

Retail

# Columbus

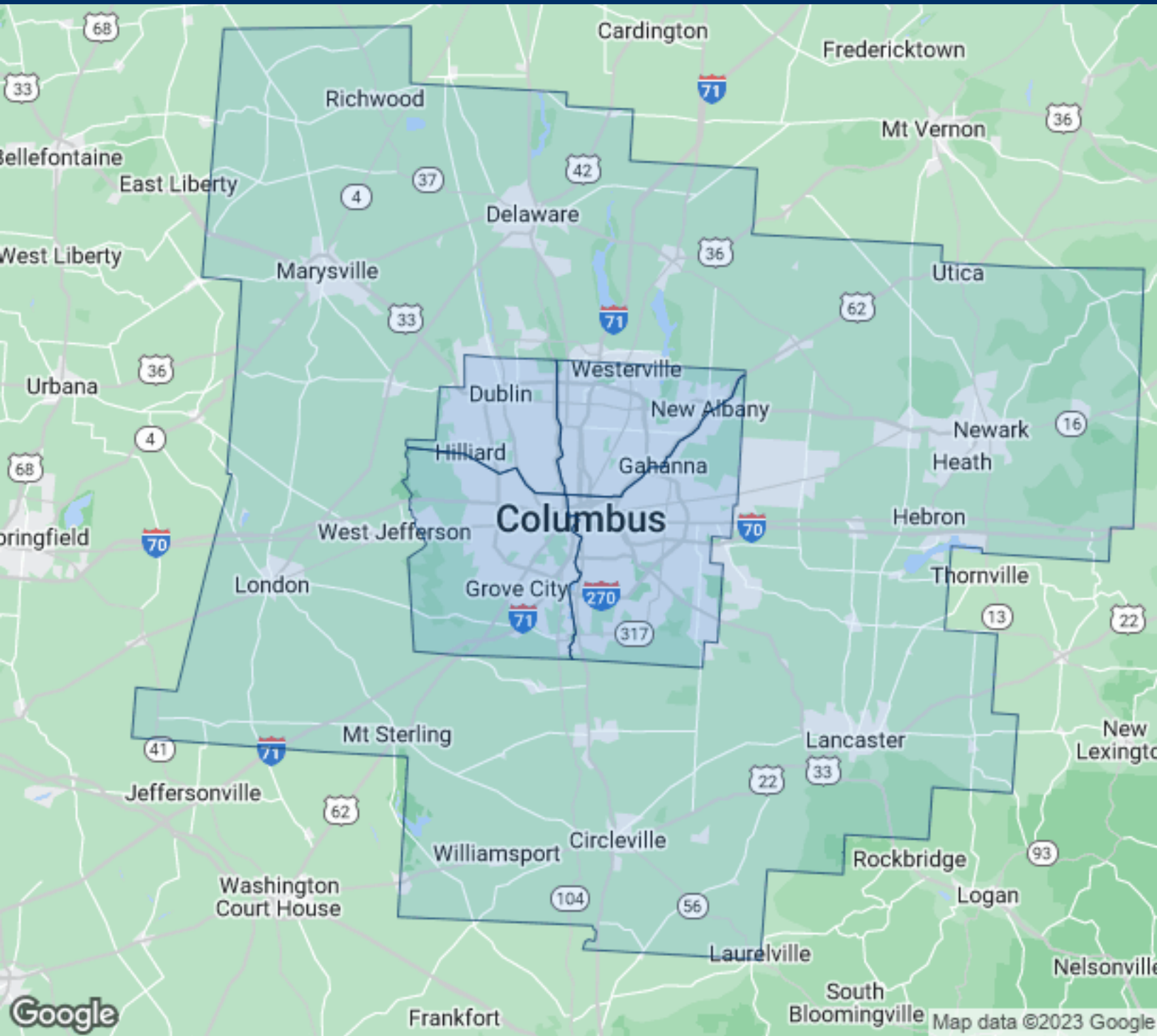
Midwestern Region

United States

MOODY'S  
ANALYTICS

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REPORT GENERATED  
**February 10, 2023**  
DATA AS OF Q4 2022



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# I. EXECUTIVE BRIEFING

AVERAGE ASKING RENT **\$14.05/sqft**

AVERAGE VACANCY **9.9%**

(Published December 2022)

- Rent in the Columbus metro was up 0.2% from November.
- Rent is expected to finish 2023 at \$14.05 in the Columbus metro.
- The Columbus metro had the lowest vacancy in the Midwest region, twenty-ninth lowest in the nation.
- Vacancy in the Columbus metro drifted downward by 20 basis points.

## Market Overview

A comprehensive assessment of the Columbus retail market indicates that the dominant concentrations of competitive retail space are located in the Outside Counties submarket, amounting to 6.4 million square feet and 23.0% of the metropolitan inventory, followed by Northeast, with a 22.1% share, and Northwest (21.4%). Since the beginning of Q1 2013, the fastest growing area has been the Northeast submarket, adding 299,000 square feet over that period, or 25.8% of total metropolitan retail completions.

## Asking and Effective Rent

Asking rents climbed every month during the fourth quarter, with December's increase of 0.2% bringing the cumulative quarterly total up to 0.6%. The market has now experienced three consecutive monthly gains in asking rent, for a cumulative total of 0.6%. Since the beginning of Q1 2013, the metro as a whole has recorded an annual average increase of 1.1%. Effective rents, which exclude the value of concessions offered to prospective tenants, advanced by 0.3% during December to an average of \$11.93. Although all of the Columbus metropolitan area's five retail submarkets contributed to the metro's recent rent growth, it is instructive to observe that the 0.9% asking rent growth rate of the past 12 months is in line with the metro's long term performance.

## Competitive Inventory, Absorption

Over the last 12 months, market absorption totaled 187,000 square feet, 20.5% lower than the average annual absorption rate of 235,200 square feet recorded since the beginning of Q1 2013. From an historical perspective, December vacancy rate is 2.7 percentage points lower than the 12.6% average recorded since the beginning of Q1 2013.

## Outlook

During 2023 and 2024, construction activity under surveillance is projected to deliver a total of 154,000 square feet. Total employment growth over the same period is expected to average 1.1% annually, while household formations are expected to average an increase of 1.1% per year. The market vacancy rate will finish 2023 at 10.3% and will increase 0.4 percentage points to 10.7% by year end 2024. Thereafter, Reis anticipates that asking rent growth will accelerate to an annualized average of 1.4% during 2023 and 2024 to reach a level of \$14.45 per square foot. Effective rents will increase by a more rapid annualized average rate of 1.8%, as landlords begin to trim the relative value of their concessions packages.