



2026 Emerging Trends in Real Estate Cleveland



Cleveland

Emerging Trends in Real Estate

2026

Content

| | |
|---------------------------------|---------------|
| Sponsors | Pg. 02 |
| ULI Cleveland Leadership | Pg. 03 |
| Property Sector Trends | Pg. 04 |
| Office | Pg. 05 |
| Industrial | Pg. 06 |
| Retail | Pg. 07 |
| Multi-Family | Pg. 08 |

Report Oversight Provided By

Jack Newton – Senior Manager of Community Development, GBX Group, LLC
Sean Dittoe – Investment Associate, Stark Enterprises

Prepared For ULI Cleveland

THANK YOU TO OUR 2026 SPONSORS

URBAN VISIONARY



SUPPORTER



URBAN PARTNER



ULI Cleveland Leadership

Paul Beegan

Beegan Architectural Design, LLC
District Council Chair

Elissa Hurtuk

Huntington Bank
Vice President-Senior Relationship Manager,
Commercial Real Estate, Tax
Treasurer

Jack Newton

GBX Group, LLC
Senior Manager of Community Development
Chair of Mission Advancement

Cathryn Greenwald

Thompson Hine
Partner
Governance Committee, Immediate Past District Council Chair

Omar Mohamed Eisa

The Whiting-Turner Contracting Company
Project Manager
Programs Committee Co-Chair

Nora Walsh

First Interstate Properties, Ltd
Development Associate
Programs Committee Co-Chair

Ann Davis

Newmark
Chief of Staff
Women's Leadership Initiative Co-Chair

Nora Hoxha

Hoxha Design Studio
Founder/Chief Creative Officer
Women's Leadership Initiative Co-Chair

Tyrone Patillo

The Robert Weiler Company
Sales & Leasing Associate
Outreach Committee Co-Chair

Kirstyn Wildey Fritz

McDonald Hopkins LLC
Member – Tax Credit Finance, Commercial Real Estate and Renewable
Energy Finance
Outreach Committee Co-Chair

Alex Long

Cuyahoga County Planning Commission
Principal Planner
Young leader Vice Chair

Halle Miller

Partners Environmental Consulting, Inc.
Assistant Director
Young Leader Co-Chair

Alex Long

Cuyahoga County Planning Commission
Principal Planner
Young leader Vice Chair

Stephanie Cieszkowski

THP Limited
Business Relationship Manager
Regional Product Council Chair

Melanie Kortyka

ULI Cleveland
District Council Executive Director
Staff

Makenzie Makepeace

DiGeronimo Development Team
Managing Director
Governance Committee & Past District Council Chair

Steve Ross

CBRE
First Vice President
Governance Committee & Past District Council Chair

Linda Striefsky

Thompson Hine
Retired Partner
Governance Committee & Past District Council Chair

Greg Ward

Huntington National Bank
Senior Vice President– Commercial Real Estate
Governance Committee & Past District Council Chair

Adrian Byrne

Lund-Byrne Associates
President
Governance Committee & Past District Council Chair

Property Sector Trends



Office Market

Jack Newton

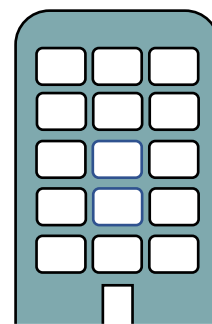
The Cleveland office market continues to navigate a period of transition, with vacancy rates holding at 8.8%, which is well below the national average of 14.1%. This stability is partly due to limited new deliveries and a robust wave of office-to-residential conversions, which have removed millions of square feet from downtown inventory over the past decade. Notably, the city's core has shrunk from 25 million square feet in the 1990s to roughly 13–16 million today, as developers respond to changing work patterns and urban living preferences. Leasing activity has picked up in select submarkets, with suburban areas like Independence and Brecksville outperforming downtown. The Valor Acres development in Brecksville exemplifies this trend, offering 200,000 square feet of new office space alongside retail, apartments, and a major Sherwin-Williams R&D center. Office lease rates at Valor Acres reportedly reach \$40/SF, setting a new benchmark for the region and demonstrating that mixed-use, amenity-rich projects can attract tenants even in a post-pandemic environment.

Downtown, the market remains challenged by high vacancies and financial pressures. Key Tower, One Cleveland Center, and Oswald Tower all face significant refinancing hurdles as rising interest rates and declining building values squeeze owners. The Rockefeller Building, a historic downtown landmark, sits largely vacant and in need of substantial public support for redevelopment, highlighting the difficulties faced by older assets.

Despite these challenges, some buildings have found new life. Park Place Technologies moved its headquarters to Highland Heights, investing in a campus that supports future growth. The former Joann headquarters in Hudson is being transformed into The Hudson District, with IRG opting for adaptive reuse rather than demolition. On Buckeye Road, historic tax credits are fueling the rehabilitation of commercial

corridors, with projects like the Moreland Theater and several mixed-use buildings aiming to revitalize neighborhoods while preserving architectural heritage. Investment activity is driven by private buyers seeking value-add opportunities, especially in well-located Class B assets. As Cleveland's office market adapts to new realities, success increasingly depends on creative redevelopment, strong anchor tenants, and public-private collaboration to address both financial and physical challenges.

Figure: Return-to-Work Update, Nov 2026



46%

Share of Downtown Cleveland
Workforce Back in the Office

Source: Downtown Cleveland, Inc

Industrial Market

Jack Newton

Cleveland's industrial market is navigating a year of softer demand but remains comparatively tight versus national benchmarks. Net absorption was negative for the fifth straight quarter, with 2.6 million SF vacated over the past 12 months, lifting vacancy to 4.3% (vs. ~7.6% U.S.). Availability rose to 6.0% yet stays below pre-pandemic norms, with especially tight conditions in small-bay product (3.6% availability). Average asking rent growth has moderated to 2.8% YoY, with market rents around \$6.70/SF—well under peer metros—while newer large-bay assets price higher than legacy stock. Development remains modest: only ~1.1 million SF is under construction, reflecting scarce shovel-ready sites and a heavy legacy inventory that often needs remediation. These dynamics are central to how users and investors engage the market today.

On-the-ground activity underscores those themes. In Summit County, Fogg is adding a 250,000-SF warehouse in Stow—its eighth large building at the Route 8/Seasons Road interchange—continuing successful speculative development that has historically leased quickly, a sign of persistent demand for modern logistics space despite macro headwinds.

User moves are equally telling. Dayglow relocated to a 130,000-SF Independence facility designed with 38-foot clear heights and narrow-aisle racking, effectively preserving capacity in less square footage—showcasing operators' push for efficiency and dock/height upgrades in existing buildings when new product is scarce.

Sales volume is stable and skewed to sub-\$10 million trades, with users and REITs filling a gap left by more cautious institutional capital. Recent local deals include the fully occupied former Delphi/Aptiv site in Warren trading for \$9.4 million—signaling appetite for stabilized R&D/manufacturing assets—and Slabe Machines' Willoughby HQ and plant selling for \$5 million, well above assessed value, consistent with premium sale-leaseback pricing for credit-anchored occupancies.

Legacy site reuse continues to shape industrial-adjacent development. The Cleveland Browns' \$76 million purchase of 176 acres in Brook Park (former Ford site) for a proposed \$2.4 billion enclosed stadium and mixed-use district reflects ongoing repositioning of major industrial tracts at scale.

Looking ahead, Northeast Ohio is positioned for data center expansion—driven by affordable land, existing power infrastructure, and workforce capacity—with national players evaluating Ohio for multi-GW projects. If realized, this wave would amplify construction jobs, support industrial suppliers, and elevate large-power real estate demand across the region.

Retail Market

Sean Dittoe

Once widely viewed as a challenged sector, brick and mortar retail has continued to show resilience heading into 2026 both nationally and locally. After the rapid growth of ecommerce in the early 2020s, retailers have adjusted their strategies, focusing more on convenience, value, and service-oriented uses that drive consistent foot traffic. As Gen Z gains purchasing power, retailers are adapting store formats and tenant mixes to align with changing consumer behavior. At the same time, broader economic uncertainty has kept consumers more budget conscious. According to CBRE's 2026 U.S. Real Estate Market Outlook, in the retail sector, demand is expected to be driven by expanding grocery, discount and services retailers that rely on physical locations to reach consumers. Retailer success will require precise strategies that align selective growth with evolving consumer behaviors, a trend that is particularly relevant in markets like Cleveland, which remains one of the lowest income large cities in the United States.

Retail performance across Northeast Ohio remains uneven but generally healthy. Well located, experience-driven centers such as Crocker Park, Eton Collection, and Pinecrest continue to perform at a high level, while older, functionally obsolete properties face ongoing vacancy challenges. This is a trend we are seeing nationwide. While no new enclosed malls have been developed in the region for more than a decade,

successful open air and mixed-use centers have continued to attract tenants and expand, supported by limited new retail supply. It seems that the days of purely retail development are behind us, particularly when looking at DiGerinimo's Valor Acres, new mixed-use development in Brecksville which features a mix of retail, hotel, residential, and office uses. Another example of this can be found at ICP's Geauga Lake District in Aurora.

At the metro level, Cleveland retail fundamentals remain relatively tight. Retail vacancy across the Cleveland MSA has generally remained in the mid four to high four percent range through late 2025 and the start of 2026, supported by steady leasing activity and minimal construction deliveries. This limited supply has helped insulate the market from some of the broader economic headwinds impacting other property types.

Downtown Cleveland's retail market has shown incremental improvement, though challenges remain. Leasing activity has been supported by ongoing public and private investment, as well as continued emphasis on food and beverage and service-oriented tenants. Downtown Cleveland Inc. remains focused on strengthening the retail environment through streetscape and public space improvements, market research and marketing initiatives, and a business attraction strategy aimed at supporting brokers and retailers operating in the urban core.

There are some great new tenants to look forward to in 2026 and beyond, most notably with Cosm in 2027. In addition, the East Bank of the popular flats district is expected to undergo a major revival as many key tenants have vacated their leases. As we look into the future, some of the large-scale projects that everyone should be keeping an eye on are of course the lakefront redevelopment, and Bedrock’s master plan for downtown revitalization to name a few.

National and regional retailers continue to show interest in the Cleveland area, particularly those focused on essential and value-oriented goods. Big box operators such as Meijer have continued to invest in the region, helping offset select store closures elsewhere. Meijer now has four operating stores in the Cleveland MSA, with at least three more in the pipeline. While economic uncertainty remains a near term risk in 2026, the combination of limited new supply and retail’s ability to adapt to changing consumer preferences supports a cautiously optimistic outlook for the sector.



Multi-Family Residential Market

Sean Dittoe

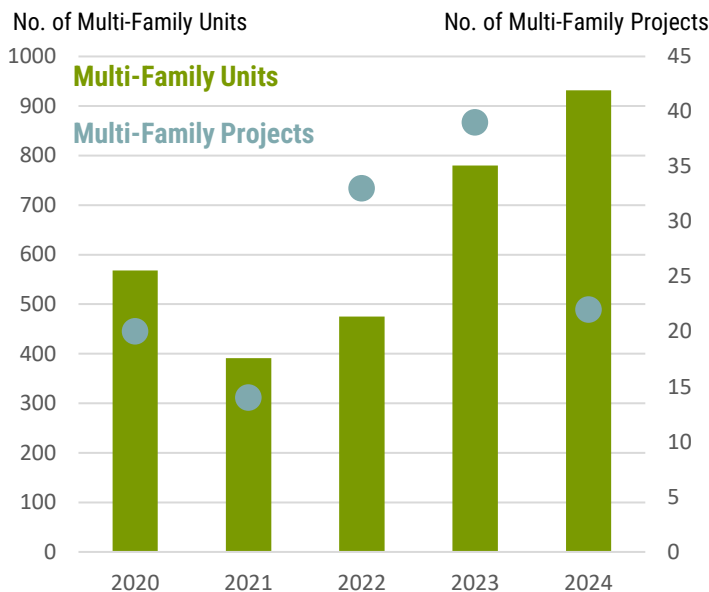
Volatile is a word that comes to mind when looking at the Cleveland multifamily market over the past year. The main theme of this segment of the report for the past couple of years has been the record number of units both in the pipeline and being delivered. The biggest question has been where are these renters coming from? So far, it appears the supply wave may have been a bit too large for the market to absorb, as vacancy in the Cleveland MSA has reached a 20 year high, sitting around 9.8%, more than 100 basis points above the 8.5% national average. Vacancy in the Cleveland market is expected to continue growing in early 2026. Nearly 2,400 units were delivered over the past 12 months, with the downtown submarket

accounting for 55% of that total. This, combined with a shrinking population, is not a recipe for strong absorption or healthy vacancy levels, which is evident in the data from this year. Hopefully, as uncertainty in the national economy settles and the Cleveland MSA attracts more residents, these trends can begin to shift in a positive direction.

Much of the absorption seen recently has been driven by new properties with superior finishes and amenities compared to older competitive stock. In addition, these new properties are offering meaningful concessions to attract renters. As first-time leases from 2023, 2024 and 2025 deliveries begin to roll, aggressive concessions are still being used to retain tenants.

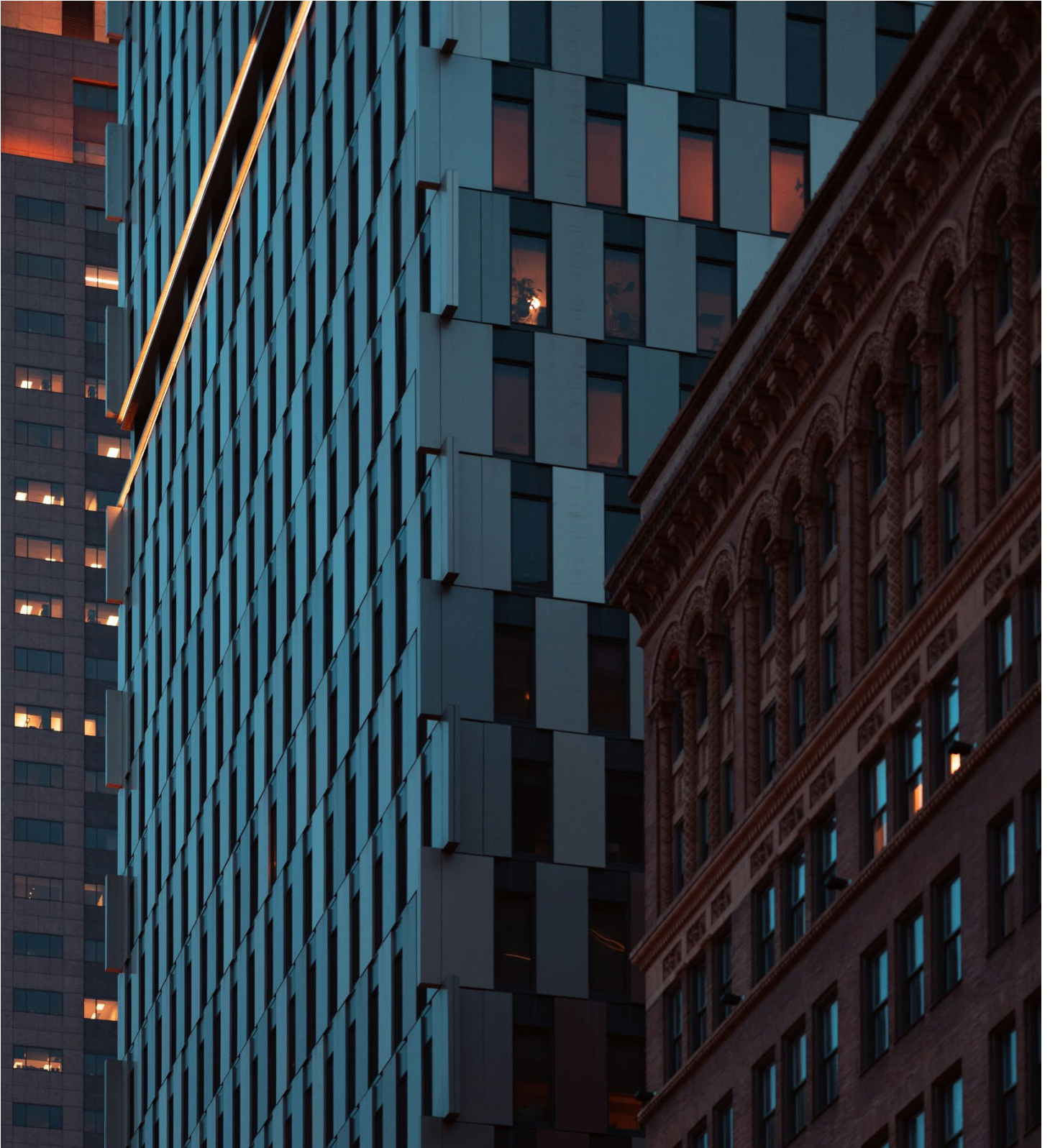
The primary driver of absorption and rent growth is demand. Demand is created either by limited new supply or by an influx of new residents. At the moment, Cleveland has neither. Although the construction pipeline is cooling, with a projected 46% decline in deliveries in 2026, this may not be enough to stabilize vacancy and rent levels in the near term. The Cleveland MSA has experienced a decline in overall population each year since 2020. To see a meaningful rebound in market conditions, this trend must reverse.

Figure: Multi-Family Units and Projects by Annual Total, 2020-2024



Source: US Census Bureau, Q1 2025

Beyond population growth, new household formation is another critical factor. A slow growing job market, combined with lower consumer confidence, is not conducive to household formation, as college graduates are more likely to remain at home longer or relocate to markets with stronger employment prospects. This issue has been a focus for the city for many years, yet results have been limited. While it is encouraging to see new companies relocating to Cleveland, such as the AI startup Bean and Canon Healthcare, significantly more of this type of job growth will be needed to meaningfully strengthen the job market, the apartment sector, and the broader regional economy.





Cleveland