

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 Schuster Tower, visible against the dark blue sky.

COLUMBUS

2020 Q1 MARKET TRENDS

NA Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↑ **7.7%**

In Q1

Positive Absorption

+ **39K**

SF in Q1

Rental Rate Increased

↑ **4.3%**

vs Q1 2019

276 Buildings Sold

**8.8%
CAP**

Past 12 Mo.

Office vacancy increased to 7.7% despite a positive absorption of 39,061 SF

“The office sector remained relatively flat throughout the first quarter and it’s too early to tell what impact, if any, the pandemic will have on lease rates and overall activity.”

- Quoted rental rates ended the first quarter at \$20.11, in line with the previous quarter, but a 4.3% increase over this time last year
- The Office vacancy rate increased to 7.7% during the first quarter of 2020.
- There were 276 sales the last 12 months, averaging \$104/SF and an 8.8% CAP rate.
- There were two deliveries during the first quarter totaling 157,000 SF with an additional 978,000 SF additional under construction.



Matt Gregory, CCIM, SIOR

Office Specialist

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COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate

↑ **5.4%**

In Q1

Positive Absorption

+130K

SF In Q1

Rental Rate Increased

↑ **1.9%**

Vs. Q4 2019

Under Construction

8.6 MSF

Currently

Industrial vacancy rate of 5.4% reflects a market that has been in balance.

“The Columbus industrial market just experienced another good quarter. However, expect to see some softening in the market in Q2 2020 due to the Covid-19 situation. Given that, we still believe Central Ohio is poised to be one of the first markets to recover.”

- The average rental lease rate for all industrial properties was \$5.30 per square foot per year at the end of the Q1 2020, representing a 1.9% increase in rental rates from \$5.20 PSF at the end of Q4 2019.
- Rents in the Central Ohio market have climbed by 4.2% over the course of the last twelve months.
- Columbus has a total of 8,650,000 SF of industrial properties currently under construction at the end of the Q1 2020.
- Average asking lease rates for newer bulk warehouse spaces are \$4.07/SF NNN.



Curt Berlin, SIOR

Industrial Specialist

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COLUMBUS RETAIL OVERVIEW

Vacancy Rate Increased to

↑ **3.5%**

In Q1

Negative Absorption

- **41,320**

SF In Q1

Rental Rate Increased

↑ **1.0%**

Vs. Q4 2019

12 Mo. Deliveries

683K

SF

Retail vacancy increases to 3.5% with a negative absorption rate of 41,320 square feet.

“The virus pandemic will have an outsized disruption on the retail sector in the near term, with long-term effects expected to continue well into 2021. Some experts peg restaurant casualties at 20%, creating opportunities for alternative uses, and stronger restaurants later this year.”



Mike Simpson

Retail Specialist

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- Columbus' retail vacancy rate increased in the fourth quarter up to 3.5% from 3.3% in the fourth quarter of 2019.
- Over -41,320 SF has been absorbed over the past quarter, sending vacancies close to record lows.
- Rents in Columbus are high relative to Ohio's other major metros, averaging \$16.20/SF as of the second quarter, nearly 20% above average rents in Cincinnati and 10% above Cleveland
- There are 551,136 SF of retail projects currently under construction.
- The Hamilton Quarter sub-market located between New Albany and Easton will certainly be slowed by the effects of the virus, but with strong fundamentals, is expected to be the bright star in new retail development in central Ohio in the coming months of recovery.

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The Power of Local Knowledge

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