



COLUMBUS

2021 Q1 MARKET TRENDS

 Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↑ **9.3%**

In Q1

Negative Absorption

- **1.3M**

SF in Q1

Rental Rate Increased

↑ **0.7%**

vs Q1 2021

241 Buildings Sold

**8.0%
CAP**

Past 12 Mo.

Office vacancy jumped up to 9.3% with a negative absorption of 477K SF in the First Quarter of 2021.

“While the office market continues to experience volatility, the previously pent up demand and renewed optimism are balancing the construction deliveries and sublease space that are coming online.”



Matt Gregory, CCIM, SIOR

Office Specialist

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- Quoted rental rates ended the first quarter at \$21.31/SF which is up 0.7% from the previous quarter and 1.3% increase since this time last year.
- The office vacancy rate increased significantly by 1.3% during the first quarter of 2021 which was partially impacted by construction deliveries.
- There have been 241 Buildings Sold in the last 12 months at an average CAP rate of 8.0%.
- There was 583,000 SF delivered over the past year with an additional 9 properties totaling 1,364,916 SF still under construction.

COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate

↓ **5.4%**

In Q1

Positive Absorption

+ **3.3M SF**

SF In Q1 2021

Rental Rate

↑ **2.0%**

Vs. Q4 2020

Under Construction

5.9M SF

Currently

Industrial vacancy decreased to 5.4% with a positive quarterly absorption of 3.3 million SF in first quarter of 2021.

“The Central Ohio industrial market continues to grow and prove itself as a priority distribution hub. Our market has reach a positive quarterly absorption number that we typically see on an annual basis.”



Matt Osowski, SIOR

Industrial Specialist

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- Reached record high quarterly absorption.
- Lack of inventory becoming a problem for users of all sizes.
- Sale price per square foot continues to rise.
- Developers remain aggressive for land sites.
- Lack of new spec deliveries will cause a further decrease in the vacancy rate.

COLUMBUS RETAIL OVERVIEW

Vacancy Rate Held Steady

↔ **3.5%**

In Q1

Negative Absorption

- **342k**

SF In Q1

12 Mo Rent Growth

+ **0.9%**

Q1

12 Mo. Deliveries

200k

SF

Retail vacancy held steady at 3.4% with a positive absorption of 106,000 SF.

“The retail sector offered a mixed bag of activity in the first quarter. Many segments continue retraction while others, primarily discounters, are in expansion mode, as evidenced by locally based Big Lots taking down 41,000 sf in Lancaster. We expect these trends to continue for the foreseeable future.”



Mike Simpson

Retail Specialist

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- The retail sector continues to face significant headwinds related to the coronavirus pandemic, which has accelerated the dislocation already challenging retailers and landlords.
- With store closure announcements hitting a record high in 2020, demand nationally and in Columbus weakened notably, with absorption falling negative in 20Q1 and remaining in the red through the third.
- Transaction activity was clearly impacted by the pandemic and recession, with about \$280 million in assets trading in 2020, 67% of the prior year total.
- Space under construction in Columbus is negligible, totaling 213,000 SF, or just 0.2% of inventory as of 21Q1.

COLUMBUS MULTIFAMILY OVERVIEW

Vacancy Rate

↓ **7.1%**

In Q1

Positive Absorption

+ **4,797**

Units

Rental Rate Increased

↑ **4.1%**

Vs. Q4 2020

Transaction Volume

\$28.5 M

Past 12 Mo.

The demand for multifamily in the Columbus market remains elevated, investor activity is diminishing likely due to the decreased appetite in luxury apartments. B and C class properties are driving investor activity and the availability of that product is at all time lows.

“The Columbus multifamily market remains healthy and strong in Q1. Demand for 2 & 3 star assets is driving the investment and sales due to the attractiveness of affordable housing. There is a high level of demand in the Columbus market due to a growing population and stable employment growth in public sector jobs however, investor activity remains low because of a decreased appetite for luxury properties.”



Tyler Watkins

Multi-Family Specialist
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- Multifamily vacancy increased to 7.1%. This is up 0.19% from Q4 of 2020.
- Rental growth remained strong at 4.1%. This out paces the national and other major Ohio cities which is at 3%.
- Sales recorded in 21Q1 totaled \$28.6 million and represents just 15% of the average first quarter figure over the past three years.
- Deliveries remained elevated in 21Q1 with more than 1,100 units entering the market.



George "Sandy" Simpson
Chairman



Michael Simpson
President



Kim Benincasa
Investment



Curt Berlin, SIOR
Industrial



Philip Bird
Office & Investment



Conor David
Retail, Office & Investment



Blake DeCrane
Industrial



Andy Dutcher, SIOR
Office & Investment



Mark Francescon
Office & Industrial



Matt Gregory, SIOR, CCIM
Office & Investment



John Mally
Retail, Office, Investment



Ryan McGreevy
Industrial & Office



Joe Menninger
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Jim Merkel, CCIM, SIOR
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Peter Merkle
Office, Retail & Investment



Bob Monahan
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Matthew Osowski, SIOR
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Mike Semon
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Dan Sheeran
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Doug Shull
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Carter Stephens
Multi-Family & Investment



Tyler Watkins
Multi-Family & Investment