

## REGIONAL SUMMARY

As we publish this report, the U.S. and the world at large are facing a tremendous challenge, the scale of which is unprecedented in recent history. The spread of the novel coronavirus (COVID-19) is significantly altering day-to-day life, impacting society, the economy and, by extension, commercial real estate. The extent, length and severity of this pandemic is unknown and continues to evolve at a rapid pace. The scale of the impact and its timing varies between locations. To better understand trends and emerging adjustments, please subscribe to [Colliers' COVID-19 Knowledge Leader page](#) for resources and recent updates.

The Columbus office market started off the year with slightly negative net absorption\* of 23,110 square feet. However, the market recorded positive absorption in seven of the past eight quarters, demonstrating the overall strength of the office sector. Ongoing investment, development and leasing activity drove positive absorption of 55,094 square feet in the CBD - the highest of any submarket this quarter. Despite overall vacancy increasing to 9.07 percent, the rate is over 40 basis points lower than in the first quarter of last year. Overall asking rates also experienced positive growth, rising to \$18.84 per square foot. Rates for Class A and B properties both increased, to \$20.99 per square foot and \$17.83 per square foot, respectively. Three large-scale construction projects totaling 421,250 square feet broke ground this quarter, including the mixed-use Grandview Crossing development, the second phase of Gravity in Franklinton and the expansion of the Arena District, which will be home to Chipotle's Columbus headquarters.

\*net absorption is calculated based on commencement date

### VACANCY >>

In the first quarter, the Columbus vacancy rate slightly increased to 9.07 percent. However, this rate is 44 basis points lower than a year ago, indicating overall growth in the market. The Worthington submarket saw a substantial vacancy decrease to 12.52 percent, as Choice Recovery and Equitas Health occupied large spaces there. Vacancy increased to 12.68 percent in the Dublin submarket as IBM vacated over 160,000 square feet at 4600 Lakehurst Ct. and 6060 Britton Pkwy.

### MARKET ACTIVITY >>

Market activity is often correlated to positive or negative absorption. However, in cases when a tenant leaves one space for another, the positive and negative absorption cancels out. The Market Activity Volume (MAV), which is the absolute sum of absorption change in the market, gives a better idea of overall activity. This quarter, the MAV was 1,026,712 square feet- a strong indication that tenants are staying active in the market.

### CONSTRUCTION ACTIVITY >>

With demand for new office space rising, Columbus continues to add construction projects to the pipeline. There is currently 1,235,078 square feet under construction - up nearly 400,000 square feet from the end of last year. The CBD is leading activity with 521,000 square feet currently underway, including the mixed-use Gravity II project and the renovation of the historic Hayden buildings on Capitol Square.

There was one completion this quarter totaling 45,000 square feet. The Grandview Mercantile development was finalized in the Short North, adding office, retail and underground parking to the neighborhood. Industrious and Klarna both preleased space in the new property. Throughout the rest of the year, as many as 12 projects are expected to complete around Columbus.

### SALES ACTIVITY >>

This quarter, 11 office properties totaling 262,963 square feet sold around Central Ohio. The total sales volume reached \$42 million, with an average price per square foot of \$100. Transaction volume is \$25 million higher now than a year ago, due to high investor interest throughout the region.

DHL sold their headquarters at 360 Westar Blvd. to Arch Street Capital Advisors for \$33.1 million, making it the largest sale of the quarter. Focus-ed Investment Ventures bought 1880 E. Dublin Granville Road from Prime Investments Ltd. for \$1.77 million. 5354 N. Hamilton Road was purchased by Cross Development Acquisition for \$1.575 million, or \$101.61 per square foot.

## ECONOMIC DRIVERS

MARKET INDICATORS	QoQ	YoY
VACANCY		
RENTAL RATES		
MARKET ACTIVITY VOLUME		
CONSTRUCTION		
SALES VOLUME		
SALE PRICE		

## UPDATE - Lease & Sale Transactions | Construction

LEASE Activity					
PROPERTY ADDRESS	CLASS	LEASE DATE	LEASED SF	TENANT	SUBMARKET
4131 Worth Ave.	A	1/1/2020	65,093	MI Homes	Easton
4111 Worth Ave.	A	2/15/2020	42,840	Adtalem Global Education	Easton
6767 Longshore St.	A	1/24/2020	41,000	Hagerty Insurance	Dublin
5455 Rings Road	A	3/6/2020	39,817	g2o	Dublin
2 Miranova Pl.	A	1/1/2020	22,776	CoverMyMeds	CBD
1562-1598 N. High St.	B	1/21/2020	14,000	Rev1 Ventures	North Central
429 W. Broad St.	A	2/10/2020	13,000	OhioHealth	CBD
41 S. High St.	A	2/3/2020	12,176	Littler Mendelson PC	CBD
1025 Refugee Road	B	1/2/2020	12,000	OSU Wexner Medical Center	Southeast
4675 Lakehurst Ct.	B	2/12/2020	11,561	International Center for Creativity	Dublin
1105 Schrock Road	A	2/7/2020	11,511	Everest Technologies	Worthington
6530 W. Campus Oval	A	1/17/2020	10,544	Power Engineers	New Albany
2500 Farmers Drive	A	3/13/2020	10,200	Safelite Group	North Central

SALE Activity								
PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE (SF)	BUYER	SELLER	PRICE PSF	TYPE	SUBMARKET
360 Westar Blvd.	1/30/2020	\$33,100,000	145,000	Arch Street Capital Advisors	DHL	\$228.28	Investment	Polaris
1880 E. Dublin Granville Road	1/17/2020	\$1,770,000	27,242	Focus-ed Investment Ventures	Prime Investments Ltd	\$64.97	Investment	Westerville
5354 N. Hamilton Road	2/17/2020	\$1,575,000	15,500	Cross Development Acquisition	WOB Properties	\$101.61	Investment	New Albany
300 S. 2nd St.	1/24/2020	\$1,000,000	8,606	Schiff & Associates	Southern Ohio Synod	\$116.20	Investment	CBD
52 E. Lynn St.	1/21/2020	\$862,500	11,382	Post House	George K & Margaret S Gesouras	\$75.78	Investment	CBD
6600 Perimeter Drive	2/3/2020	\$730,000	4,350	Edwards Family Dental	Compass Financial Group	\$167.82	Owner/User	Dublin
1301-1303 River Valley Blvd.	1/24/2020	\$715,000	5,800	Marc & Amie Palmer	James Luse	\$123.28	Investment	Fairfield
5880 Cleveland Ave.	2/28/2020	\$675,000	12,000	Gods Family Place Inc	M&S Real Estate Investments	\$56.25	Owner/User	Westerville

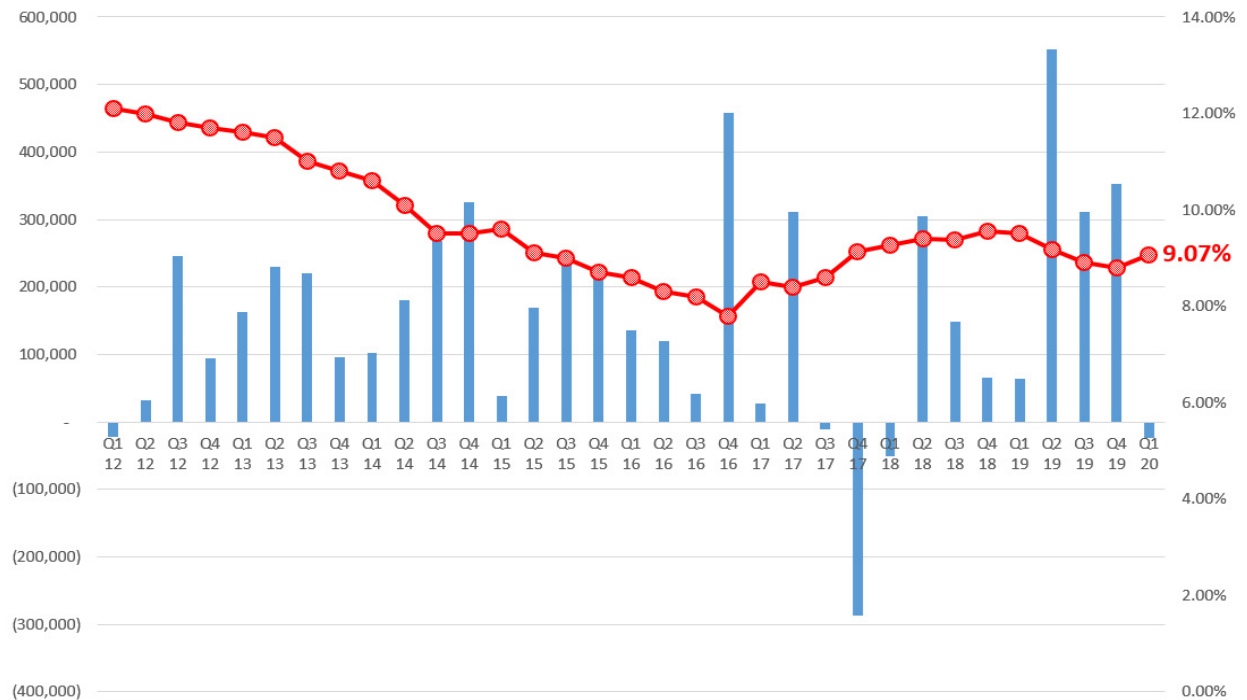
CONSTRUCTION Activity					
PROJECT NAME	ADDRESS	SUBMARKET	CLASS	OFFICE SF	COMPLETION
Gravity II	429 W. Broad St.	CBD	A	167,000	Q3 2020
Pointe at Polaris II	8950 Lyra Drive	Polaris	A	145,358	Q3 2020
Arlington Gateway	1325-1359 W. Lane Ave.	Arlington/Grandview	A	130,000	Q4 2020
Arena District expansion I	0 Vine St.	CBD	A	130,000	Q3 2020
Grandview Crossing I	100 Dublin Road	Arlington/Grandview	A	124,250	Q2 2021
Easton expansion I	4131 Worth Ave.	Easton	A	98,769	Q2 2020
The Hayden	16-20 E. Broad St.	CBD	B	81,000	Q2 2020
Bridge Park D Building	6767 Longshore St.	Dublin	A	80,000	Q2 2020
Former City Power Plant renovation	589 W. Nationwide Blvd.	CBD	A	77,000	Q2 2020
Easton expansion II	4111 Worth Ave.	Easton	A	71,085	Q2 2020
The Reach on Goodale	555 Goodale Blvd.	CBD	A	66,000	Q2 2020
950 Goodale Blvd.	950 Goodale Blvd.	Arlington/Grandview	A	35,000	Q2 2020
Easton expansion III	4124 Worth Ave.	Easton	A	29,616	Q2 2020

# MARKET OVERVIEW

SUBMARKET	ABSORPTION					CONSTRUCTION		ASKING PRICE (FSG)			AVERAGE ASKING RATE
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED IN Q1	CLASS A	CLASS B	CLASS C	
Arlington/Grandview	5,761,531	224,848	3.90%	811	811	289,250	-	\$22.89	\$19.86	\$16.52	\$18.12
CBD	20,259,307	1,843,586	9.10%	55,094	55,094	521,000	45,000	\$20.15	\$17.91	\$14.64	\$18.71
Dublin	9,764,920	1,237,730	12.68%	(84,356)	(84,356)	80,000	-	\$22.12	\$18.38	\$14.36	\$20.50
East	3,661,971	427,979	11.69%	22,448	22,448	-	-	-	\$16.24	\$12.97	\$15.63
Easton	3,111,095	208,873	6.71%	14,727	14,727	199,470	-	\$22.14	-	-	\$22.14
Gahanna/Airport	1,502,752	104,205	6.93%	(13,630)	(13,630)	-	-	\$20.40	\$18.15	-	\$18.95
Hilliard	2,441,594	64,473	2.64%	3,180	3,180	-	-	\$21.75	\$18.32	\$13.98	\$18.02
New Albany	2,426,379	89,548	3.69%	1,158	1,158	-	-	\$21.11	-	-	\$21.11
North Central	1,417,668	182,500	12.87%	-	-	-	-	-	\$18.00	\$14.95	\$17.07
Polaris	4,582,267	387,751	8.46%	(30,446)	(30,446)	145,358	-	\$20.96	\$19.30	-	\$20.62
Powell	273,589	30,573	11.17%	-	-	-	-	-	\$15.58	-	\$15.58
Southeast	510,564	18,598	3.64%	-	-	-	-	-	\$15.00	-	\$15.00
Southwest	237,119	25,013	10.55%	-	-	-	-	-	-	\$11.72	\$11.72
Westerville	4,887,987	457,193	9.35%	(31,479)	(31,479)	-	-	\$21.36	\$18.01	\$14.72	\$17.80
Worthington	6,221,601	778,988	12.52%	39,383	39,383	-	-	\$20.32	\$17.20	\$13.18	\$17.35
<b>Suburban Total</b>	<b>46,801,037</b>	<b>4,238,272</b>	<b>9.06%</b>	<b>(78,204)</b>	<b>(78,204)</b>	<b>714,078</b>	<b>-</b>	<b>\$21.47</b>	<b>\$17.79</b>	<b>\$14.48</b>	<b>\$18.90</b>
<b>Grand Total</b>	<b>67,060,344</b>	<b>6,081,858</b>	<b>9.07%</b>	<b>(23,110)</b>	<b>(23,110)</b>	<b>1,235,078</b>	<b>45,000</b>	<b>\$20.99</b>	<b>\$17.83</b>	<b>\$14.52</b>	<b>\$18.84</b>

PROPERTY TYPE	ABSORPTION					CONSTRUCTION		ASKING PRICE (FSG)	
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED IN Q1	BY PRODUCT TYPE	
A	29,884,173	2,887,879	9.66%	(88,965)	(88,965)	1,235,078	45,000	\$20.99	
B	23,660,035	2,167,624	9.16%	62,695	62,695	-	-	\$17.83	
C	13,516,136	1,026,355	7.59%	3,160	3,160	-	-	\$14.52	
<b>Grand Total</b>	<b>67,060,344</b>	<b>6,081,858</b>	<b>9.07%</b>	<b>(23,110)</b>	<b>(23,110)</b>	<b>1,235,078</b>	<b>45,000</b>	<b>\$18.84</b>	

## ABSORPTION & VACANCY RATES



## FLEXIBLE FLOOR PLANS

Companies are being forced to get creative in not only attracting the best employees, but also retaining them. One way they're doing so is by offering flexible floor plans. For the past few years, there has been an ongoing debate about whether an open floor plan or one with more private spaces is the better way to go. Each has pros, cons and staunch supporters. This clear divide can make it difficult for companies to determine which path to take in the design of their space. The answer to this challenge, and what the office sector can expect as a major trend in 2020, is flexibility. There are merits to both open, collaborative areas as well as closed, private spaces. Not all employees thrive in the same conditions, so it is important to provide choice and flexibility in spaces throughout the office. This not only enables employees to work the way they want to, but also helps cast a wider net of talent to your firm.

Source: Small Biz Daily, Tenfold



## Colliers | Columbus Statistics

Leased and Sold More than  
**\$725+ Million in Volume**

Managed over  
**18.8 Million Square Feet**

Completed More than  
**490 Transactions**

**130+ Professionals**  
working toward Accelerating Your  
Success

Leased and Sold More than  
**32.8 Million Square Feet**

*All statistics are for 2019.*

### FOR MORE INFORMATION

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