

MARKETBEAT COLUMBUS

Office Q4 2020



YoY
Chg

12-Mo.
Forecast

20.3%

Vacancy Rate



-17K

Net Absorption, SF



\$20.75

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2020

YoY
Chg

12-Mo.
Forecast

1.0M

Columbus
Employment



5.4%

Columbus
Unemployment Rate



6.7%

U.S.
Unemployment Rate



Source: BLS, Moody's Analytics

ECONOMY

After approaching 13.0% in mid-2020, the unemployment rate in Greater Columbus steadily fell to 5.4% by the end of Q4 2020. Local unemployment also remained well below the national rate of 6.7%.

Between the worldwide effects of COVID-19, a resulting economic recession followed by an uneven recovery and considerable election controversy in the United States, 2020 was a year of great uncertainty. However, with promising COVID-19 vaccines in production and a resolution to the U.S. national election, the economy is better-positioned for continued recovery throughout the new year. As such, 2021 is likely to be a year when occupiers nationwide will make long-term decisions about their need for office space. To assist in this process, Cushman & Wakefield updates its research on CRE and the state of economy [here](#).

SUPPLY AND DEMAND: Quarterly sublease vacancy offset by delivered construction

The vacancy rate in the Greater Columbus office market was 20.3% in Q4 2020. Vacancy increased by more than 300 basis points (bps) on a year-over-year basis. Part of the vacancy increase had to do with statistical methodology and the addition of more than 4.0 million square feet (msf) to Cushman & Wakefield's tracked office list in early 2020. Newly-vacant subleases, especially in Q3 and Q4, told the rest of the story. Financial services firm Alliance Data put more than 340,000 square feet (sf) on the sublease market in Q3, while eCommerce company Zulily put more than 87,000 sf on the sublease market in Q4.

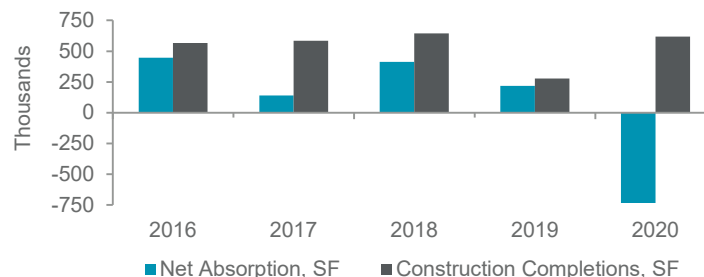
While overall vacancy grew steadily on a quarterly basis throughout 2020, the pace slowed between Q3 and Q4. Quarter-to-quarter vacancy increased by 175 bps between Q2 and Q3, but only grew by 85 bps from Q3 to Q4. Net office absorption in Columbus ended 2020 at negative 733,000 sf. However, only 17,000 sf of that negative net absorption was attributed to Q4, as newly-completed construction neutralized most of the tenant move-outs.

Over 330,000 sf of new suburban construction across four buildings was completed in Q4 2020. This construction led to 152,000 sf in quarterly positive absorption, including 59,000 sf for Bank of America and 41,000 sf for Haggerty Insurance. 893,000 sf remained under construction across the Columbus market at the end of 2020.

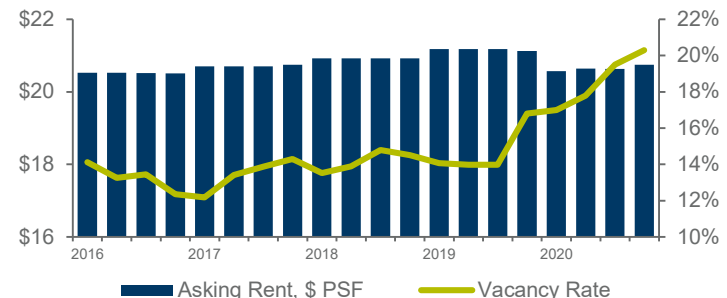
PRICING: Asking rents increased slightly over prior quarter

Overall average asking rental rates were \$20.75 per square foot (psf) gross in Q4 2020. This figure was slightly higher than the prior quarter but fell by 2.0% on a yearly basis. Class A asking rents also grew from the prior quarter to \$23.39 psf gross in Q4.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT COLUMBUS

Office Q4 2020



CUSHMAN &
WAKEFIELD

MARKET STATISTICS - BY SUBMARKET

SUBMARKET	SUBMARKET CLUSTER	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
Central Business District	CBD	6,386,292	11,100	1,387,287	21.9%	22,214	26,734	187,968	380,438	\$21.05	\$23.20
Brewery District	CBD	1,060,045	3,594	262,916	25.1%	-1,903	-28,372	6,750	0	\$19.70	N/A
Arena District	CBD	1,880,324	79,227	81,470	8.5%	-11,209	-59,558	103,962	130,000	\$26.58	\$25.70
Downtown South	CBD	968,912	4,137	85,886	9.3%	-51,627	-33,898	22,776	0	\$22.81	\$23.93
Grant-Washington	CBD	1,394,554	0	239,024	17.1%	-21,612	-34,794	5,544	0	\$18.64	N/A
N. High Street	CBD	382,374	0	51,279	13.4%	0	-4,244	31,248	0	\$34.83	\$34.83
Busch	NORTH	763,845	36,174	198,878	30.8%	1,791	-94,983	49,706	0	\$14.60	N/A
Crosswoods	NORTH	996,561	117,946	67,131	18.6%	5,767	405	49,961	0	\$14.65	\$13.68
North High	NORTH	513,192	10,744	88,129	19.3%	2,564	-18,300	39,936	0	\$19.08	\$19.15
Polaris	NORTH	1,769,936	0	451,226	25.5%	61,586	49,352	155,299	0	\$22.31	\$24.67
Westar	NORTH	1,043,068	29,022	147,947	17.0%	-33,947	7,346	21,559	0	\$22.40	\$22.43
Worthington	NORTH	836,800	0	323,689	38.7%	15,349	21,649	22,312	0	\$19.78	\$19.82
Easton	NORTHEAST	2,211,955	252,200	410,403	30.0%	-9,392	-204,351	168,279	0	\$25.53	\$25.54
Gahanna	NORTHEAST	1,061,050	91,086	145,255	22.3%	-72,824	-64,772	48,749	0	\$15.75	\$18.28
New Albany	NORTHEAST	891,834	0	105,549	11.8%	0	-28,023	44,279	134,211	\$19.52	\$20.97
Westerville	NORTHEAST	1,547,240	111,687	403,543	33.3%	5,856	-238,420	28,905	0	\$16.38	N/A
Arlington-Grandview	NORTHWEST	1,962,876	0	131,038	6.7%	43,755	107,038	55,148	248,500	\$21.71	\$31.50
Dublin	NORTHWEST	3,692,720	17,976	611,683	17.1%	56,501	90,446	122,282	0	\$20.05	\$24.39
Hilliard-West	NORTHWEST	1,106,642	0	50,596	4.6%	-1,155	9,462	10,617	0	\$19.84	\$22.97
Tuttle	NORTHWEST	3,232,921	0	911,228	28.2%	-29,575	-226,865	155,888	0	\$22.13	\$22.51
Sawmill	NORTHWEST	402,782	0	20,956	5.2%	627	-8,790	7,966	0	\$16.75	N/A

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MARKET STATISTICS - SUMMARY

SUBMARKET CLUSTER	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)*	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
CENTRAL BUSINESS DISTRICT	12,072,501	98,058	2,107,862	18.3%	-64,137	-134,132	358,248	510,438	\$21.56	\$24.25
CBD - CLASS A TOTAL	5,091,514	90,088	669,667	14.9%	1,154	-18,521	312,504	510,438	\$24.25	\$24.25
CBD - CLASS B TOTAL	6,980,987	7,970	1,438,195	20.7%	-65,291	-115,611	45,744	0	\$20.05	N/A
North	5,923,402	193,886	1,277,000	24.8%	53,110	-34,531	338,773	0	\$19.34	\$21.15
Northeast	5,712,079	454,973	1,064,750	26.6%	-76,360	-535,566	290,212	134,211	\$20.47	\$24.82
Northwest	10,397,941	17,976	1,725,501	16.8%	70,153	-28,709	351,901	248,500	\$21.21	\$23.13
SUBURBAN TOTALS	22,033,422	666,835	4,067,251	21.5%	46,903	-598,806	980,886	382,711	\$20.40	\$23.13
SUBURBAN - CLASS A TOTAL	11,368,014	420,112	2,013,284	21.4%	83,021	-205,961	567,667	382,711	\$23.13	\$23.13
SUBURBAN - CLASS B TOTAL	10,665,408	246,723	2,053,967	21.6%	-36,118	-392,845	413,219	0	\$17.58	N/A
COLUMBUS - CLASS A TOTAL	16,459,528	510,200	2,682,951	19.4%	84,175	-224,482	880,171	893,149	\$23.39	\$23.39
COLUMBUS - CLASS B TOTAL	17,646,395	254,693	3,492,162	21.2%	-101,409	-508,456	458,963	0	\$18.46	N/A
COLUMBUS TOTAL	34,105,923	764,893	6,175,113	20.3%	-17,234	-732,938	1,339,134	893,149	\$20.75	\$23.39

**Denotes new lease signed in a given year

**Rental rates reflect full service gross asking

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET CLUSTER	TENANT	SF	TYPE
180 East Broad Street	Central Business District	Hexion	126,168	Renewal*
8850-8950 Lyra Drive	North	Bank of America	59,468	New Lease
330 Rush Alley	Central Business District	Burgess & Niple	45,000	New Lease
9200 Worthington Road	North	Quest Business Centers	28,377	New Lease
4960 East Dublin-Granville Road	Northeast	White Oak Partners	26,838	New Lease

*Renewals not included in leasing activity statistics

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