

An aerial night photograph of Columbus, Ohio. The SciArc park is visible in the foreground, with its winding paths and green spaces illuminated. The city skyline is in the background, with numerous skyscrapers and buildings lit up. The sky is a deep blue with some clouds.

# COLUMBUS

## 2018 Q3 MARKET TRENDS

**NA** Ohio Equities

605 S Front St | Suite 200 | Columbus OH 43215 | [www.ohioequities.com](http://www.ohioequities.com) | 614 224 2400



# COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↔ **7.1%**

As of Q3

Positive Absorption

+ **25K**

YTD 2018

Rental Rate Increased

↑ **2.9%**

YTD 2018

4 Buildings Delivered  
Totaling

**162,600**

SF In Q3

Office vacancy remained flat at 7.1% with a small positive absorption rate of 25,000 SF



“The Columbus Office Market continues to stay on pace with new construction as vacancy and absorption have remained relatively flat, while rental rates continue to climb.”



**Andy Dutcher**

Office Specialist  
adutcher@ohioequities.com

- Quoted rental rates ended the third quarter at \$18.45, an increase of 2.9% year to date, when rents were reported at \$17.93/SF at the end of Q4 2017.
- The largest lease signings so far in 2018 include the 64,000 SF lease signed by Root Insurance at 80 E. Rich St and the 30,000 SF lease signed by Ferguson Construction at 3595 Johnny Appleseed Court
- The Office vacancy rate remained relatively flat at the end of the third quarter of 2018. This is a slight increase from 6.8% since the end of Q4 2017.
- Cap rates have been unchanged in 2018, averaging 8.12% despite the slight increase in mortgage interest rates.
- In the first six months of 2018, the market saw 16 office sales transactions with a total volume of \$74,826,300.

Source: CoStar Group

# COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate Increased to

↑ **4.7%**

In Q3

Negative Absorption

**(1.4M)**

SF In Q3

Rental Rate Increased

↑ **1.0%**

Vs. Q2 2018

1 Building Delivered  
Totaling

**11,600**

SF In Q3

Industrial vacancy increases to 4.7% with a negative net absorption of 1,465,888 SF

“Although there was negative absorption of over 1.4MSF and the vacancy rate increased by .6% the Columbus Industrial Market remains strong. Evidence of this is the across the board increase in lease rates of all industrial property types. I expect absorption to increase and the vacancy rate to decrease throughout the remainder of the year.”



**Curt Berlin, SIOR**

Industrial Specialist

cberlin@ohioequities.com

- The industrial rental rate was \$4.01 per square foot per year at the end of Q3 2018, representing a 1.0% increase in rental rates from the end of Q2 2018.
- The vacancy rate increased to 4.7% at the end of Q3 2018 an increase from the 4.1% at the end of Q2 2018.
- Some of the largest lease signings in 2018 included the 527,127 SF lease signed by Stonecrop Technologies at 3500 Southwest Blvd; the 522,266 SF deal signed by NFI Industries at 522 Milliken Dr.; and the 366,796 SF lease signed by Whirlpool at 2235 Spiegel Dr.
- Cap rates have been lower in 2018, averaging 7.17%, compared to the first six months of last year when they averaged 8.89%.



# COLUMBUS RETAIL OVERVIEW

Vacancy Rate Decreased to

↓ **3.0%**

In Q3

Positive Absorption

+ **621,257**

SF In Q3

Rental Rate Increased

↑ **2.9%**

Vs. Q2 2018

3 Buildings Delivered  
Totaling

**23,700**

SF In Q3

Retail vacancy decreases to 3.0% with a positive absorption rate at 621,257 square feet.



“Landlords are the winners as market conditions continue to favor property owners in the retail sector. Vacancy fell to 3.0% and asking rates increased. The 621,257 square feet leased in the third quarter topped the year to date totals.”

- Columbus' retail vacancy rate decreased in the third quarter of 2018 to 3.0% from 3.5% in the second quarter of 2018.
- The largest lease signings occurring in 2018 included the 55,000 SF deal signed by Fast Track It at 5865 Chantry Drive and the 41,835 SF lease signed by Escape Room at 5731 Chantry Drive.
- The retail rental rate was \$12.94 per square foot per year at the end of the third quarter of 2018, representing a 2.9% increase from the end of the second quarter of 2018.
- Cap rates have been lower in 2018, averaging 8.12% compared to the same period in 2017 when they averaged 8.38%.



**Bob Monahan**

Retail Specialist

bmonahan@ohioequities.com

## Our Team



**George "Sandy" Simpson**  
Chairman



**Michael Simpson**  
President



**Kim Benincasa**  
Investment



**Curt Berlin, SIOR**  
Industrial



**Philip Bird**  
Office & Investment



**Blake DeCrane**  
Industrial



**Andy Dutcher, SIOR**  
Office & Investment



**Mark Francescon**  
Office & Industrial



**Matt Gregory, SIOR, CCIM**  
Office & Investment



**Patrick Larrimer**  
Office



**John Mally**  
Retail, Office, Investment



**Ryan McGreevy**  
Industrial & Office

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Office & Investment



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Office & Industrial



**Conor David**  
Retail, Office & Investment



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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





## 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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