



COLUMBUS

2018 Q4 MARKET TRENDS

NA Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate

↓ **7.0%**

In Q4

Positive Absorption

+**306K**

SF in Q4

Rental Rate Increased

↑ **1.0%**

vs Q3

4 Buildings Delivered
Totaling

483,000

SF In Q4

Office vacancy decreased slightly to 7% with a positive absorption of 306,752 SF

“Vacancy decreased slightly in the 4th quarter and in 2018 as a whole. This is on top of almost 500,000 SF of new construction delivered to the market. Rental rates continued to increase for the quarter and will likely continue to rise slightly in 2019.”

- Quoted rental rates ended the fourth quarter at \$18.64, an increase of 1% over the previous quarter, when rents were reported at \$18.45/SF.
- The Office vacancy rate remained relatively flat at the end of the fourth quarter of 2018. This is a slight decrease from 7.1% since the end of Q3 2018.
- Cap rates have been lower in 2018, averaging 8.13% compared to the same period in 2017 when they averaged 8.24%.
- Total office inventory amounted to 109,014,075 SF in 5,063 buildings at the end of the fourth quarter in 2018.



Joe Menninger

Office Specialist

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COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate Increased to

↑ **4.8%**

In Q4

Positive Absorption

+760K

SF In Q4

Rental Rate Increased

↑ **2.5%**

Vs. Q3 2018

3 Buildings Delivered
Totaling

1,176,390

SF In Q4

Industrial vacancy increases to 4.8% despite a positive net absorption of 759,277 SF

“Large, speculative projects have seen great success in 2018, however we are approaching a shortage of quality sites for developers. There are still some large gaps in available space between 100,000-200,000 SF but at 4.8% vacancy, it is still very difficult to find available product.”

- The vacancy rate increased due to new product coming on the market faster than it could be absorbed.
- The industrial rental rate was \$4.11 per square foot per year at the end of the fourth quarter, representing a 2.5% increase in rental rates from the end of Q3 2018.
- Cap rates have been lower in 2018, averaging 7.22%, compared to the end of last year when they averaged 8.57%.
- Total industrial inventory amounted to 291,064,657 SF in 5,418 buildings at the end of the fourth quarter in 2018.



Matt Osowski, SIOR

Industrial Specialist

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COLUMBUS RETAIL OVERVIEW

Vacancy Rate Decreased to

↓ **2.9%**

In Q4

Positive Absorption

+ **119,021**

SF In Q4

Rental Rate Increased

↑ **1.0%**

Vs. Q3 2018

3 Buildings Delivered
Totaling

13,711

SF In Q4

Retail vacancy decreases to 2.9% with a positive absorption rate at 119,021 square feet.

“The retail segment continues to perform well for landlords. Vacancy is down, rates are up, particularly in mixed use projects.”



Mike Simpson

Retail Specialist

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- Columbus' retail vacancy rate decreased in the fourth quarter down to 2.9% from 3.0% in the third quarter of 2018.
- The largest lease signings occurring in 2018 included Sagara Market moving into 70,047 SF at 2760-2800 S. Hamilton Road and Fast Track It moving into 55,000 SF at 5865 Chantry Road.
- The retail rental rate was \$13.04 per square foot per year at the end of the fourth quarter, representing a 1% increase from the end of the third quarter of 2018.
- Cap rates have been higher in 2018, averaging 8.61% compared to 2017 when they averaged 8.19%.
- Total retail inventory amounted to 116,487,011 SF in 9,365 building and 771 centers at the end of the fourth quarter.

Our Team



George "Sandy" Simpson
Chairman



Michael Simpson
President



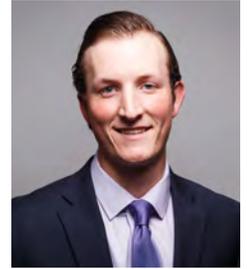
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Investment



Curt Berlin, SIOR
Industrial



Philip Bird
Office & Investment



Blake DeCrane
Industrial



Andy Dutcher, SIOR
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Mark Francescon
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Patrick Larrimer
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John Mally
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Ryan McGreevy
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Jim Merkel, CCIM, SIOR
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Peter Merkle
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Bob Monahan
Church, Office & Retail



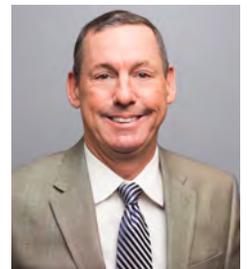
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