

# INVESTMENT FORECAST

Office  
Columbus Metro Area

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2024

## Columbus is on Track for Long-Term Corporate and Population Growth, a Boon for Retail Investors

**Central Ohio's single-tenant vacancy is nationally low.** Columbus expects more than 60,000 new residents over the next five years, vastly outpacing in-migration to other Ohio markets. This comes as Central Ohio welcomes several major investments from companies like Intel, Google, Microsoft and Amazon, bringing new high-paying jobs. The retail sector reflects this strong long-term outlook. At the onset of 2024, Columbus held the third-lowest single-tenant vacancy rate among major markets at 2.5 percent. None of the metro's submarkets had a single-tenant rate above 3.4 percent, the only market in the nation to claim that distinction. Limited space for stand-alone tenants has warranted new construction, but options for vendors seeking new, sub-20,000-square-foot spaces will stay minimal this year, keeping vacancy near a record low. Multi-tenant space faces more demand-side challenges, but these headwinds are predominantly confined to the east and west edges of Columbus, as well as Fairfield County, which have all noted elevated vacancy rates since before 2019.

**Limited availability highlights value-add opportunities.** Investors picked up more vacant retail properties for redevelopment in 2023, a trend that could carry forward this year as out-of-market buyers join local investors. Obsolete space in areas like Downtown and Grandview-Upper Arlington could draw buyers seeking value-add opportunities in urban areas. Multi-tenant investors willing to pay a premium will likely stay active in North Columbus around the University District, Dublin and along Interstate 71. The submarket claimed a sub-2 percent multi-tenant vacancy rate entering 2024, highlighting tenant demand for these floor plans. In outer areas, Licking County could draw more investors as Intel's factories and other developments commence.

## 2024 MARKET FORECAST

+1.6%



**EMPLOYMENT:** Columbus will add 18,000 jobs in 2024, above the trailing 10-year average of roughly 15,000 positions. By year-end, total employment will be 44,000 roles ahead of the 2019 mark.

300,000  
sq. ft.



**CONSTRUCTION:** Total inventory will expand by the slowest pace since at least 2008, rising by just 0.3 percent. Delaware County expects roughly half of all new space this year.

+10 bps



**VACANCY:** Despite vacancy inching up to 4.0 percent in 2024, Columbus maintains the lowest rate among major Ohio markets. Vacancy will be especially tight among single-tenant spaces.

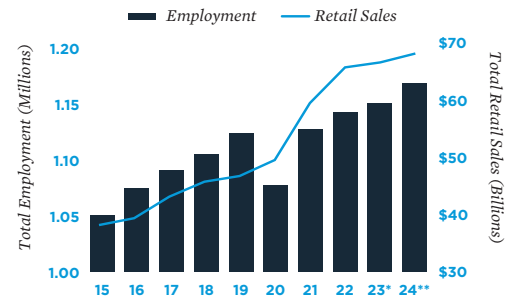
+1.2%



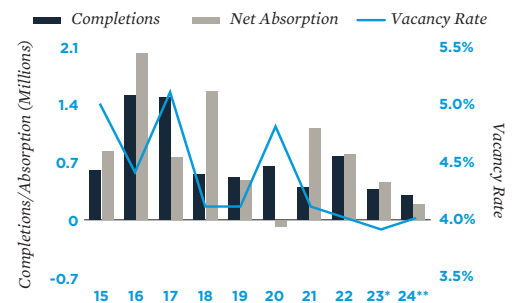
**RENT:** By the end of 2024, the average asking rent in Columbus will be \$16.50 per square foot, the third-highest rate among major Midwest markets and 25 percent above the metro's 2019 mark.

**INVESTMENT:** *Private, single-tenant investors have recently favored auto parts shops and fast food locations in outlying thoroughfare areas, like Delaware and Union counties, that receive high levels of transit traffic.*

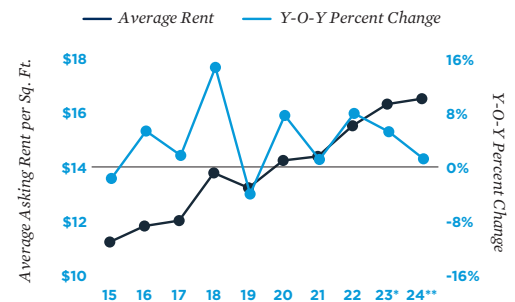
### Economic Trends



### Supply and Demand



### Rent Trends



\* Estimate; \*\* Forecast  
Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 3/2024. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guaranty regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.