An aerial night photograph of Columbus, Ohio, showing the SciArc park area with its winding paths and green spaces along the Scioto River. The downtown skyline is visible in the background with illuminated buildings under a twilight sky.

COLUMBUS

2019 Q2 MARKET TRENDS

NA Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↑ **7.1%**

In Q2

Negative Absorption

- **122K**

SF in Q1

Rental Rate Increased

↑ **0.4%**

vs Q1

304 Buildings Sold

\$91/SF

In Past 12 Months

Office vacancy increased to 7.1% with a negative absorption of 121,625 SF

“The office market was relatively flat during Q2, with vacancy rates increasing only due to new construction hitting the market faster than it is being leased.”



Andy Dutcher, SIOR

Office Specialist

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- Quoted rental rates ended the second quarter at \$19.40, a slight increase of 0.4% over the previous quarter, when rents were reported at \$19.33/SF.
- The Office vacancy rate increased to 7.1% during the second quarter of 2019. Up from 6.4% since the end of Q1 2019.
- The majority of the negative absorption is due to speculative construction of office space delivering during Q2 at a pre-leased occupancy of 65%.
- Year to date sales are out pacing those in 2018. So far in 2019 sales are averaging \$91/SF and 8.5% Cap rate.

COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate

↑ **4.5%**

In Q2

Positive Absorption

+1.3MSF

In Q2

Rental Rate Increased

↑ **2.0%**

Vs. Q1 2019

Under Construction

5.1 MSF

Currently

Industrial vacancy rate increases to 4.5% with a positive absorption of 1,313,578.

“There is new construction in every major industrial submarket in Central Ohio right now. Developers see and are capitalizing on opportunities all over so the growth is no longer confined to Rickenbacker.”



Matt Osowski, SIOR

Industrial Specialist

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- The vacancy rate increased slightly from 4.3% to 4.5% during the second quarter of 2019.
- The industrial rental rate was \$5.24 per square foot per year at the end of the first quarter, representing a 2% increase in rental rates from \$5.20 at the end of Q1 2019.
- A survey at the end of the second quarter shows the average space was filled after six months on market, with the average tenant signing a six year deal, occupying just under 30,000 SF.
- Columbus has a total of 5,100,000 SF of industrial properties currently under construction at the end of the second quarter of 2019.

COLUMBUS RETAIL OVERVIEW

Vacancy Rate Increased to

↑ **2.9%**

In Q2

Negative Absorption

- **153,540**

SF In Q2

Rental Rate Increased

↑ **0.9%**

Vs. Q1 2019

21 Buildings Under Construction with

91.2%

Pre-Leased

Retail vacancy increases to 2.9% with a negative absorption rate at 153,540 square feet.

“With construction of new retail stagnant, look for rates to increase for the best retail sites: those with high visibility and convenient access.”



Mike Simpson

Retail Specialist

msimpson@ohioequities.com

- Columbus' retail vacancy rate increased in the second quarter up to 2.9% from 2.7% in the first quarter of 2019.
- Rent growth has eclipsed 2% every year since 2013, and gains over the past 12 months aren't significantly different.
- The retail rental rate was \$15.60 per square foot per year at the end of the second quarter, representing a 0.9% increase from the end of the first quarter of 2019.
- There are 737,948 SF of retail projects currently under construction.
- Total retail inventory amounted to 119,061,083 SF at the end of the second quarter of 2019.

Our Team



George "Sandy" Simpson
Chairman



Michael Simpson
President



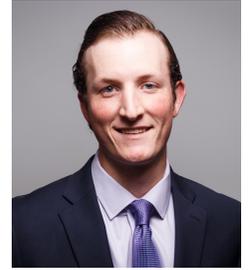
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Philip Bird
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The Power of **Local Knowledge**

We make it our primary focus to understand your business and the opportunities and challenges you face on a regular basis

NAI Ohio Equities is one of Central Ohio's largest, family-owned commercial real estate and property management company. The firm has been serving the Columbus real estate market for over 47 years. 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.

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