

克里夫蘭區域商業不動產講座

Cleveland Region Commercial Real Estate Seminar (6/24/2021, 3-4 PM)

Presented by
Cheng-Han Yu
Hanna Commercial Real Estate

Cheng-Han Yu (Allen Yu) 216.246.0790 CHENG-HANYU@HANNACRE.COM



Agenda

- Introduction 自我介紹
- Commercial Real Estate Sectors
商業地產類別介紹
- Commercial Real Estate Market Overview
商業地產市場概況
- Commercial Real Estate Site Selection
商業地產選址分享
- Q &A 問與答



Credentials



Cheng-Han Yu (Allen)
Sales Associate

Direct: 216.861.5490

Cell: 216.246.0790

Cheng-HanYu@HannaCRE.com

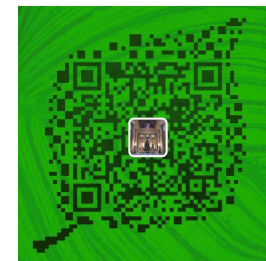
Cheng-Han is a full-time sales associate with Hanna Commercial assisting landlords and tenants with their property needs. He is originally from Taiwan where he earned a Bachelor's degree in Financial Engineering and Actuarial Mathematics. He came to Cleveland to pursue a Master's degree in Urban Planning, Design and Development from Cleveland State University Maxine Goodman Levin College of Urban Affairs. There, he received first place in the urban development market and financial analysis competition. After graduating from CSU, he worked as an international business development fellow at the City of Cleveland's Economic Development Department. He is an advocate for Cleveland and international business. He would like to utilize his diverse background to help his future clients. In his spare time, Cheng-Han enjoys playing basketball, watching sports and exploring different cultures, restaurants and businesses in various cities.

PROFESSIONAL AFFILIATIONS

- CCIM
- IREM
- Toastmasters International
- Urban Land Institute

EDUCATION

- Masters in Urban Planning, Design and Development, Cleveland State University
- Bachelors in Financial Engineering and Actuarial Mathematics, Soochow University, Taipei, Taiwan
- Ohio Real Estate Sales License
- Certified Commercial Investment Member Candidate (CCIM)
國際註冊商業不動產投資師-候選人



掃描上面的QR Code · 加我 WeChat ·

Commercial Real Estate Sectors

- Industrial-工業—manufacturing, distribution warehouse, retail/office showroom and warehouse, flex (office & warehouse under 5000 SF), cold storage
- Retail-零售—Shopping Center, Mall, Restaurant, Gas Station, Car Dealership
- Office-辦公—CBD Office (Class A, B, C), medical office, co-working
- Multifamily-公寓—4-unit up apartment building, student housing, senior/assisted living
- Hotel/Hospitality—酒店
- Mixed Use—綜合型—Crocker Park, Legacy Village, Pinecrest
- Special Purpose—特殊用途—Funeral home, Amusement Park, theaters, church, temple
government facility

Hanna Commercial Divisions



Industrial 工業部

Retail 零售部

Office 辦公部

Investment 投資部

Auction 拍賣部

Global Corporate Service 全球企業服務部

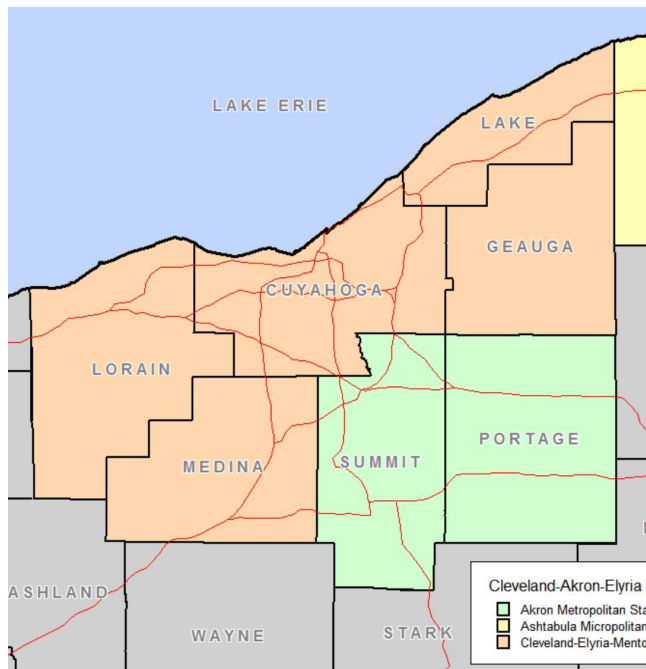
Property Management 商用物業管理部

Business Brokerage 生意買賣部

Commercial Real Estate Market Overview--商業地產市場概況

Cleveland Region 商業地產市場規模

- Cleveland & Akron (Cuyahoga, Lake, Lorain, Geauga, Summit, Portage, Medina)



Cleveland & Akron CRE Market Size (SF)

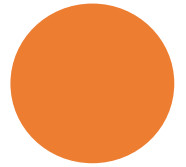
	1	2	3
	Industrial	Retail	Office
Cleveland	353,000,000	143,600,000	106,600,000
Akron	114,000,000	33,895,206	34,126,032
Total	467,000,000	177,495,206	140,726,032

—Industrial Market—

- Industrial Market,
- Overall Vacancy Rate approx. 4.5%
- Pandemic → accelerated e-commerce activities → distribution networks
- It has driven leasing activity to all-time high (25% increase in 2020 vs 2019)
20Q4-2 million SF leased (double than 19Q4)
- Logistics up vs Manufacturing down—45% inventory
(supply chain disruptions & labor shortages)
- Industrial Investment-20Q3, 20Q4, 21Q1 (more than \$110 million)

Industrial Market Activities—

- Gojo Industries (Purell)-signed 700,00 SF at I-X Center
- Gojo has added 2 million SF manufacturing space in 2020 (including 324,453 SF facility in Maple Heights.)
- Woodpeckers, woodworking tools maker—79,000 SF in Strongsville
- Trademark Global—213,900 SF in Lorain
- Amazon occupied 434,000 SF at Victory Commerce Center in Solon (20Q3)
- Amazon signed 169,000 SF at 10801 Madison Ave (21Q1)



—Retail Market—

- Cleveland Retail Market Size: 143.6 million SF; Sale Volume down 38% 2020
- 12-month Net Absorption— (1 million) SF; first negative since 2009
- 12-month Sales Volume— \$307 million (vs \$325.1 million)
- Moved in: Discounted Retailers & Grocery Stores
(Menards, Meijer & personal service retailers)
- Moved out: JC Penny at the Shoppes at Parma (160,000 SF)
Bed Bath & Beyond closed in Mayfield Hts and North Olmsted
Macy's closed Great Lakes Mall (200,000 SF)
- Forecast: remain negative net absorption in 2021

Retail Move-ins in the market

- Discounted Retailers

1. Marc's Grocery Store—66,000 SF at Shoppes at Willoughby Hills (20Q3)
2. Marc's Grocery Store—54,000 SF at Shoppes at Brunswick Place
3. Krazy Bins—48,200 SF in Elyria (20Q4)
4. Bob's Discount Furniture—40,000 SF in North Olmsted

- Largest Lease

1. Meijer—121,600 SF, former Kmart in Seven Hills

- Other Retailers—Car Wash, Take-out restaurant, Self-storage, Marijuana

- Post-Pandemic

1. Urban Air Trampoline & Adventure Park—47,000 SF at Crocker Park

Retail Construction

- ICP acquired the former City View Center in Garfield Hts
725,000 SF redevelopment (700,000 SF industrial)
- ICP acquired Chapel Hill Mall in Akron—800,000 SF redevelopment
- Richmond Town Square—mostly vacant since 2017
DealPoint Merrill plans to redevelop it into a 69-acre mixed-use project
(790 apt units & over 300,000 SF retail space)
- Beachwood Mall conversion—COHatch (former Maggiano's and H&M)
- Mayland Redevelopment in Mayfield Heights
- Ohio City-West Side Market

—Office Market—

- Cleveland office market size: 106.6 M SF
- Cleveland—12 mo Net Absorption (1.2M) SF; Vacancy: 8%
- Minimal impacts in 2020—CBD office buildings → Multifamily
- Pandemic → remote work → sublease (26% increase)
- Leasing activity returned to pre-pandemic levels in 21Q1 (430K SF)
- 12 mo office sales volume: \$122 M (vs \$260.8 M)
- Construction: W 25 & Lorain, Avian at Thunderbird-20K S
Swagelok-130,000 SF global HQ in Solon
Midtown-Cleveland Foundation & incubator
- Driver: Hospitals—Cleveland Clinic, University Hospitals, Metro Health
Sherwin-Williams

Commercial Real Estate Market Overview-Multifamily & Hotel

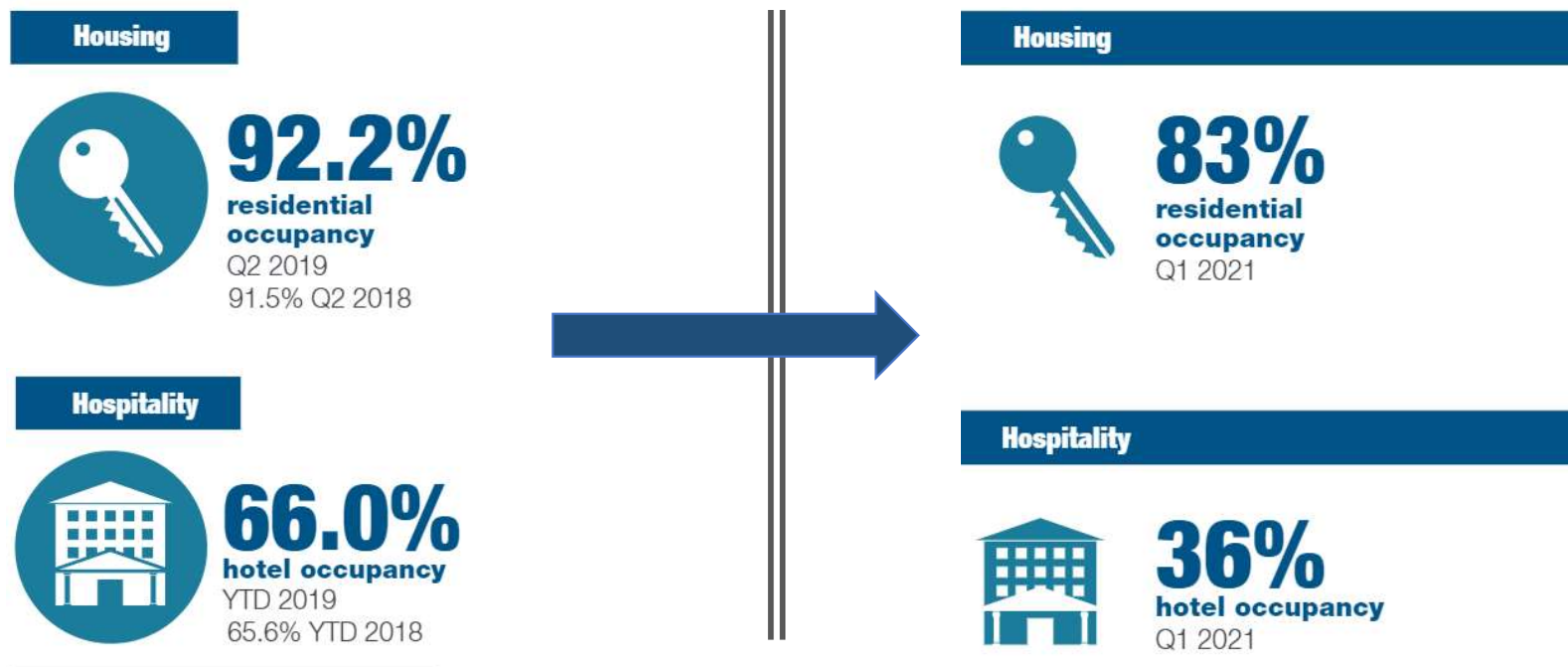
Source: Matthews Research

SUBMARKET BREAKDOWN

SUBMARKET	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION (UNITS)	DELIVERED UNITS
	Q1 2021	QOQ CHANGE (BPS)	YOY CHANGE (BPS)	Q1 2021	QOQ CHANGE	YOY CHANGE	Q1 2020	Q1 2021
Avon/Westlake	95.60%	16	17	\$927	1.07%	4.2%	52	0
Beachwood	93.80%	-10	-90	\$1,119	1.69%	1.2%	-103	0
Brooklyn Heights	95.20%	-20	130	\$794	-1.76%	2.1%	20	0
Downtown Cleveland	80.90%	20	-510	\$1,441	1.45%	-2.3%	511	1,375
East Cleveland	91.10%	0	20	\$825	1.33%	1.9%	202	203
Lakewood	95.20%	0	48	\$827	1.45%	3.3%	112	0
Northeast Cleveland	96.30%	-30	10	\$920	1.19%	3.4%	11	0
South Cleveland	96.20%	-20	90	\$998	2.10%	6.1%	124	0
Southeast Cleveland	95.30%	310	120	\$1,110	2.34%	2.4%	12	0
West Cleveland	95.70%	-20	30	\$698	1.00%	1.6%	22	0

Commercial Real Estate Market Overview- Downtown Multifamily & Hotel

Source: Downtown Cleveland Alliance



Site Selection-選址



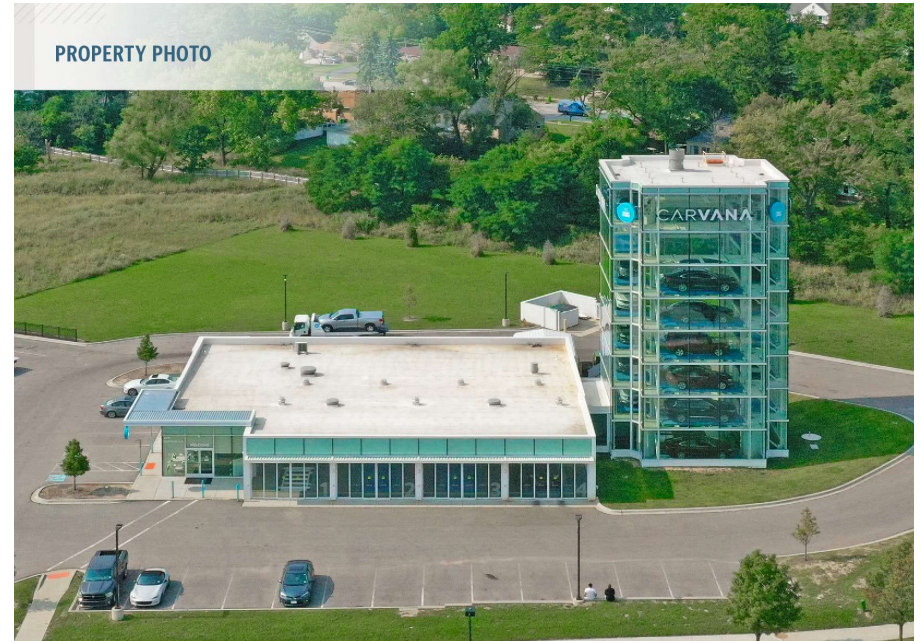


- Area Focus: Westside of Cleveland—Westlake, Avon, Avon Lake or North Olmsted
- Smaller prototype post-covid 19—under 2,000 SF with drive through
- Challenges:
 1. Sub Shops Exclusives: Jimmy Johns, Subway, Jersey Mike's etc.
 2. Rare to find drive through
 3. Pricy rent in the western suburb (Crocker Park & Avon Commons)
 4. Corporate approval
- Accomplishments:
 1. Secured a location closer to Avon Commons
 2. LL to provide reasonable TI & construction period with brand new HVAC (10 years warranty)
 3. former dry cleaner pick-up location with a drive-through window



CARVANA

PROPERTY PHOTO



4 ACTUAL SITE

SRS

NATIONAL NET LEASE GROUP

- Car Vending Machine Tower (I-271 & I-480)
- Innovative way of car shopping
- Online-order, pick-up on site, no sales personnel
- Experience, show and Branding

Requirements

1. Strong Demographics
2. High Traffic Counts
3. Zoning
4. Great visibility
5. Highway Access



Thank You

Q & A

