

# Columbus market fundamentals

MIDWEST INDUSTRIAL INSIGHT REPORT

Q3 2021

# Key industrial takeaways



## Economic conditions

- Columbus unemployment figures have dropped down to **5.3 percent**. Other supply chain shocks throughout 2021 have done little to impede growth in leasing fundamentals.
- Local employment in transportation, warehousing & utilities rose by **6.0%** over the past year, almost doubling the growth in the professional and business services sector.



## Recovery rate

- The Columbus metropolitan area continues to reopen in the third quarter, as vaccination rates surpassed the national average to **54.2 percent**.
- As office workers across the metropolitan area just now begin to return to the office, the industrial workforce has grown by **3.5 percent** since the beginning of the pandemic in July 2020.



## Market activity

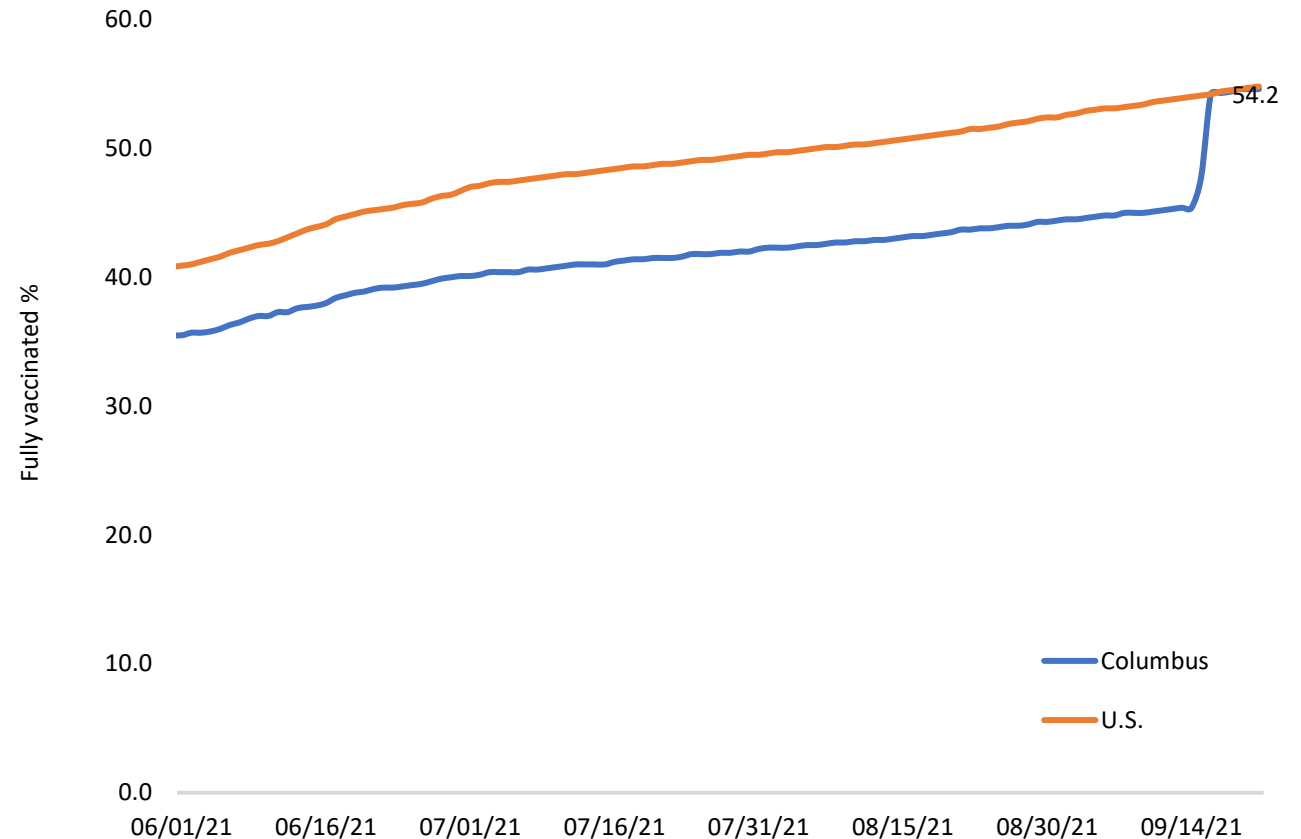
- Overall leasing activity has exploded throughout the pandemic, up an astounding **+119 percent** of the long-term annual average of the last 20 years of historical data.
- Net absorption is keeping pace with new deliveries as construction ramps up, where **13.2 million square feet** of newly-built space is currently underway.
- Columbus industrial investment activity surges to **\$2.16B since 2019** as investors are attracted to the sector fundamentals largely benefited from the COVID environment

# Vaccination rates

# 54.2%

Share of total Columbus population that is fully vaccinated

The proportionate vaccination rate in Cleveland increased drastically in September 2021 to 54.2% according to the CDC. An important metric as the Delta variant of COVID continues to spread.



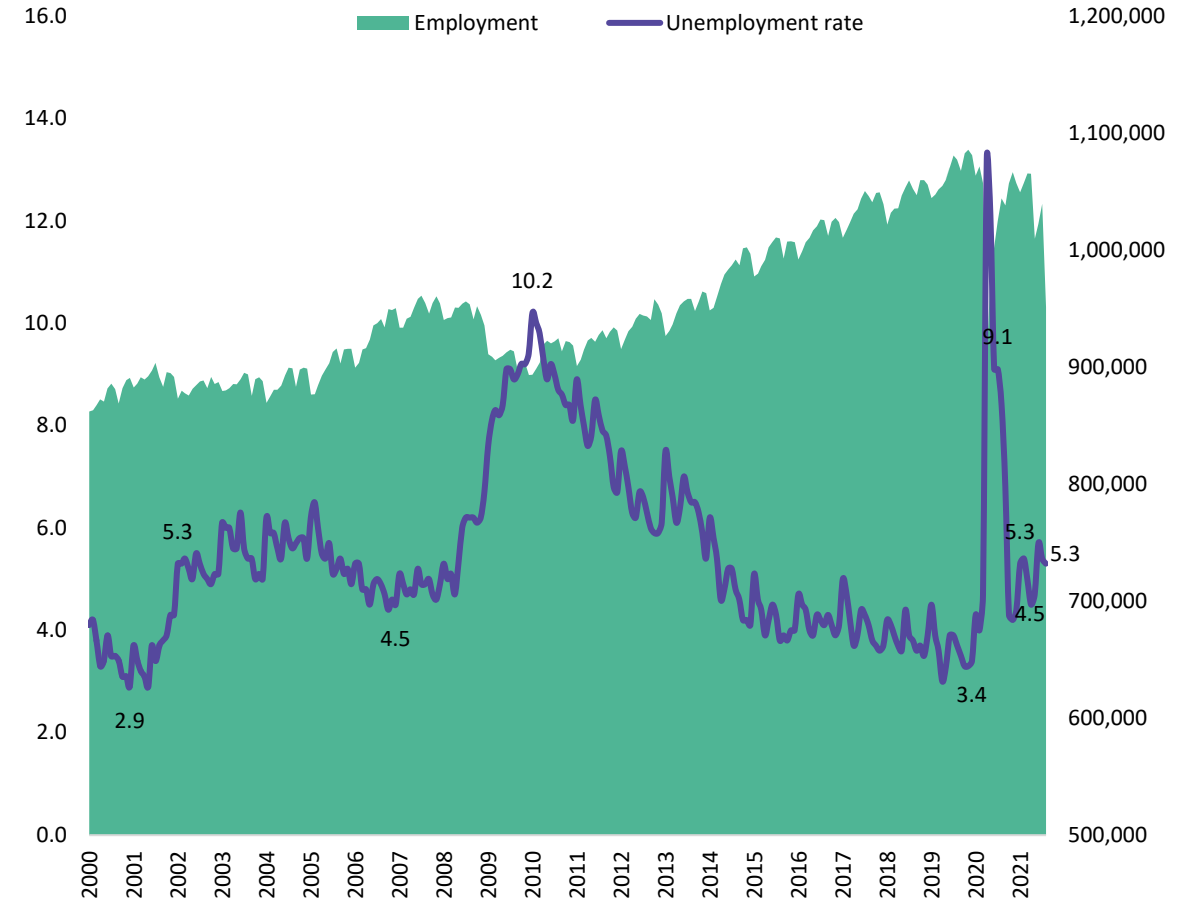
Source: CDC

# Employment and unemployment rate

# 5.3%

## Columbus MSA unemployment rate as of August 2021

Columbus's regional economy has rebounded sharply from pandemic lows. Historically tightened labor market conditions were halted by the pandemic with nearly 166,443 job losses between February and April 2020. However, reopening efforts enabled the economy to add 17.7% jobs since April 2020.



Note: Not seasonally adjusted data.  
Source: Bureau of Labor Statistics

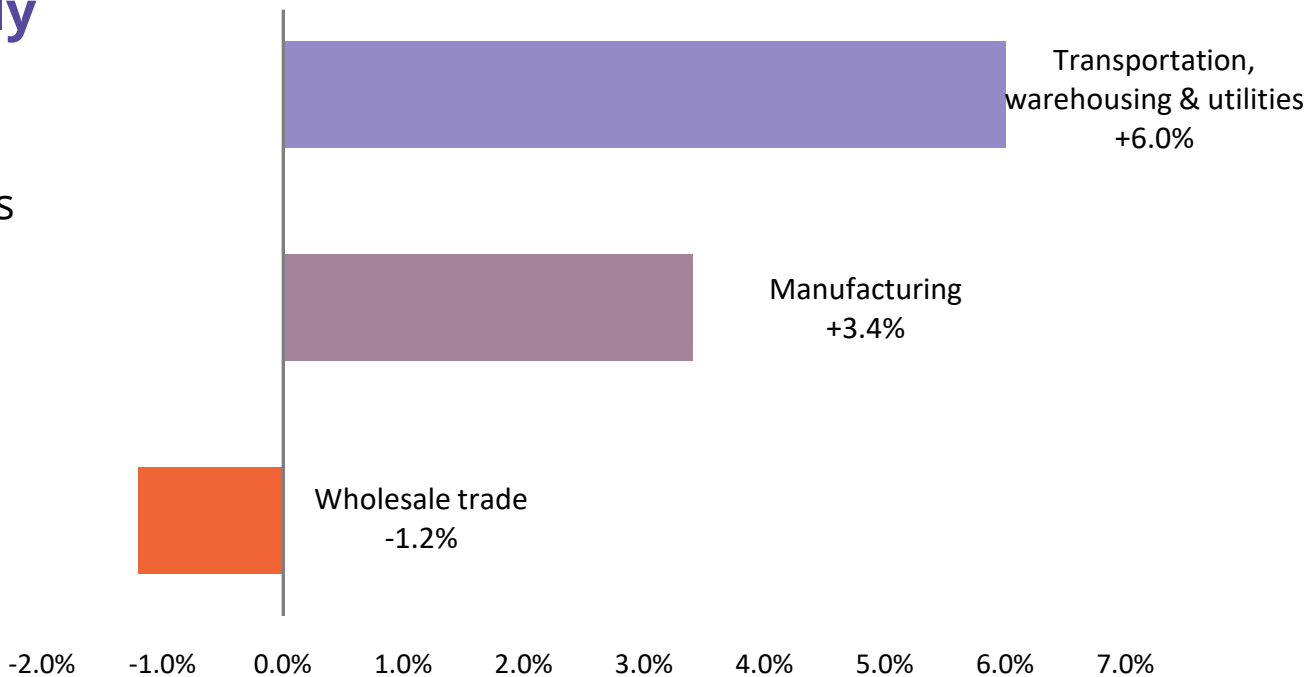
# Industrial job gains and losses

+3.5%

Change in industrial employment from July 2020 to July 2021

The Columbus metro area has experienced job additions totaling 3.5% in the last year, especially in the critical areas of transportation and logistics, which saw a 6.0 percent increase.

Total change in Columbus MSA\* job gains/(losses)  
July 2020 to July 2021



Note: Not seasonally adjusted data. Metropolitan statistical area.  
Source: Bureau of Labor Statistics

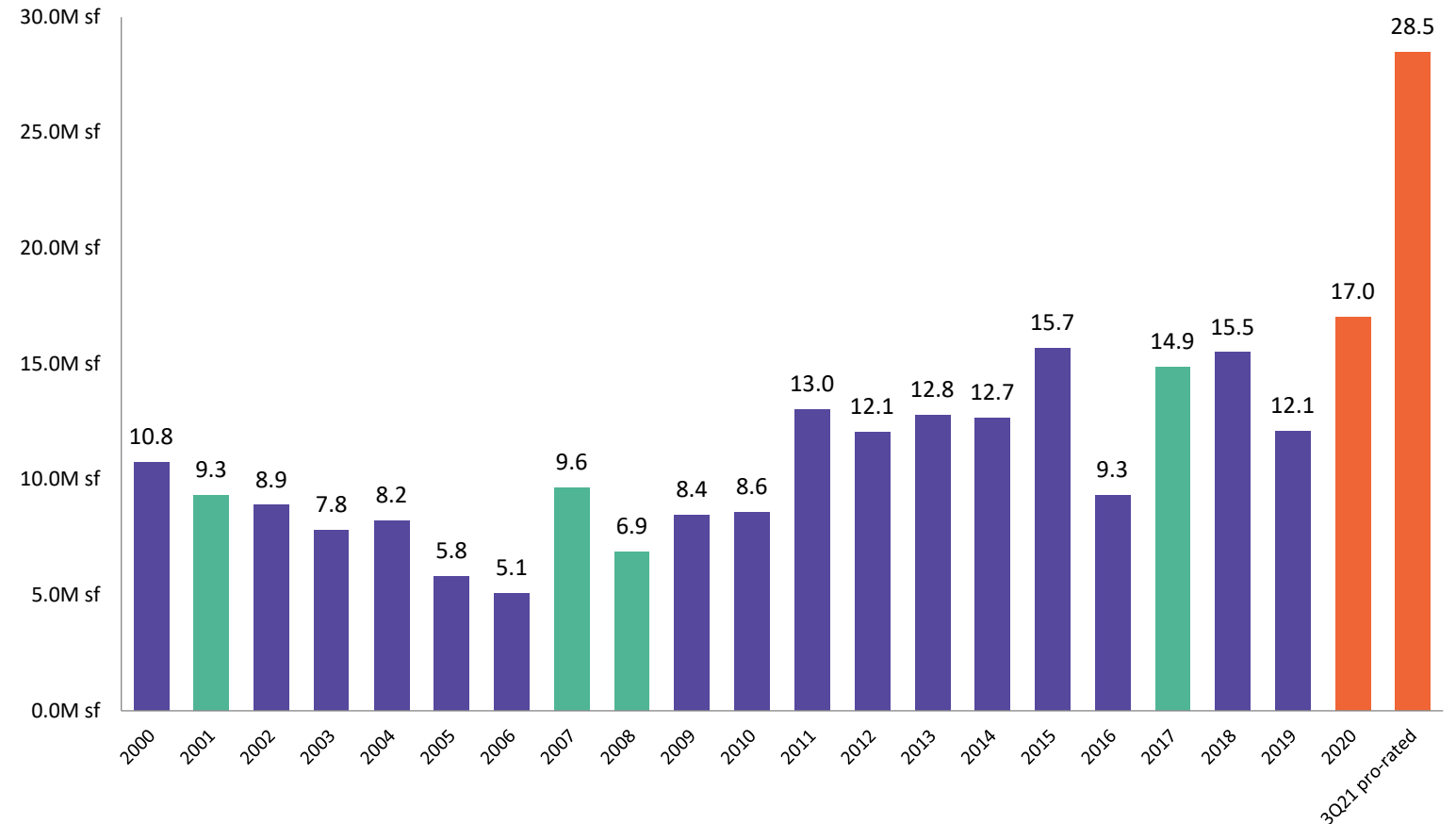


# Industrial leasing activity

## +119%

2020-pro-rated 2021 vs.  
prior 20-year annual  
average leasing activity

Industry activity has exploded since the pandemic with no signs of slowing down. The market is on pace for a second consecutive record-setting year.



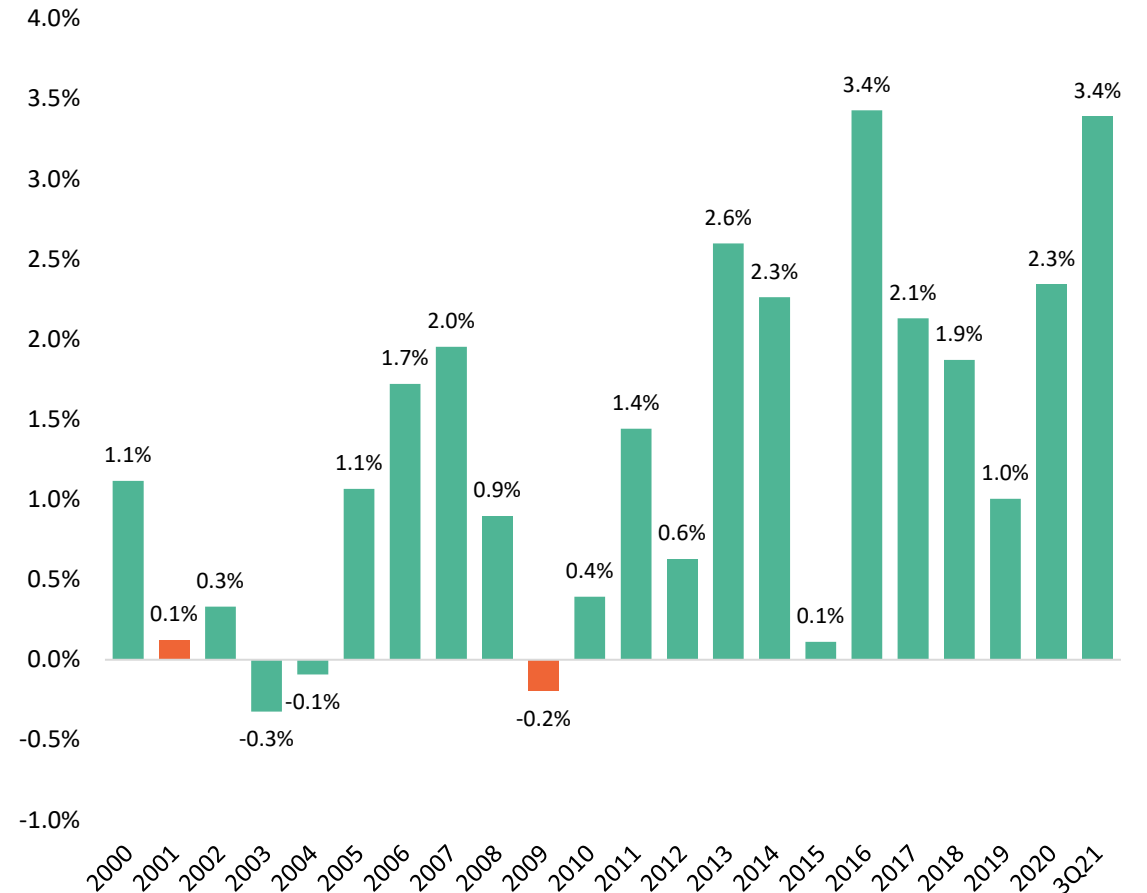
Source: CoStar

# Industrial net absorption

## 5.8%

Net absorption as a percentage of inventory, 2020 through Q3 2021

Absorption through mid-year remains quite healthy and on pace with levels throughout the prior decade. At 9.6 million sf through the first three quarters of the year, aggregate 2021 net absorption could actually outpace totals not since since 2016.



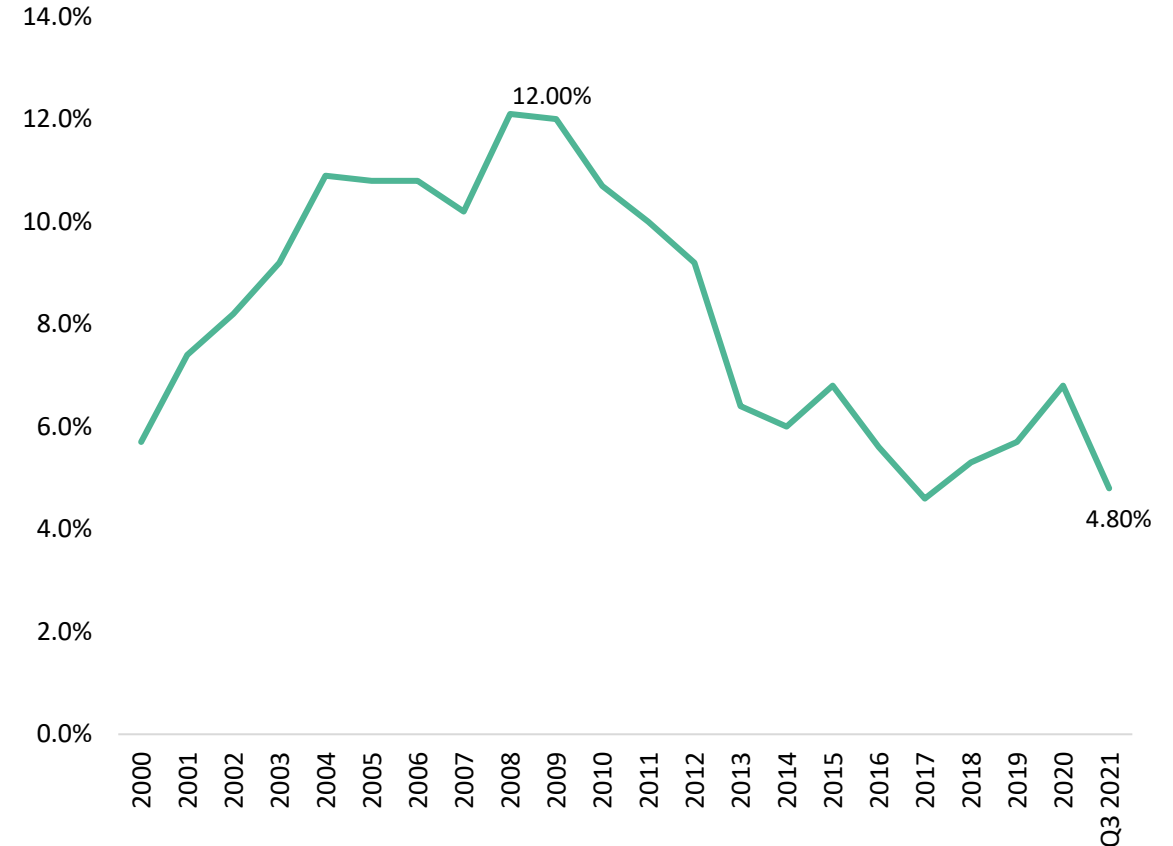
Note: Absorption is measured as the year-over-year change in occupied square feet.  
Source: CoStar

# Industrial vacancy rate

# 4.8%

## Columbus MSA vacancy rate through Q3

The Q3 2021 total vacancy rate has continued to fall, dipping another 1.3% since the end of Q2. Average asking rents have increased 12.6% since the beginning of the pandemic, underscoring how industrial demand has outstripped supply in Columbus.



Source: CoStar



# Industrial development pipeline

**77 properties**

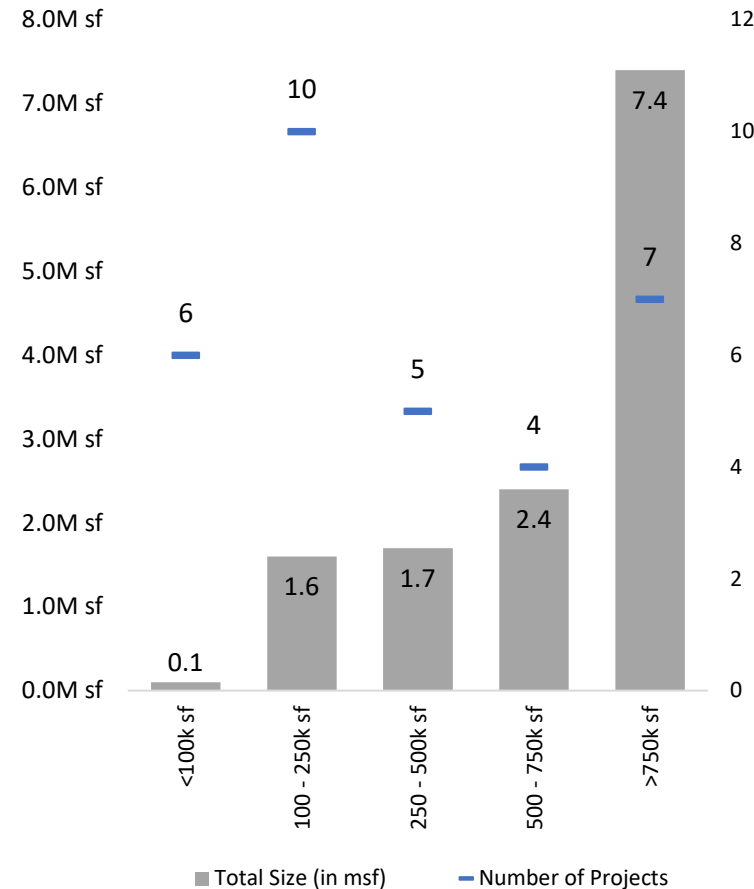
Proposed, under construction  
or under renovation

**36.8 msf**

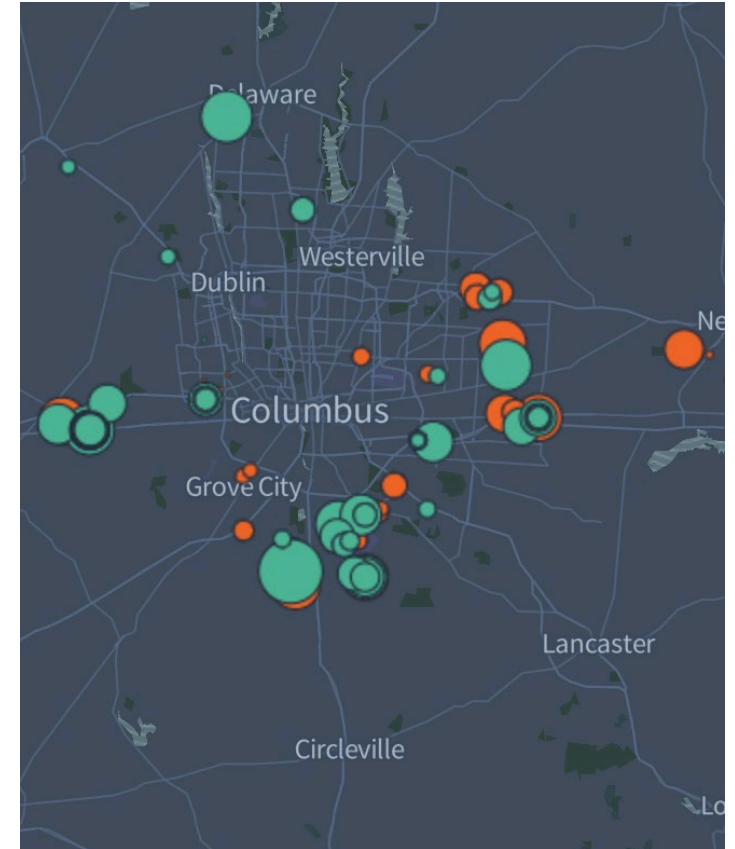
proposed or under  
construction

**15.2%**

share of industrial  
inventory



Source: AVANT by Avison Young

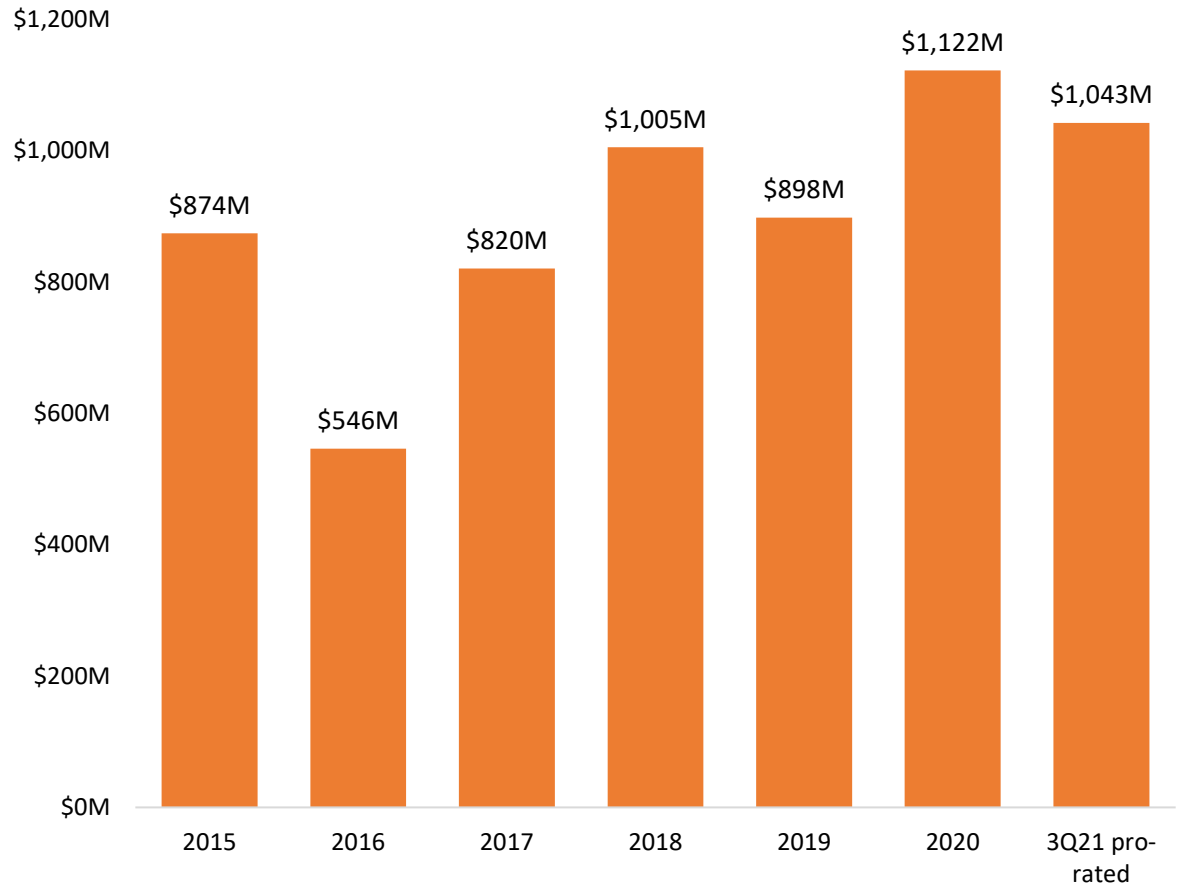


# Investment dollar volume

## \$781M

Industrial dollar volume,  
year-to-date 2021

Office sales activity in Columbus remained muted, but interest in the industrial sector remains vibrant. Projected sales volumes for 2021 are set to outpace the five-year average by 18.7%.



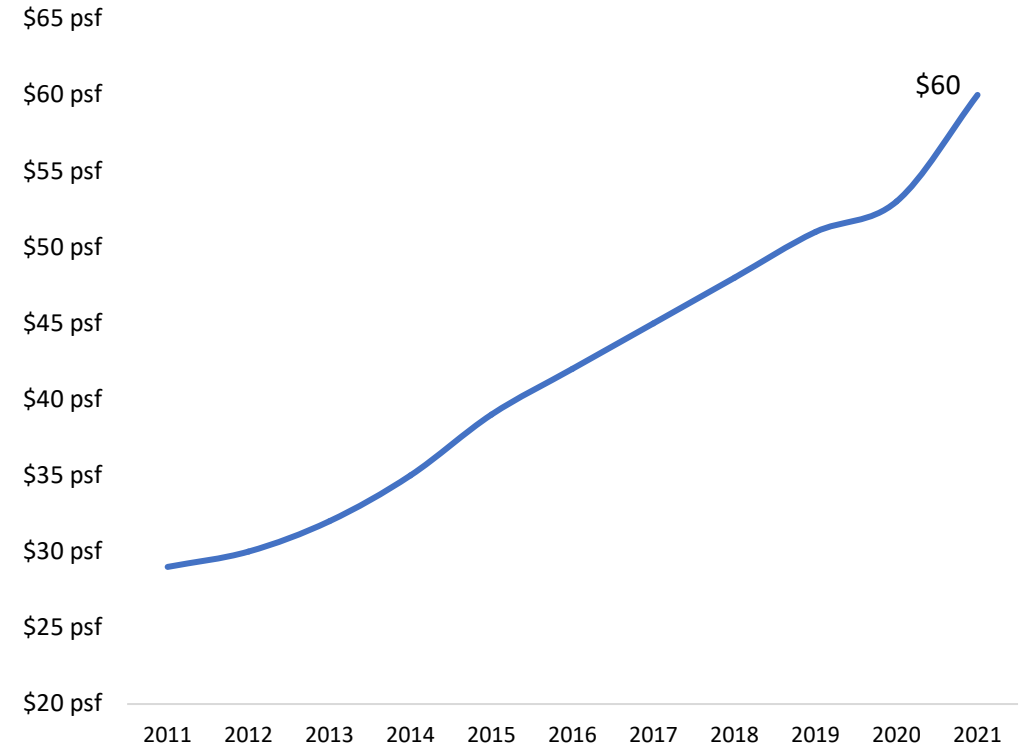
Source: AVANT by Avison Young  
CoStar

# Industrial asset pricing

## +25%

### Columbus industrial pricing, 2017 to September 2021

Pricing for Columbus industrial assets has continued to elevate over the past decade, especially in the past year, as an influx of investors seek exposure to properties that can accommodate the rise of e-commerce distribution.



Source: AVANT by Avison Young  
RCA





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# Let's talk

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