

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

COLUMBUS

2017 Q4 MARKET TRENDS

NA Ohio Equities

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COLUMBUS OFFICE OVERVIEW

Vacancy Rate Decreased to

↓ **6.4%**

In Q4

Absorption Rate Increased to

664,317

SF In Q4

Rent Growth

+ **0.5%**

Vs. Q3 2017

2 Building Delivered
Totaling

264,400

SF In Q4

Office vacancy decreases to 6.4% with a positive absorption rate of 664,317 SF

“Office development continues to take place within mixed-use projects popping up in the Short North area specifically. Several downtown office towers are re-branding to position themselves to compete with these new developments to become more functional and attract users looking for creative space.”



Joe Menninger

Office Specialist

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- Rental rates ended the fourth quarter at \$18.07, an increase over the previous quarter. This is a 0.5% increase in quoted rental rates from the end of the third quarter of 2017, when rents were reported at \$17.98/SF.
- Tenants moved into and out of large blocks of space in 2017, including School Employees Retirement System of Ohio moving out of 123,349 SF; Fifth Third Bank moving out of 120,905 SF at Fifth Third Center; and Ohio Auditor of State moving out of 68,519 SF at Key Bank Building. Alliance Data Systems moved into 240,000 SF at 3095 Loyalty Center; Abbott Labs moving into 215,000 SF at 2900 Easton Square Place; and United Health Care moving into 164,900 SF at Parkwood II.
- The Office vacancy rate decreased to 6.4% at the end of the fourth quarter 2017. This is a 0.3% decrease from the third quarter 2017.

COLUMBUS INDUSTRIAL OVERVIEW

Vacancy Rate Decreased to

↓ **4.5%**

In Q4

Absorption Rate Increased to

1,663,466

SF In Q4

Rent Growth

+ **4%**

Vs. Q3 2017

7 Building Delivered
Totaling

956,690

SF In Q4

Industrial vacancy decreases to 4.5% with a positive net absorption of 1,663,466 SF

“The Central Ohio industrial market continues to show signs of strong demand as evidenced by an increased rental rate and a decrease in the vacancy rate. With an additional 3.2 million square feet scheduled to be added to the inventory in 2018, our market will continue to be tested to see if demand continues to outpace supply levels.”



Dan Sheeran, Jr.

Industrial Specialist

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- Tenants moving in and out of large space include Superior Group moving out of 1,400,000 SF at 200 Georgesville Road; Xerox Company moving out of 432,455 SF at Rickenbacker Building I; and Continental Tire moving out of 417,125 SF at Creekside XXIV. Treehouse Private Brands moved into 717,717 SF at Rickenbacker 717; Rouge Fitness moved into 600,000 SF at 1101 Cleveland Ave.; and Mars Petcare moved into 465,256 SF at 5303 Fisher Rd.
- The industrial rental rate was \$3.93 per square foot per year at the end of 2017 representing a 4% increase from the end of the third quarter of 2017.
- The total inventory in the Columbus market amounted to 268,795,433 square feet in 5,202 buildings.

COLUMBUS RETAIL OVERVIEW

Vacancy Rate Decreased to

↓ **3.6%**

In Q4

Absorption Rate Increased to

630,482

SF In Q4

Rent Growth

+ **2.4%**

Vs. Q3 2017

7 Building Delivered
Totaling

195,542

SF In Q4

Retail vacancy decreases to 3.6% with a positive absorption rate at 630,482 square fee.

“The market continues to be very strong for retail leasing. There is little vacancy and new construction is typically for large users or small shop space with leases signed before developing. High visibility and traffic locations are almost non-existent in this market. Little, if any, spec buildings are being built which also puts a premium on existing space.”



Chris Howard

Retail Specialist
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- Columbus' retail vacancy rate decreased in the fourth quarter to 3.6% from the 4.1% in the third quarter.
- Tenants moving in and out of space included Target moving out of 134,309 SF at 3720 Soldano Blvd; Kmart moving out of 82,410 SF at Brice & Main Centre; and Giant Eagle moving out of 79,871 SF at Hilliard Rome Commons. Moving into space includes JCPenny moving into 285,000 SF at 5083 Tuttle Crossing Blvd; Goodwill moving into 83,300 SF at 5800 N. Chantry Dr; and Furniture Land East moving into 43,000 SF at Livingston Court Shopping Center.
- The retail rental rate was \$12.48 per square foot per year at the end of 2017 representing a 2.4% increase from the end of the third quarter of 2017.

Our Team



George "Sandy" Simpson
Chairman



Michael Simpson
President



Kim Benincasa
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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

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