

COLUMBUS

2020 Q2 MARKET TRENDS

NAl Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↓ **7.6%**

In Q2

Positive Absorption

+ **33K**

SF in Q2

Rental Rate Increased

↑ **4.4%**

vs Q2 2019

266 Buildings Sold

**8.6%
CAP**

Past 12 Mo.

Office vacancy dropped to 7.6% with a positive absorption of 32,787 SF

- Quoted rental rates ended the second quarter at \$20.26/SF just a fraction higher than the previous quarter, but a 4.4% increase over this time last year.
- The office vacancy rate held relatively steady decreasing by a mere 0.1% down to 7.6% during the second quarter of 2020.
- There have been 266 sales the last 12 months, averaging \$124/SF and an 8.6% CAP rate
- There was 99,940 SF delivered during the second quarter with an additional 743,713 SF under construction.



Matt Gregory, CCIM, SIOR

Office Specialist

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Source: CoStar Group

COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate

↑ **6.6%**

In Q2

Negative Absorption

-538K

SF In Q2

Rental Rate Unchanged

↔ 0%

Vs. Q1 2020

Under Construction

8.4 MSF

Currently

The increase in vacancy rate is a result of two things: 1) Delivery of new construction and 2) Decrease in demand due to COVID-19

“We expect the Columbus Industrial market to thrive as soon as the current pandemic settles down. Consumers have continued to increase their amount of online shopping and Central Ohio is one of the top distribution hubs in the nation.”



Curt Berlin, SIOR

Industrial Specialist

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- The average rental lease rate for all industrial properties was \$5.30 per square foot per year at the end of the Q2 2020, which is the same as the end of Q1 2020.
- Rents in the Central Ohio market are expected to decline in the short term.
- Columbus has a total of 8,400,000 SF of industrial properties currently under construction at the end of the Q2 2020.
- Average asking lease rates for new construction in buildings over 300,000 SF is \$4.09/SF NNN and under 300,000 SF is \$4.90/SF NNN.

COLUMBUS RETAIL OVERVIEW

* ALL OUR GLUTEN FREE PRODUCTS ARE MADE OF GLUTEN FREE INGREDIENTS IN A NON GLUTEN FREE ENVIRONMENT.

| | COFFEE | BREAD |
|-----------------|---------------|---------------------------------------|
| ESPRESSO | £1.10 / £1.90 | CLASSIC WHITE SOURDOUGH £1.60 / £3.00 |
| MACCHIATO | £1.60 / £2.00 | BROWN SOURDOUGH £1.60 / £3.00 |
| CAPPUCCINO | £2.30 | SEEDED SOURDOUGH £1.80 / £3.50 |
| CAFFÈ LATTE | £2.30 | RUSTIC £1.60 / £3.00 |
| AMERICANO | £2.30 | RUSTIC WITH SEED £1.80 / £3.50 |
| TEA | £2.30 | GLUTEN FREE BREAD £4.00 |
| WATER | £2.30 | WALNUT PYE £3.00 |
| SODA | £2.30 | CLUTCH FREE BREAD £2.80 |
| COKE | £2.30 | LEMON LOAF £3.00 |
| FRUIT JUICE | £2.30 | ARTISANAL LOAF £1.60 / £3.00 |
| LEMONADE | £2.30 | CIABATTA £1.80 |
| SPARKLING WATER | £2.30 | LE CIABATTA £1.60 / £3.00 |
| ICE TEA | £2.30 | LE CIABATTA £1.80 / £3.50 |

Vacancy Rate Decreased

↓ **3.4%**

In Q2

Negative Absorption

- **190,000**

SF In Q2

Rental Rate Increased

↑ **0.6%**

Vs. Q1 2020

12 Mo. Deliveries

700K

SF

Retail vacancy decreases to 3.4% with a negative absorption of 190,000 square feet.

"The virus pandemic continues to wreak havoc on the retail sector, with predictions of the state of the industry changing by the week. Both national and local restaurant enterprises are taking the brunt of reduced consumer spending."



Mike Simpson

Retail Specialist

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- Columbus' retail vacancy rate decreased in the first quarter down to 3.4% from 3.5% in the first quarter of 2020.
- Over -190,000 SF has been absorbed over the past quarter, placing upward pressure on vacancy and driving rents downward.
- Rents in Columbus are high relative to Ohio's other major metros, averaging \$16.30/SF as of the second quarter, nearly 20% above average rents in Cincinnati and 10% above Cleveland
- There are 352,361 SF of retail projects currently under construction.
- While demand weakened somewhat in the first quarter of 2020, leasing activity held up fairly well, although it's unclear just how many of these tenants will ultimately occupy the leased spaces.

Our Team



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NAI Ohio Equities



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EMPLOYEES



FULL-SERVICE
COMMERCIAL
REAL ESTATE
AND PROPERTY
MANAGEMENT
COMPANY



ONE TRUSTED
RESOURCE



About Us

NAI Ohio Equities is one of Central Ohio's largest, long-standing commercial real estate and property management companies. The firm has been serving the Columbus real estate market since 1971. 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 independent, owner-operated commercial real estate brokerage firms. NAI Global member firms span worldwide, with more than 375 offices and more than 6,000 local market experts on the ground.

