COLUMBUS

2021 Q4 MARKET TRENDS

NAI Ohio Equities

605 S Front St | Suite 200 | Columbus OH 43215 | www.ohioequities.com | 614 224 2400

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate	Positive Absorption	Availability Rate Includes Vacancy Rate & Sublease Vacancy	301 Buildings Sold
↓ 9.3%	+270k	12.6%	7.7% CAP
End of Q4	End of Q4	End of Q4	Past 12 Mo.

For the second consecutive quarter the Columbus office market experienced positive net absorption, which totaled 270,000 SF in Q4 21. Average lease rates held at just over $21/SF, and new development remains steady with nearly 1.5 million SF under construction.

"Despite the lingering pandemic, leasing activity continues to strengthen with more tenants in the market and larger transactions occurring in both the suburbs and downtown. We anticipate this trend will continue in 2022, especially with the demand for high quality and new construction opportunities that are well amenitized."

Philip Bird
Office Specialist
pbird@ohioequities.com

- Several large leases were signed in Q4 21 including Upstart subleasing 240,000 SF from Alliance Data at Easton, a Taft Stenttinius and Hollister LLP leasing 45,000 SF at 41 S. High St.
- Sublease space fell to 1.2 million SF after peaking the prior quarter.
- Notable sales include Tempus Real Estate's acquisition of 7575 Huntington Park Drive for $7 million and PJP Holdiings purchase of 8900 Smiths Mill Rd. for $5.95 million.
- As of Q4 21, sale prices averaged $103/SF over the past 12 months.

Source: CoStar Group

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COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate	Positive Absorption	Rental Rate	Under Construction
↓ 3.5%	5.6M	↑ $6.02	14MSF
End of Q4	SF End of Q4	Per SF End of Q4	Currently

Central Ohio finished the year the way it started. Leasing activity remained very strong for the quarter with 5.6 MSF of absorption and the vacancy rate at an all-time low.

"We expect the market to remain extremely strong with high demand for new space continuing through 2022. The market has been on a tear and I do not see that changing in the near future."

- There is currently over 16 MSF of space under construction with over 80% of that being speculative.
- Availability of existing product remains extremely tight, particularly in spaces under 300,000 SF.
- Potentially developable industrial land remains in high demand.
- There is a risk of oversupply given the amount of spec space in the pipeline, particularly in the 1+ MSF buildings.

Curt Berlin, SIOR
Industrial Specialist
cberlin@ohioequities.com

Source: CoStar Group

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COLUMBUS RETAIL OVERVIEW

Vacancy Rate	Positive Absorption	12 Mo Rent Growth	12 Mo. Deliveries
↑ 3.8%	+ 657K	+ 1.8%	267K
End of Q4	SF End of Q4		SF

The retail sector entered the recovery phase in 2021 with retailer bankruptcies and store closure annoucements declining. Columbus in particular, has vacancies significantly below the national average. Households are flush with cash as savings are estimated to exceed $3 trillion which will support continued gains in spending.

"The Central Ohio retail market continues to move in the right direction thanks to increasing household income resulting from both the goverment stimulus in 2021, and more recently, strong wage growth. Central Ohio retail fundamentals are strong: a healthy vacancy rate well below the national average, positive absorbtion and positive rent growth."

Mike Simpson
Retail Specialist
msimpson@ohioequities.com

- Leasing activity has returned to pre-crisis levels nearing 1.8 MSF as of late December.
- Investors were more active in 2021, driving sales above $500 million as of late December with a strong demand for secure, income-generating properties fueling price growth.
- The demand for multitenant assets is improving with the year's largest transaction being a two-property portfolio trading in Q4 21 for $64.3 million.
- More than 800,000 SF of space is under construction as of Q4 21 spread across 11 submarkets.

Source: CoStar Group

COLUMBUS MULTIFAMILY OVERVIEW

Vacancy Rate	Positive Absorption	Rental Rate Increased	Cap Rate of Sales
↑ 5.1%	+8,500	↑ 7.8%	6.1%
End of Q4	Units in Past 12. Mo.	Year Over Year	End of Q4

Around $670 million traded hands in the Columbus Market in 2021, nearly half of which was recorded in the 4th quarter alone. Investors' confidence improved from 2020 as the economy recovered and a greater number of high-end properties traded in 2021 relative to the prior year.

"Apartment demand in Columbus surged last year, with net absorption setting a record. Even as deliveries remained elevated, demand outpaced supply and vacancy fell to an all-time low of 5.1% as of Q1 22. Strong demand for apartments has been supported by the Columbus economy's swift recovery and affordability to many major apartment markets."

Carter Stephens
Multi-Family Specialist
cstephens@ohioequities.com

- Cap Rates are still compressing across the board with the average closing at 6.1% within the Columbus MSA in 2021. This is around 100 Basis Points higher than the National Average, making Columbus a very attractive market for coastal buyers.
- Rent growth has held firm in the Columbus market. It has accelerated notably in recent quarters and currently sits at record highs. As of 22Q1, rents are up 7.8% year over year.
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Source: CoStar Group

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Our Team

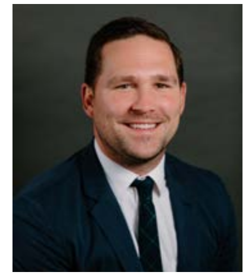
George "Sandy" Simpson
Chairman

Michael Simpson
President

Kim Benincasa
Investment

Curt Berlin, SIOR
Industrial

Philip Bird
Office & Investment



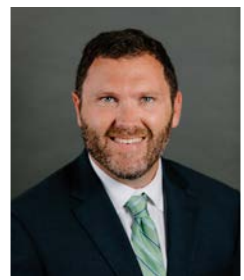
Conor David
Retail, Office & Investment

Blake DeCrane
Industrial

Andy Dutcher, SIOR
Office & Investment

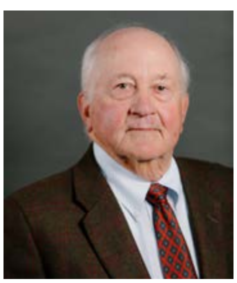
Matt Gregory, SIOR, CCIM
Office &Investment

John Mally
Retail, Office, Investment



Ryan McGreevy
Industrial & Office

Joe Menninger
Industrial & Office



Jim Merkel, CCIM, SIOR
Office & Industrial

Peter Merkle
Office, Retail & Investment

Bob Monahan
Church, Office & Retail

Matthew Osowski, SIOR
Industrial & Investment

Mike Semon
Industrial & Investment

Dan Sheeran
Industrial & Investment

Dan Sheeran, Jr.
Industrial & Investment

Doug Shull
Industrial & Investment

Carter Stephens
Multi-Family & Investment

Tyler Watkins
Multi-Family & Investment