

# MARKETBEAT COLUMBUS

Office Q1 2021



CUSHMAN &  
WAKEFIELD

**22.2%**

Vacancy Rate

YoY  
Chg



12-Mo.  
Forecast



**-696K**

Net Absorption, SF



**\$20.88**

Asking Rent, PSF



(Overall, All Property Classes)

## ECONOMIC INDICATORS Q1 2021

**1.1M**

Columbus  
Employment

YoY  
Chg



12-Mo.  
Forecast



**4.8%**

Columbus  
Unemployment Rate



**6.0%**

U.S.  
Unemployment Rate



Source: BLS, Moody's Analytics

## ECONOMY

After reaching double-digits early in 2020, the unemployment rate in Greater Columbus approached pre-COVID-19 levels at 4.8% in Q1 2021. Local unemployment also remained significantly below the national rate of 6.0%.

*Site Selection Magazine* recently released its annual "Governor's Cup" rankings for economic development and new corporate facility projects. In 2020, Ohio ranked second overall in total development project count (419) for the second year in a row, behind Texas (781). However, Ohio was awarded the top ranking for projects on a per capita (population) basis. In addition to Ohio, nearby Kentucky ranked third and Indiana ranked fifth. Among metropolitan areas greater than 1 million residents, Greater Columbus placed tenth overall for projects on a per capita basis.

## SUPPLY AND DEMAND: Quarterly sublease vacancy offset by delivered construction

The vacancy rate in the Greater Columbus office market was 22.2% in Q1 2021, the highest level in recent history. Vacancy increased by more than 500 basis points (bps) on a year-over-year (YOY) basis. Part of the vacancy increase had to do with Cushman & Wakefield statistical methodology changes in early 2020, but a primary driver was major suburban move-outs in Q1. In Easton, Lane Bryant vacated 135,000 square feet (sf) at 3344 Morse Crossing. Nearby in Gahanna, AEP and Intermedix vacated a combined 99,000 sf at 825 Tech Center Drive.

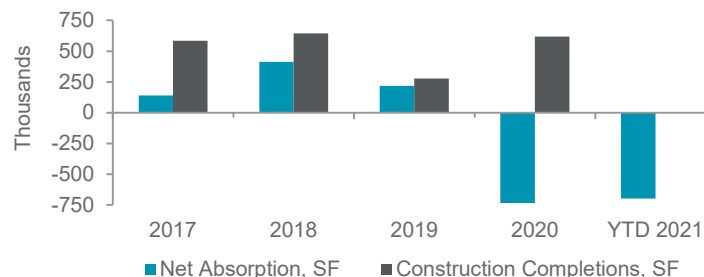
As overall vacancy steadily increased on a quarterly basis since Q1 2020, net office absorption in Columbus has been negative for five consecutive quarters. While cumulative net absorption for 2020 was slightly above negative 700,000 sf, the first quarter of 2021 nearly matched that total, recording 696,000 sf of negative absorption for the period. A minimal number of new lease commencements were neutralized by large new vacancies mostly located in the Northeast and Northwest submarkets.

As a counter to the vacancy and absorption trend, over 1.4 million square feet (msf) was under construction across the region in Q1 2021. More than 40% of this space was pre-leased. Q1 leasing activity was 218,000 sf, which was similar to the prior three quarters. Leasing activity is an indicator of future net absorption, most of which takes place three to nine months after a lease is first signed.

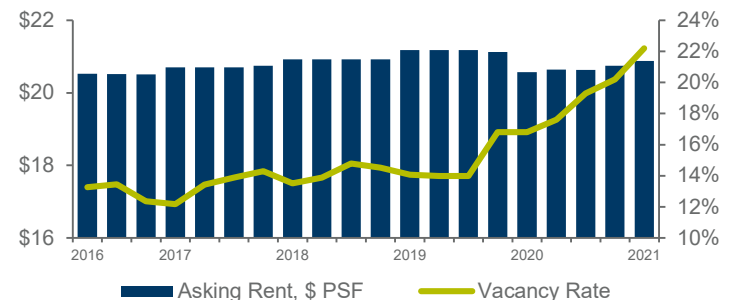
## PRICING: Asking rents increased slightly over prior quarter

Overall average asking rental rates were \$20.88 per square foot (psf) gross in Q1 2021. This figure was slightly higher than the prior quarter and a 1.5% increase on a YOY basis. Class A asking rents also grew from the prior quarter to \$23.57 psf gross in Q1.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



# MARKETBEAT COLUMBUS

Office Q1 2021



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	8,300	1,450,869	22.8%	-70,794	-70,794	41,638	800,438	\$21.69	\$24.52
Brewery District	CBD	1,060,045	0	260,165	24.5%	2,751	2,751	2,751	0	\$19.64	N/A
Arena District	CBD	1,880,324	87,813	80,473	8.9%	-8,586	-8,586	0	207,000	\$26.88	\$26.40
Downtown South	CBD	968,912	1,576	85,866	9.0%	2,581	2,581	10,095	0	\$22.95	\$24.50
Grant-Washington	CBD	1,394,554	10,982	257,388	19.2%	-29,346	-29,346	5,422	0	\$18.82	N/A
N. High Street	CBD	382,374	0	51,279	13.4%	0	0	0	0	\$34.83	\$34.83
Busch	NORTH	763,845	11,260	224,009	30.8%	-217	-217	13,949	0	\$14.80	N/A
Crosswoods	NORTH	996,561	117,946	77,093	19.6%	-9,962	-9,962	16,445	0	\$14.89	\$14.02
North High	NORTH	513,192	10,744	106,688	22.9%	-18,559	-18,559	2,360	0	\$18.24	\$18.15
Polaris	NORTH	1,769,936	0	460,465	26.0%	-3,493	-3,493	22,776	0	\$21.96	\$24.65
Westar	NORTH	1,043,068	23,086	183,119	19.8%	-29,936	-29,936	0	0	\$22.53	\$22.55
Worthington	NORTH	836,800	0	357,518	42.7%	-17,908	-17,908	18,505	0	\$19.71	\$19.81
Easton	NORTHEAST	2,212,440	294,138	531,688	37.3%	-165,655	-165,655	18,731	0	\$25.31	\$25.31
Gahanna	NORTHEAST	1,063,040	125,146	271,998	37.4%	-165,242	-165,242	1,709	0	\$16.67	\$19.28
New Albany	NORTHEAST	893,728	0	156,595	17.5%	-53,360	-53,360	4,818	0	\$19.96	\$20.92
Westerville	NORTHEAST	1,876,588	111,687	379,929	26.2%	8,835	8,835	9,902	134,211	\$16.33	N/A
Arlington-Grandview	NORTHWEST	1,962,876	3,056	138,844	7.2%	-11,657	-11,657	0	0	\$21.48	\$30.35
Dublin	NORTHWEST	3,692,720	27,843	662,986	18.7%	-44,270	-44,270	33,558	258,625	\$19.77	\$23.78
Hilliard-West	NORTHWEST	1,106,642	0	52,669	4.8%	-2,073	-2,073	13,529	0	\$21.20	\$22.97
Tuttle	NORTHWEST	3,232,921	0	990,270	30.6%	-79,112	-79,112	1,923	0	\$22.26	\$22.64
Sawmill	NORTHWEST	402,782	0	20,956	5.2%	0	0	0	0	\$16.75	N/A

CONTINUED ON NEXT PAGE

# MARKETBEAT COLUMBUS

Office Q1 2021



CUSHMAN &  
WAKEFIELD

## 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	108,671	2,186,040	19.0%	-103,394	-103,394	59,906	1,007,438	\$22.01	\$25.37
CBD - CLASS A TOTAL	5,091,514	96,113	709,242	15.8%	-45,600	-45,600	18,796	930,438	\$25.37	\$25.37
CBD - CLASS B TOTAL	6,980,987	12,558	1,476,798	21.3%	-57,794	-57,794	41,110	77,000	\$20.03	N/A
North	5,923,402	163,036	1,408,892	26.5%	-80,075	-80,075	74,035	0	\$19.24	\$21.09
Northeast	6,045,796	530,971	1,340,210	31.0%	-375,422	-375,422	35,160	134,211	\$20.60	\$24.43
Northwest	10,397,941	30,899	1,865,725	18.2%	-137,112	-137,112	49,010	258,625	\$21.22	\$23.07
SUBURBAN TOTALS	22,367,139	724,906	4,614,827	23.9%	-592,609	-592,609	158,205	392,836	\$20.43	\$23.07
SUBURBAN - CLASS A TOTAL	11,699,741	449,328	2,376,146	24.1%	-387,094	-387,094	62,494	392,836	\$23.07	\$23.07
SUBURBAN - CLASS B TOTAL	10,667,398	275,578	2,238,681	23.6%	-205,515	-205,515	95,711	0	\$17.50	N/A
COLUMBUS - CLASS A TOTAL	16,791,255	545,441	3,085,388	21.6%	-432,694	-432,694	81,290	1,323,274	\$23.57	\$23.57
COLUMBUS - CLASS B TOTAL	17,648,385	288,136	3,715,479	22.7%	-263,309	-263,309	136,821	77,000	\$18.37	N/A
COLUMBUS TOTAL	34,439,640	833,577	6,800,867	22.2%	-696,003	-696,003	218,111	1,400,274	\$20.88	\$23.57

\*\*Denotes new lease signed in a given year

\*\*Rental rates reflect full service gross asking

## KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET CLUSTER	TENANT	SF	TYPE
3948 Townsair Way	Northeast	Thirty-One Gifts	26,336	New Lease
3 Easton Oval	Northeast	Northwest Bank	18,731	New Lease
5000 Bradenton Avenue	Northwest	Weltman, Weinberg & Reis	17,125	New Lease
191-199 Nationwide Boulevard W.	Central Business District	KPMG	16,630	Renewal*
445 Hutchinson Avenue	North	Maxim Healthcare Services, Inc.	11,075	New Lease

\*Renewals not included in leasing activity statistics

### Jarrett Hicks

Director of Research

+1 513 322-3802

[jarrett.hicks@cushwake.com](mailto:jarrett.hicks@cushwake.com)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

[cushmanwakefield.com](http://cushmanwakefield.com)