

NAR Commercial Real Estate Metro Market Report | 2021.Q4

Columbus, OH

Core-Based Statistical Area Code: 18140

The Columbus, OH commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 36.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is stronger than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Columbus, OH			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Total non-farm employment ('000)	1,110	1,090	1,084	150,098	147,650	143,602	
Y/Y chg. in nonfarm payroll employment ('000)	21	26	(50)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	1.9%	2.4%	-4.4%	4.1%	4.0%	-6.0%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	3.8%	4.0%	4.1%	4.2%	4.7%	6.7%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$961	\$951	\$933	\$1,080	\$1,073	\$1,038	
Wage growth, year-over-year <i>(data are as of last month of the quarter)</i>	4.1%	4.5%	6.7%	4.8%	4.5%	6.7%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.3%	2.5%	1.8%	-3.4%	2.3%	2.9%	
	2019	2018	2017	2019	2018	2017	
Median household income	\$67,207	\$64,052	\$63,764	\$87,470	\$84,423	\$81,284	
	2020	2019	2018	2020	2019	2018	
Demographic	(0.0)	3.6	6.8	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Net domestic migration ('000)	2,139	2,126	2,106	331,501	328,330	326,838	
Population ('000)	0.63%	0.94%	1.04%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>
Population growth (%)							

II. Multifamily

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	5.2%	5.4%	6.7%	4.6%	4.6%	
Absorption of units over the quarter	1,219	2,761	811	78,063	189,629	94,740	
Absorption of units in past 12 months	8,533	8,125	5,666	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	4.6%	4.4%	3.2%	4.2%	4.3%	2.3%	<i>The area has stronger absorption than nationally</i>
Market asking rent per unit	\$1,108	\$1,101	\$1,024	\$1,543	\$1,532	\$1,387	
Market asking rent per unit, y/y % chg	8.1%	7.7%	3.0%	11.3%	10.6%	0.5%	
Effective rent per unit	\$1,101	\$1,093	\$1,013	\$1,534	\$1,523	\$1,367	
Effective rent per unit, y/y % chg	8.7%	8.0%	2.8%	12.2%	11.6%	-0.1%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	13.2%	13.2%	12.5%	16.3%	16.3%	15.2%	<i>Renting is more affordable than nationally</i>
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Supply indicators	186,736	185,518	178,215	17,112,020	17,034,566	16,401,950	
Inventory	5,863	6,466	6,296	369,993	387,542	434,591	
Net delivered units in past 12 months	3.1%	3.5%	3.5%	2.2%	2.3%	2.6%	
Net delivered units, as % of inventory	4,375	4,968	7,894	681,402	692,701	687,551	
Units under construction	2.3%	2.7%	4.4%	4.0%	4.1%	4.2%	<i>Construction is weaker than nationally</i>
Units under construction, as % of inventory	3.6	3.9	(8.0)	16.2	14.7	(21.3)	<i>Fewer jobs per delivered units than nationally</i>
Ratio of jobs created to net delivered units <i>(as of latest available month of the quarter)</i>							
	\$311	\$130	\$20	\$86,764	\$63,211	\$47,522	<i>Sales transactions are rising faster than nationally</i>
Total investment acquisitions (in million \$)	\$193,296	\$124,745	\$37,115	\$235,199	\$231,697	\$212,033	<i>Prices are rising faster nationally</i>
Transaction sales price per unit	6.2%	6.3%	6.3%	5.2%	5.2%	5.3%	<i>Cap rates are higher than nationally</i>
Market cap rate							

III. Office

Demand indicators	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
	Vacancy rate	9.3%	9.6%	8.3%	12.2%	9.6%	
Absorption in sq.ft. over the quarter	270,550	(423,125)	(503,249)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(704,044)	(1,477,843)	(725,671)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-0.7%	-1.4%	-0.7%	-0.5%	-1.2%	-1.0%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$21.1	\$21.0	\$20.9	\$34.4	\$34.3	\$34.3	
Market rent growth, y/y % chg.	0.7%	0.3%	-0.9%	0.1%	-0.3%	-1.5%	<i>Rents are rising faster than nationally</i>
Y/Y chg. in professional/business services jobs ('000) <i>(as of latest available month of the quarter)</i>	3.3	5.3	(6.0)	1,134	1,092	(870)	<i>Stronger office job creation than nationally</i>
	102,761,976	102,491,432	103,470,128	7,237,517,312	7,222,925,312	7,276,806,144	
Supply indicators	489,435	640,249	698,164	59,502,409	57,367,205	45,533,641	
Inventory in sq. ft.	0.5%	0.6%	0.7%	0.8%	0.8%	0.6%	<i>More delivered space relative to inventory than nationally</i>
Net delivered over 12 months, in sq.ft.	1,709,942	1,649,142	1,373,058	142,297,840	141,203,264	155,258,080	
Net delivered units, as % of inventory	1.7%	1.6%	1.3%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
Under construction, as % of inventory							
	\$65	\$150	\$118	\$28,031	\$29,974	\$21,646	<i>Sales transactions are not rising as fast than nationally</i>
Total investment acquisitions (in million \$)	\$72	\$108	\$71	\$305	\$306	\$301	<i>Prices are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	8.7%	8.7%	8.8%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>
Market cap rate							

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IV. Industrial

	Columbus, OH			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.5%	4.6%	6.2%	4.2%	4.6%	5.5%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	5,634,670	4,959,992	4,707,087	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	15,836,565	14,908,982	7,043,172	502,819,872	454,349,376	223,162,272	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	5.0%	4.8%	2.4%	3.0%	2.7%	1.4%	
Market rent per sq.ft.	\$6.0	\$5.9	\$5.4	\$9.8	\$9.5	\$9.0	<i>Rents are rising faster than nationally</i>
Market rent growth, y/y % chg.	12.0%	10.7%	3.6%	8.6%	7.2%	4.6%	
Supply indicators							
Inventory in sq. ft.	314,103,936	308,469,280	298,267,360	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	7,580,273	7,918,377	10,845,453	283,714,234	297,459,785	307,128,078	<i>More deliveries relative to inventory than nationally</i>
Net delivered units, as % of inventory	2.4%	2.6%	3.6%	1.7%	1.8%	1.9%	
Under construction in sq.ft.	16,616,749	16,493,241	7,987,894	508,025,152	466,780,896	340,499,936	<i>More delivered space relative to inventory than nationally</i>
Under construction, as % of inventory	5.3%	5.3%	2.7%	3.0%	2.8%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$1,086	\$242	\$387	\$34,773	\$30,151	\$29,578	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$74	\$40	\$68	\$144	\$127	\$110	<i>Prices are not rising as fast than nationally</i>
Market cap rate	6.6%	6.6%	6.8%	6.3%	6.3%	6.4%	<i>Cap rates are higher than nationally</i>

V. Retail

	Columbus, OH			U.S.			
	2021 Q4	2021 Q3	2020 Q4	2021 Q4	2021 Q3	2020 Q4	
Demand indicators							
Vacancy rate	3.8%	4.3%	4.3%	4.6%	4.8%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	663,269	(4,280)	178,012	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	761,039	275,782	(244,135)	76,321,048	48,774,088	(28,079,124)	<i>The area has lower absorption than nationally</i>
Absorption in past 12 months as % of inventory	0.7%	0.2%	-0.2%	0.7%	0.4%	-0.3%	
Market rent per sq.ft.	\$16.8	\$16.7	\$16.4	\$22.5	\$22.3	\$21.9	
Market rent growth, y/y % chg.	1.9%	1.9%	1.9%	2.8%	2.1%	0.8%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	(2.60)	0.00	(5.60)	372.10	387.70	(473.90)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	116,617,088	115,953,824	115,856,048	11,209,097,216	11,180,823,552	11,132,858,368	<i>Relatively fewer units delivered than nationally</i>
Net delivered over 12 months, in sq.ft.	182,192	217,489	536,350	21,047,385	28,105,270	41,736,234	<i>Less delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.2%	0.2%	0.5%	0.2%	0.3%	0.4%	
Under construction in sq.ft.	822,156	776,940	271,933	50,577,712	53,660,692	52,556,572	<i>Construction activity is more robust than nationally</i>
Under construction, as % of inventory	0.7%	0.7%	0.2%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$245	\$108	\$106	\$24,585	\$21,801	\$18,723	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$155	\$195	\$143	\$237	\$204	\$192	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.2%	8.1%	8.2%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	Columbus, OH			U.S.			
	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	2021 Q4 (Nov)	2021 Q3 (Sept)	2020 Q4 (Dec)	
Leisure and hospitality payroll workers ('000)	92.2	95.1	82.8	15,362	15,397	12,896	
Y/Y change ('000)	7.4	5.2	(25.2)	2,533.0	1,841.0	(3,541.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	8.3%	8.7%	7.6%	10.2%	10.4%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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