

An aerial night photograph of Columbus, Ohio. The SciArc park is visible in the foreground, with its winding paths and green spaces illuminated by warm lights. The Ohio River flows along the left side of the park. In the background, the city skyline is lit up, with several tall buildings, including the Schieffelin Building, visible against the dark blue sky.

# COLUMBUS

## 2019 Q1 MARKET TRENDS

**NA** Ohio Equities

605 S Front St | Suite 200 | Columbus OH 43215 | [www.ohioequities.com](http://www.ohioequities.com) | 614 224 2400



# COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↓ **6.4%**

In Q1

Positive Absorption

+ **273K**

SF in Q1

Rental Rate Increased

↑ **3.7%**

vs Q4

303 Buildings Sold

**\$77/SF**

In Past 12 Months

Office vacancy decreased to 6.4% with a positive absorption of 273,458 SF

“The office market remains strong, with vacancy rates falling each quarter and lease rates continuing to climb, it is definitely a landlord’s market.”

- Quoted rental rates ended the fourth quarter at \$19.33, an increase of 3.7% over the previous quarter, when rents were reported at \$18.64/ SF.
- The Office vacancy rate fell to 6.4% during the end of the first quarter of 2019. This is a decrease from 7.0% since the end of Q4 2018.
- The majority of leases signed have been for spaces less than 15,000 SF, largely concentrated Downtown. Pockets of demand exist in growing area like Dublin, Polaris and Worthington.
- Space leased in the first quarter typically sat on the market for eight months with the average signing for close to five years.



**Matt Gregory**

Office Specialist

[mgregory@ohioequities.com](mailto:mgregory@ohioequities.com)

# COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate

↑ **4.3%**

In Q1

Negative Absorption

- **198K**

SF In Q1

Rental Rate Increased

↑ **1.0%**

Vs. Q4 2018

118 Buildings Sold

**\$48/SF**

In Past 3 Months

Industrial vacancy rate increases to 4.3% with a negative absorption of 197,523.

“We anticipate 2019 to be another good year. There should be plenty of new spec business coming on line to meet the demands of the market.”

- The vacancy rate increased slightly from 4.0% to 4.3% during the first quarter of 2019.
- The industrial rental rate was \$5.20 per square foot per year at the end of the first quarter, representing a 1% increase in rental rates from \$5.15 at the end of Q4 2018.
- Heavy sales are likely to reoccur this year, as last year saw volume reach \$1,058,100,000, with around 300 properties trading hands for an average price of \$48/SF and a 7.0% cap rate.
- Columbus has a total of 5,409,521 SF of industrial properties currently under construction at the end of the first quarter of 2019.



**Curt Berlin, SIOR**

Industrial Specialist

cberlin@ohioequities.com



# COLUMBUS RETAIL OVERVIEW

Vacancy Rate Decreased to

↓ **2.7%**

In Q1

Positive Absorption

+ **216,212**

SF In Q1

Rental Rate Increased

↑ **0.1%**

Vs. Q4 2018

555 Buildings Sold

**\$131/SF**

Past 12 Months

Retail vacancy decreases to 2.7% with a positive absorption rate at 216,212 square feet.



“With construction of new retail slowing, look for rates to start increasing for the best located retail sites.”

- Columbus' retail vacancy rate decreased in the fourth quarter down to 2.7% from 2.9% in the fourth quarter of 2018.
- In Columbus, vacancies are at near historic lows, as construction has slowed, limiting new supply to the market.
- The retail rental rate was \$15.50 per square foot per year at the end of the fourth quarter, representing a 0.1% increase from the end of 2018.
- There are 177,270 SF of retail projects currently under construction.
- Total retail inventory amounted to 119,053,571 SF at the end of the first quarter of 2019.



**Mike Simpson**

Retail Specialist

[msimpson@ohioequities.com](mailto:msimpson@ohioequities.com)

## Our Team



**George "Sandy" Simpson**  
Chairman



**Michael Simpson**  
President



**Kim Benincasa**  
Investment



**Curt Berlin, SIOR**  
Industrial



**Philip Bird**  
Office & Investment



**Blake DeCrane**  
Industrial



**Andy Dutcher, SIOR**  
Office & Investment



**Mark Francescon**  
Office & Industrial



**Matt Gregory, SIOR, CCIM**  
Office & Investment



**Patrick Larrimer**  
Office



**John Mally**  
Retail, Office, Investment



**Ryan McGreevy**  
Industrial & Office

COMMERCIAL REAL  
ESTATE LEADERS  
SINCE 1971



**Joe Menninger, CCIM**  
Office & Investment



**Jim Merkel, CCIM, SIOR**  
Office & Industrial



**Conor David**  
Retail, Office & Investment



**Peter Merkle**  
Office, Retail & Investment



**Bob Monahan**  
Church, Office & Retail



**Matthew Osowski, SIOR**  
Industrial & Investment



**Mike Semon**  
Industrial & Investment



**Dan Sheeran**  
Industrial & Investment



**Dan Sheeran, Jr.**  
Industrial & Investment



## The Power of **Local Knowledge**

We make it our primary focus to understand your business and the opportunities and challenges you face on a regular basis

NAI Ohio Equities is one of Central Ohio's largest, family-owned commercial real estate and property management company. The firm has been serving the Columbus real estate market for over 47 years. We strive to provide the highest quality real estate services by adding value to our client's assets and real estate needs through expert analysis, specific market knowledge and personalized service.

NAI Ohio Equities is the Central Ohio affiliate of NAI Global, the single largest, most powerful global network of owner-operated commercial real estate brokerage firms. NAI Global member firms spans worldwide, with more than 400 offices and more than 7,000 local market experts on the ground.