

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.

- 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.



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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.

- 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.



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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 continues to face significant headwinds related to the coronavirus pandemic, which has accelerated the isolation 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.



Mike Simpson

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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.

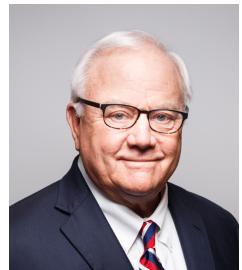
- Multifamily vacancy increased to 7.1%. This is up 0.19% from Q4 of 2020.
- Rental growth remained strong at 4.1%. This out paces the national and other major Ohio cities which is at 3%.
- Sales recorded in 21Q1 totaled \$28.6 million and represents just 15% of the average first quarter figure over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



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