

Downtown development boom seems endless, experts say

11:31 AM

dispatch.com

The Arena District-area development announced this week is the latest of several massive projects that could transform the Downtown skyline.

If all are completed, several high-rises, including four towers more than 25 stories tall, would be built in Columbus, adding about 2,000 apartments and dozens of restaurants, shops and offices to the city's core.

This Downtown boom, unlike the last one, in the 1970s and '80s, is driven by residential projects. But they come with a twist: All of the big proposed projects include other uses, such as offices, retail space and hotels.

Despite some challenges filling empty office and retail space Downtown, experts believe the Columbus economy can support such a wave.

"I'm bullish on these projects," said Mike Simpson, president of the commercial real-estate firm NAI Ohio Equities. "The trend for being Downtown isn't just for residential."

On Tuesday, the Schottenstein Real Estate Group became the most recent developer to jump into the Downtown party when it unveiled plans for [Grand Central, a 23-acre project near Huntington Park](#). It would include three buildings at least 10 stories tall for apartments, condominiums and a hotel.

The project also would include a Main Street-style district of shops, restaurants, a grocery store and more apartments.

"I think the market is here to stay and will be hot for the foreseeable future, especially in such a great location," said Brian Schottenstein, president of the development firm.

Columbus Development Director Steve Schoeny said he's informally discussed the proposal with the developers. One big issue for the project will be access to the site, he said. The plan calls for several new roads into the development, including ones off Vine Street and Neil Avenue.

In addition to Grand Central, other large Downtown proposals include:

- [Millennial Tower](#), a 28-story building with offices, stores, residences and a hotel at Rich and Front streets.
- [Market Tower](#), a 35-story residential, retail and office tower next to the North Market.
- The development of 21 acres next to COSI in Franklinton that would include two 30-story residential towers as well as restaurants and shops, according to a city concept for the site.
- An office and residential park on land originally proposed for a casino on West Nationwide Boulevard.
- A mixed-use project on West Broad Street in Franklinton that would include offices, apartments, restaurants and entertainment.

Several other projects are well underway or recently completed. They include:

- A 12-story residential and office building under construction at Downtown's John F. Wolfe Columbus

Commons.

- A pair of 9- and 11-story apartment buildings going up at High and Rich streets.
- The renovation of the LeVeque Tower.
- The construction of [two new 12-story Arena District condominium towers](#).

Experts note that, though such buildings would transform the skyline, they would not actually add that many homes. Of the projects still in the proposal stage, the two towers furthest along, Millennial and Market, would include about 340 apartments. That's about half the number included in the complex recently announced for the former site of The Andersons store on the Northwest Side.

There's no indication that Downtown can't use more apartments. More than 98 percent of Downtown and Short North apartments are occupied and rents continue to rise, said Rob Vogt, managing partner of the residential research firm Vogt Strategic Insights.

"I keep thinking we're going to see some slowdown in absorption, but the projects that come online keep filling up," Vogt said. "We still have a long way to go before we exhaust the market. I feel pretty confident that even if we lose some of the millennial market, which is 60 or 70 percent of the demand, it will be back-filled by empty-nesters."

And though about 10 percent of Downtown's offices are empty, those vacancies are concentrated in older buildings that have small footprints, small windows and a lack of parking. Newer office buildings, such as those around Columbus Commons and in the Arena District, quickly find an audience.

"When you look at the vacancy in the Arena District or Grandview Yard — new projects, with good floor plates (open floor plans) and good amenities — those are doing very well," said Michael Copella, managing director of the Columbus office of the commercial real-estate firm CBRE.

By many measures, Downtown retailers also have struggled. As Schoeny noted, retail "is the lagging piece of the pie."

Last year, 15 new stores and restaurants opened Downtown but eight closed, according to the most recent "State of Downtown Columbus" report prepared by Capital Crossroads & Discovery Special Improvement Districts.

But real-estate experts say the demand is for office, retail and residential space combined in one site, providing energy for all tenants and maximizing parking spaces.

"That is the type of project that occupiers of office space are looking for today because it creates an experience for their employers," Copella said.