

# KNOWLEDGE REPORT

Office Research & Forecast Report Q1 2020  
Colliers International | Akron



## Akron Office Market

### A Note Regarding COVID-19:

As we publish this report, the U.S. and the world at large are facing a tremendous challenge, the scale of which is unprecedented in recent history. The spread of the novel coronavirus (COVID-19) is significantly altering day-to-day life, impacting society, the economy and, by extension, commercial real estate.

The extent, length and severity of this pandemic is unknown and continues to evolve at a rapid pace. The scale of the impact and its timing varies between locations. To better understand trends and emerging adjustments, please subscribe to [Colliers' COVID-19 Knowledge Leader page](#) for resources and recent updates.

[COLLIERS COVID-19 RESOURCE PAGE](#)

### Overview

The Akron office market, which includes the Canton/Massillon metro area in Stark County, posted a modest gain in occupancy during the first quarter of 2020 totaling 16,421 square feet. Three consecutive quarters of positive net absorption has driven the vacancy rate down 30 basis points (bps) over the past year to its current level of 12.7%.

In contrast to last quarter's Babcock and Wilcox's 177,000-square-foot occupancy at the East End development, this quarter's transaction activity was

## Market Indicators

Relative to prior period	Q1 2020	Q2 2020*
VACANCY	↓	↑
NET ABSORPTION	+	-
CONSTRUCTION	↓	↔
RENTAL RATE**	↓	↓

\* Projected, relative to prior period  
\*\* Class A rents

## MARKET STATS AT A GLANCE



**12.7%**  
VACANCY RATE



**\$16.18**  
MARKET ASKING RENT  
(Psf/Yr, FSG)



**16,421**  
YTD ABSORPTION  
(SF)



**45,000**  
UNDER CONSTRUCTION (SF)

"In the midst of the COVID-19 outbreak, information and data is emerging at a quick and uneven rate. The information contained herein has been obtained from sources deemed reliable at the time the report was written. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report."

not dominated by any one mega-deal. Instead, leasing activity consisted primarily of small to mid-sized transactions distributed throughout the Akron and Canton region.

Active submarkets during the quarter include Medina County posting positive net absorption of 39,536 square feet, Northern Summit with a gain of 17,530 square feet and the Akron South submarket with positive 14,584 square feet.

The Akron Central Business District (CBD) posted a net loss of nearly 47,000 square feet, primarily due to Geometry Global’s relocation to downtown Cleveland, while the Stark County submarket recorded negative net absorption of 12,375 square feet.

Construction activity remains minimal with no speculative activity. One structure was completed during the quarter; a 30,800-square-foot office building constructed by Pride One Construction as their headquarters on Medina Rd. Additional space was leased and the building opened 100% occupied.

The overall market asking rental rate currently averages \$16.18 per square foot (full service/gross), a decrease of 1.0% for the quarter, but up by 1.9%, year-over-year. Class A asking rates have declined slightly over the past 12 months by 0.4% to \$20.18 per square foot.

### Summary Statistics

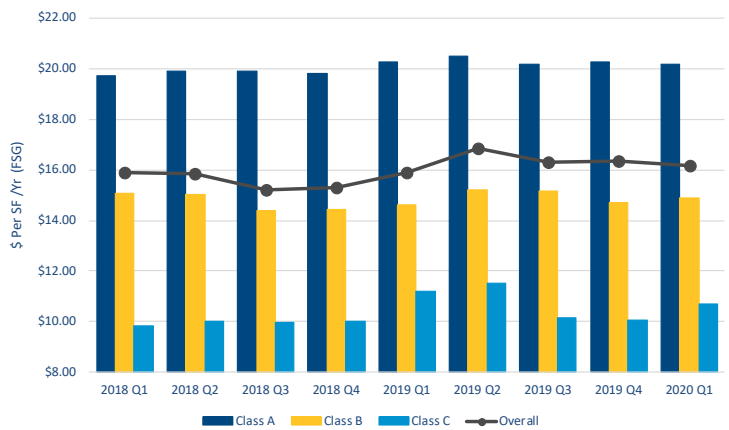
Q1 2020 Akron Office Market	Market	CBD	Suburban
Vacancy Rate	12.7%	15.1%	12.0%
Net Absorption (Thousand Square Feet)	16.4	-44.7	61.1
New Supply (Thousand Square Feet)	30.8	0	30.8
Under Construction (Thousand Square Feet)	45.0	0	45.0

### Asking Rents

Per Square Foot Per Year FSG

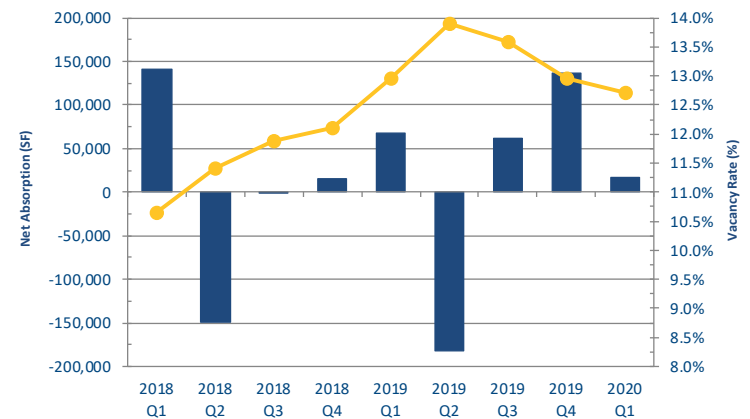
Market	\$16.18
Market Class A	\$20.18
Downtown Class A	\$18.97
Suburban Class A	\$20.77

### Office Average Asking Rates (FSG)



Class A asking rent fell slightly during the quarter, while both Class B & C rates increased.

### Office Vacancy/Absorption

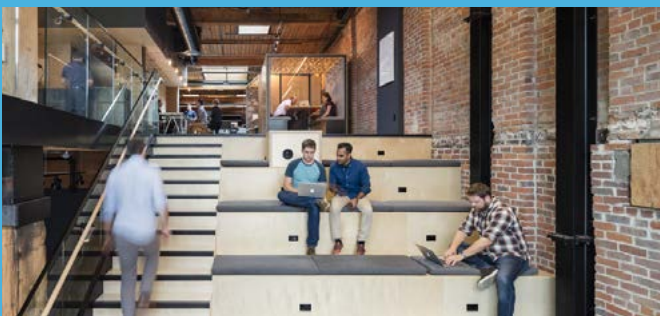


Three consecutive quarters of positive net absorption has driven the overall market vacancy rate down 30 bps over the past 12 months.

### Post COVID-19: Office Design and Market

While much uncertainty remains as to the long term impacts of the COVID-19 pandemic on commercial real estate, office markets and workplace design, this recent post from Colliers Knowledge Leader offers some thoughts and insights.

[Click here to read the full article.](#)



## Notable Office Sales | Q1 2020

PROPERTY NAME/ADDRESS	SALE DATE	SALE PRICE	BLDG SF	BUYER	SELLER	CLASS	SUBMARKET
4678 Munson St NW	Feb-27	\$935,000	10,000	Joseph E Wengerd	Progress Partners LLC	B	Stark County
1355 Corporate Dr	Jan-4	\$676,250	3,751	Eileen and David Silva	Ross Marchetta	B	Northern Summit
2104 Front St	Feb-13	\$626,000	16,614	Two Grs Properties Ltd	2104 Ltd	C	Northern Summit
4124 Munson St	Feb- 28	\$580,000	8,000	Altus Medical	July Seventy-Seven	C	Stark County
5960 Horning Rd (Part of Multi-Property Sale)	Feb-27	\$568,500	3,960	Ayham Ayham	Daniel Brett LLC	B	Portage County
3745 Whipple Ave NW	Feb-6	\$425,000	4,455	418 Holdings LLC	Patel & Patel	B	Stark County
302 N Cleveland Massillon Rd	Jan-2	\$380,000	5,458	Dean Wagner Properties	Counsellors Inc	C	Copley/Fairlawn
3636 Copley Rd	Feb-3	\$355,000	29,144	Copley Business Center LLC	Frazier Ltd	C	Copley/Fairlawn
3924 State Rd	Feb-28	\$325,000	2,434	Johnys Lawn Care LLC	Michael Milush	C	Medina County
4376 Kirby Ave NE	Jan-22	\$300,000	4,140	Northeastern Tech-Systems	Carolyn & JC Esber Trust	C	Stark County

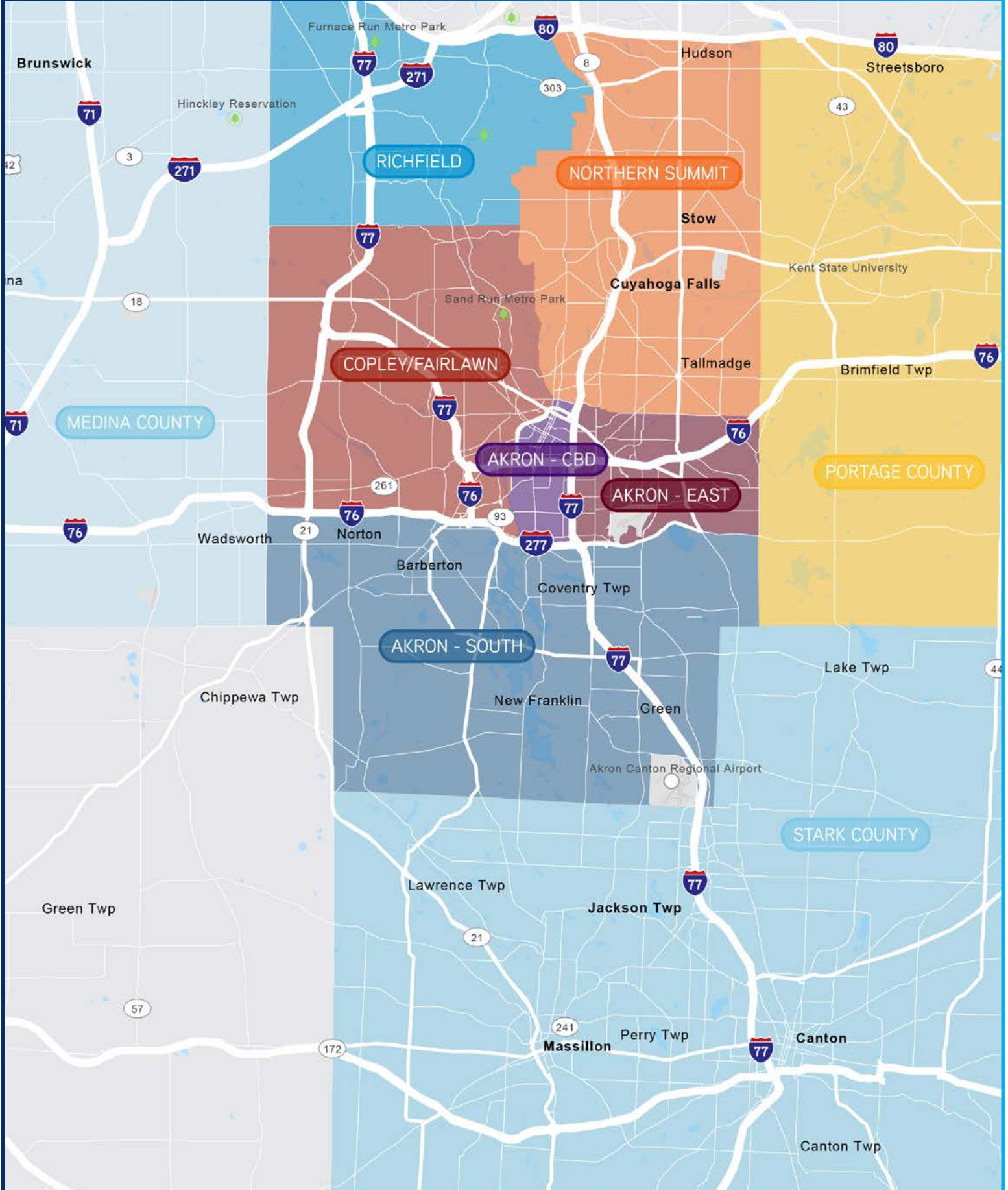
## Notable Office Leases | Q1 2020

PROPERTY NAME/ADDRESS	LEASE DATE	LEASE SF	TENANT NAME	BUILDING CLASS	SUBMARKET
168 E Market St	Mar-20	66,801	Energy Harbor	A	Akron - CBD
3712 Commerce Dr	Feb-20	10,000	Evoqua Water Technologies	B	Copley/Fairlawn
2020 Front Street	Jan-20	6,794	Unknown	B	Northern Summit
2875 Center Rd	Jan-20	7,626	Trillium Creek Dermatology	B	Medina County
520 S. Main	Feb-20	5,231	365 Holdings	B	Akron - CBD

## Akron | Q1 2020 Office Submarket Data

MARKET	# OF BLDGS	INVENTORY (SF)	TOTAL AVAILABLE (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE (%)	SUBLEASE AVAILABLE (SF)	QTRLY NET ABSORPTION (SF)	YTD TOTAL NET ABSORPTION	AVG WTD ASKING RATE (FSG)
<b>AKRON - CBD</b>	<b>55</b>	<b>4,434,166</b>	<b>667,398</b>	<b>667,398</b>	<b>15.1%</b>	<b>3,876</b>	<b>-44,690</b>	<b>-44,690</b>	<b>\$15.58</b>
A	6	1,586,638	189,153	189,153	11.9%	0	-46,998	-46,998	\$18.97
B	41	2,657,399	474,545	474,545	17.9%	3,876	2,308	2,308	\$14.30
C	8	190,129	3,700	3,700	1.9%	0	0	0	\$5.35
<b>AKRON - EAST</b>	<b>15</b>	<b>736,188</b>	<b>134,465</b>	<b>134,465</b>	<b>18.3%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$20.89</b>
A	1	482,687	126,853	126,853	26.3%	0	0	0	\$21.50
B	10	191,836	7,612	7,612	4.0%	0	0	0	\$10.73
C	4	61,665	0	0	0.0%	0	0	0	--
<b>AKRON - SOUTH</b>	<b>47</b>	<b>1,220,979</b>	<b>87,755</b>	<b>75,441</b>	<b>6.2%</b>	<b>0</b>	<b>14,584</b>	<b>14,584</b>	<b>\$14.53</b>
A	2	275,838	0	0	0.0%	0	0	0	--
B	35	785,281	82,435	70,121	8.9%	0	14,584	14,584	\$14.66
C	10	159,860	5,320	5,320	3.3%	0	0	0	\$12.50
<b>COPLEY/FAIRLAWN</b>	<b>124</b>	<b>4,274,942</b>	<b>596,310</b>	<b>596,310</b>	<b>13.9%</b>	<b>25,639</b>	<b>1,836</b>	<b>1,836</b>	<b>\$16.25</b>
A	15	1,196,367	108,879	108,879	9.1%	25,639	11,599	11,599	\$20.61
B	92	2,671,406	422,905	422,905	15.8%	0	-9,763	-9,763	\$16.12
C	17	407,169	64,526	64,526	15.8%	0	0	0	\$10.46
<b>MEDINA COUNTY</b>	<b>48</b>	<b>1,049,395</b>	<b>142,438</b>	<b>132,020</b>	<b>12.6%</b>	<b>0</b>	<b>39,536</b>	<b>39,536</b>	<b>\$17.75</b>
A	3	170,223	63,568	53,150	31.2%	0	30,800	30,800	\$21.59
B	43	836,673	71,930	71,930	8.6%	0	8,736	8,736	\$14.71
C	2	42,499	6,940	6,940	16.3%	0	0	0	\$9.72
<b>NORTHERN SUMMIT</b>	<b>77</b>	<b>1,874,663</b>	<b>225,643</b>	<b>225,643</b>	<b>12.0%</b>	<b>56,945</b>	<b>17,530</b>	<b>17,530</b>	<b>\$12.94</b>
A	1	38,240	19,538	19,538	51.1%	19,538	19,120	19,120	\$17.00
B	56	1,469,297	142,355	142,355	9.7%	37,407	-1,590	-1,590	\$13.37
C	20	367,126	63,750	63,750	17.4%	0	0	0	\$11.20
<b>PORTAGE COUNTY</b>	<b>21</b>	<b>384,907</b>	<b>6,398</b>	<b>6,398</b>	<b>1.7%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$10.40</b>
B	18	306,642	6,398	6,398	2.1%	0	0	0	\$10.40
C	3	78,265	0	0	0.0%	0	0	0	--
<b>RICHFIELD</b>	<b>24</b>	<b>1,229,460</b>	<b>134,112</b>	<b>134,112</b>	<b>10.9%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$18.17</b>
A	10	898,409	103,676	103,676	11.5%	0	0	0	\$20.05
B	12	301,785	30,436	30,436	10.1%	0	0	0	\$13.54
C	2	29,266	0	0	0.0%	0	0	0	--
<b>STARK COUNTY</b>	<b>141</b>	<b>4,191,834</b>	<b>496,515</b>	<b>494,965</b>	<b>11.8%</b>	<b>7,048</b>	<b>-12,375</b>	<b>-12,375</b>	<b>\$11.11</b>
A	12	633,194	70,909	70,909	11.2%	0	9,819	9,819	\$15.38
B	113	3,022,793	313,000	311,450	10.3%	7,048	-28,794	-28,794	\$10.18
C	16	535,847	112,606	112,606	21.0%	0	6,600	6,600	\$10.74
<b>Grand Total</b>	<b>552</b>	<b>19,396,534</b>	<b>2,491,034</b>	<b>2,466,752</b>	<b>12.7%</b>	<b>93,508</b>	<b>16,421</b>	<b>16,421</b>	<b>\$16.18</b>

# Akron | Office Submarket Map





# 438 offices in 68 countries on 6 continents

United States: **155**  
Canada: **48**  
Latin America: **20**  
Asia Pacific: **94**  
EMEA: **119**

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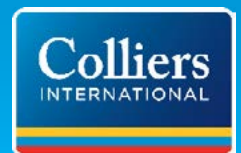
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