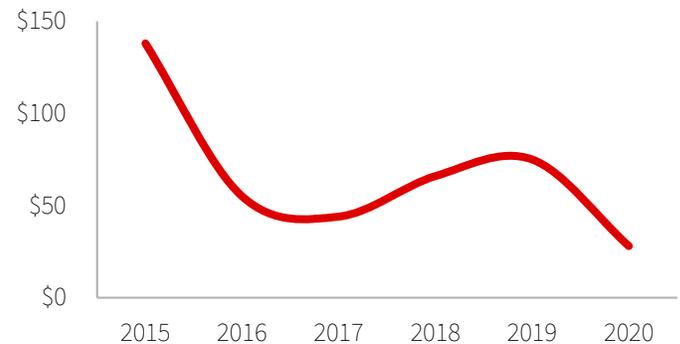
### Office leasing (s.f.)



### Office sales (s.f.)



### Average sales price (p.s.f.)



### Notable 2020 leasing transactions

Tenant	Address	Submarket	Lease s.f.	Sign date
Diebold Nixdorf	50 Executive Pkwy	Hudson/Stow	72,545	Dec-20
Alice Training	3900 Kinross Lakes Pkwy	Richfield	29,032	Mar-20
Burns & McDonnell	544 White Pond Dr	Suburban Akron	14,090	Aug-20
Lewis Brisbois Bisgaard & Smith	1 Gojo Plz	Downtown	8,363	Jun-20
Windstream	388 S Main St	Downtown	7,261	Jan-20
MPMW	121 S Main St	Downtown	7,000	May-20

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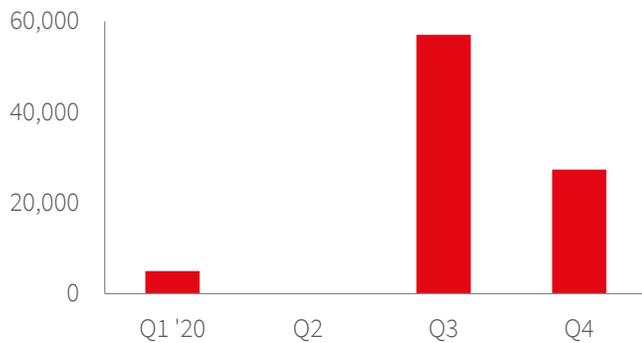
### Sublease fundamentals

Current sublease availabilities	6
Available sublease space	89,331 s.f.
Sublease vacancy	1.2%
Sublease rent discount	16.5%
Median sublease size	9,166 s.f.
Average remaining lease term	50 months

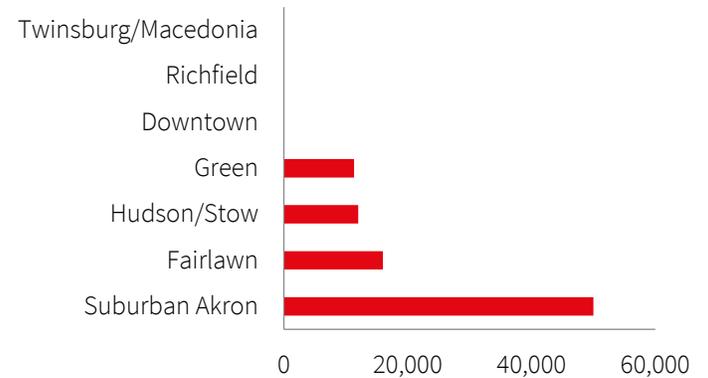
### Historical sublease vacancy (s.f.)



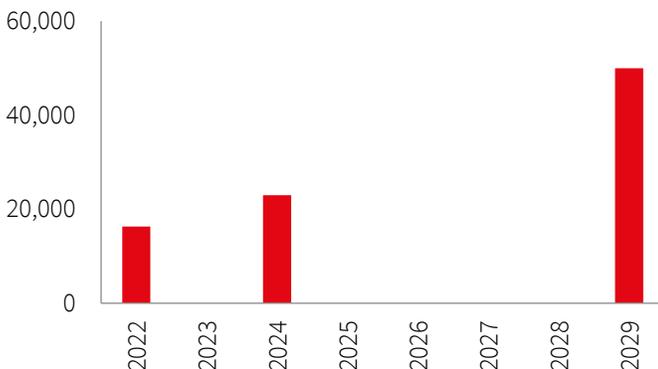
### Sublease space added by quarter (s.f.)



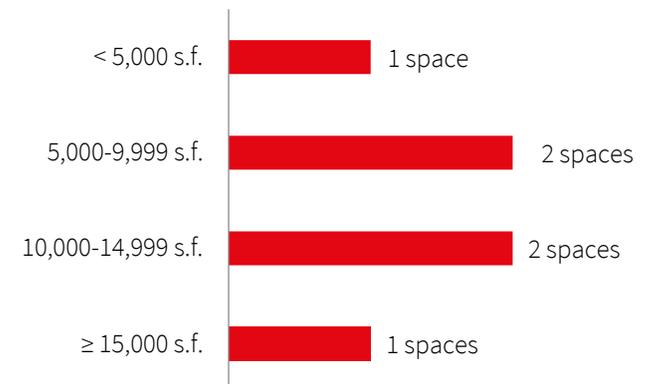
### Sublease availability by submarket (s.f.)



### Sublease availability by lease expiration (s.f.)



### Sublease availability by size (# of availabilities)



This analysis includes available sublease space with at least one year of term remaining. Coworking space was excluded.

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# Statistics

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	Class	Inventory (s.f.)	YTD absorption (s.f.)	Total vacancy (s.f.)	Total vacancy (%)	Average asking rent (\$ p.s.f.)
<b>Downtown</b>	<b>Totals</b>	<b>3,483,140</b>	<b>71,343</b>	<b>575,868</b>	<b>16.5%</b>	<b>\$17.15</b>
Fairlawn	Totals	1,823,754	-44,018	291,340	16.0%	\$18.12
Green	Totals	680,389	-68,443	110,621	16.3%	\$18.19
Hudson/Stow	Totals	698,678	-28,220	208,258	29.8%	\$18.79
Richfield	Totals	649,636	15,627	98,362	15.1%	\$20.79
Suburban Akron	Totals	1,872,878	-38,449	514,897	27.5%	\$18.22
Twinsburg/Macedonia	Totals	395,518	3,073	80,601	20.4%	\$16.78
<b>Suburbs</b>	<b>Totals</b>	<b>6,120,853</b>	<b>-160,430</b>	<b>1,304,079</b>	<b>21.3%</b>	<b>\$18.38</b>
<b>Totals</b>	<b>Totals</b>	<b>9,603,993</b>	<b>-89,087</b>	<b>1,879,947</b>	<b>19.6%</b>	<b>\$17.96</b>
<b>Downtown</b>	<b>A</b>	<b>1,626,773</b>	<b>-40,877</b>	<b>252,212</b>	<b>15.5%</b>	<b>\$19.07</b>
Fairlawn	A	583,424	-42,876	104,492	17.9%	\$19.67
Green	A	45,262	-25,000	25,000	55.2%	\$0.00
Hudson/Stow	A	38,240	3,838	15,700	41.1%	\$20.00
Richfield	A	460,346	30,007	63,961	13.9%	\$22.61
Suburban Akron	A	566,791	-32,000	245,655	43.3%	\$21.54
Twinsburg/Macedonia	A	39,816	0	0	0.0%	\$0.00
<b>Suburbs</b>	<b>A</b>	<b>1,733,879</b>	<b>-66,031</b>	<b>454,808</b>	<b>26.2%</b>	<b>\$21.17</b>
<b>Totals</b>	<b>A</b>	<b>3,360,652</b>	<b>-106,908</b>	<b>707,020</b>	<b>21.0%</b>	<b>\$20.32</b>
<b>Downtown</b>	<b>B</b>	<b>1,856,367</b>	<b>112,220</b>	<b>323,656</b>	<b>17.4%</b>	<b>\$15.58</b>
Fairlawn	B	1,240,330	-1,142	186,848	15.1%	\$17.23
Green	B	635,127	-43,443	85,621	13.5%	\$18.19
Hudson/Stow	B	660,438	-32,058	192,558	29.2%	\$18.61
Richfield	B	189,290	-14,380	34,401	18.2%	\$17.13
Suburban Akron	B	1,306,087	-6,449	269,242	20.6%	\$15.76
Twinsburg/Macedonia	B	355,702	3,073	80,601	22.7%	\$16.78
<b>Suburbs</b>	<b>B</b>	<b>4,386,974</b>	<b>-94,399</b>	<b>849,271</b>	<b>19.4%</b>	<b>\$16.94</b>
<b>Totals</b>	<b>B</b>	<b>6,243,341</b>	<b>17,821</b>	<b>1,172,927</b>	<b>18.9%</b>	<b>\$16.53</b>

Note: Updates to the property set were made based on market dynamics. Historical data points included in this report reflect the updated property set.

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