



COLUMBUS

2020 Q3 MARKET TRENDS

NA Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↑ **7.7%**

In Q3

Negative Absorption

– **141K**

SF in Q3

Rental Rate Increased

↑ **2.1%**

vs Q3 2019

261 Buildings Sold

**8.3%
CAP**

Past 12 Mo.

Office vacancy increased to 7.7% with a negative absorption of 141,167 SF

“While vacancy rate and rental rates are holding relatively steady, the sublease market is continuing to climb with over 725,000 SF currently on the market.”

- Quoted rental rates ended the third quarter at an even \$21.00/SF which is a 2.1% increase over this time last year.
- The office vacancy rate increased slightly by a mere 0.1% up to 7.7% during the third quarter of 2020.
- There have been 261 sales the last 12 months, averaging \$128/SF and an 8.3% CAP rate.
- There has been 428,000 SF of office space delivered so far this year across seven buildings, highlighted by Bridge Park, Pointe at Polaris and Easton Town Center.



Matt Gregory, CCIM, SIOR

Office Specialist

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COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate

↑ **7.1%**

In Q3

Negative Absorption

– **464K**

SF In Q3

Rental Rate

↓ **0.5%**

Vs. Q2 2020

Under Construction

9.2 MSF

Currently

The positive absorption of 3,600,000 million square feet in a quarter is a record setting number lead in large by the explosion in the e-commerce industry.

“The industrial sector nationally has remained strong through the COVID-19 pandemic and Central Ohio is no different. New construction has continued with minimum delays, 1.2 MSF of new speculative space has been added to the market this quarter and several new projects have broken ground.”



Matt Osowski, SIOR

Industrial Specialist
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- The average rental lease rate for all industrial properties was \$5.25 per square foot per year at the end of the Q3 2020, which is a slight drop from the end of Q2 2020.
- Rents in the Central Ohio market are expected to decline in the short term, with forecasts predicting a fall to about 4.2% by early 2021.
- Columbus has a total of 9,200,000 SF of industrial properties currently under construction at the end of the Q3 2020.
- Leasing activity has outperformed in recent months, with leases signed in the second quarter totaling 4.2 million SF. Moving forward, demand in Columbus will likely slow, but remain positive.

COLUMBUS RETAIL OVERVIEW

Vacancy Rate Held Steady

↔ **3.4%**

In Q3

Positive Absorption

+ **14,781**

SF In Q3

Rental Rate Increased

↑ **0.5%**

Vs. Q2 2020

12 Mo. Deliveries

885K

SF

Retail vacancy holds steady at 3.4% with a positive absorption of 14,781 square feet.

“Retail closures which were already climbing pre-pandemic are now expected to reach 25,000 by years end, more than doubling 2019’s number. Leasing activity in Columbus has maintained fairly well, with 720,000 SF leased through September, just slightly behind last years pace.”

- Columbus’ retail vacancy rate remained the same in the third quarter of 2020 at 3.4% from the second quarter of 2020.
- Although the absorption was positive during this quarter, it is still skewing negative for the past 12 months at -264,000
- Rents in Columbus are high relative to Ohio’s other major metros, averaging \$16.50/SF as of the second quarter, nearly 20% above average rents in Cincinnati and 10% above Cleveland
- There is just 271,000 SF of retail space under construction, which accounts to 0.2% of the total inventory



Mike Simpson

Retail Specialist

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COLUMBUS MULTIFAMILY OVERVIEW

Vacancy Rate Remained
Consistent

↔ **6.6%**

In Q3

Negative Absorption

— **3,894**

Units

Rental Rate Increased

↑ **3.1%**

Vs. Q3 2019

4,173 Delivered Units

**6.6%
CAP**

Past 12 Mo.

Despite the slowdown in net absorption, demand is healthy in Columbus.

“Strong demographics and economic trends continue to support Columbus’s multifamily market and despite the end of expanded unemployment benefits, apartment demand and rent growth have held up well in the third quarter.”



Tyler Watkins

Multi-Family Specialist
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- The multifamily occupancy remains strong at 93.4% during the third quarter of 2020. This is up from 92.88% in the second quarter of 2020.
- Rent growth remains high at 3.1% up from 2.7% in the second quarter.
- There was a significant sales volume decrease in the third quarter of \$507M. This is down 55.07% from the third quarter of 2019.
- Development remains at near record levels with 7,100 units under construction.

Our Team



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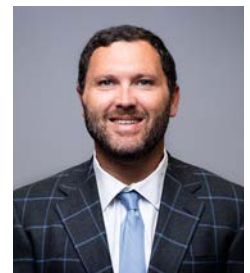
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