

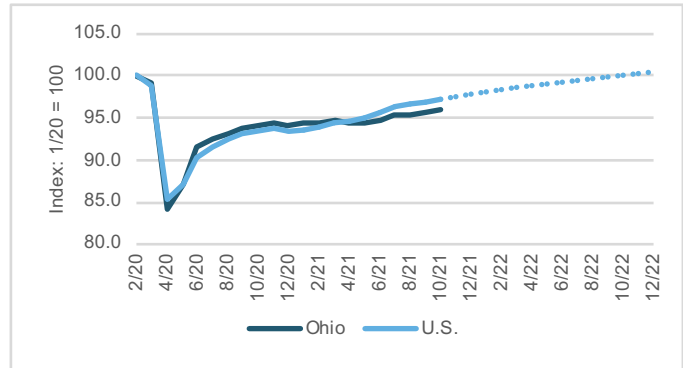
## Employment and Unemployment

- **Ohio employment continued to improve over the past three months.** The chart to the right is plotted on an index basis to compare Ohio and U.S. payroll employment changes since the employment peak in February 2020. Employment increased 33,000 (0.6%) between July and October. U.S. employment increased 0.9%.
- **Economists have trimmed their employment forecasts.** The dashed line in the employment chart is the consensus employment forecast of 37 economists from the November Survey of Professional Forecasters of the Philadelphia Federal Reserve. Employment is still expected to recover its 2020 losses in 2022, but somewhat later in the year than implied in the August survey.
- **The Ohio unemployment rate stood at 5.1% in October.** Ohio's rate is down from 5.4% in July. The October U.S. rate was 4.6%, down from 5.4%.

As shown in the chart below, Ohio labor force (the denominator of the unemployment rate) and employment have both been increasing. Labor force increases put upward pressure on the unemployment rate, but the increase in the number of employed Ohioans more than offset this impact.

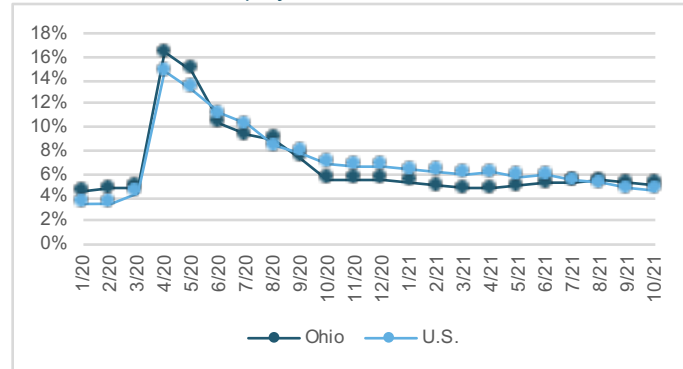
In contrast, there was essentially no growth in the U.S. labor force between July and November. A smaller increase in resident employment was thus able to produce a larger drop in the unemployment rate.

Payroll Employment Change, Including U.S. Forecast



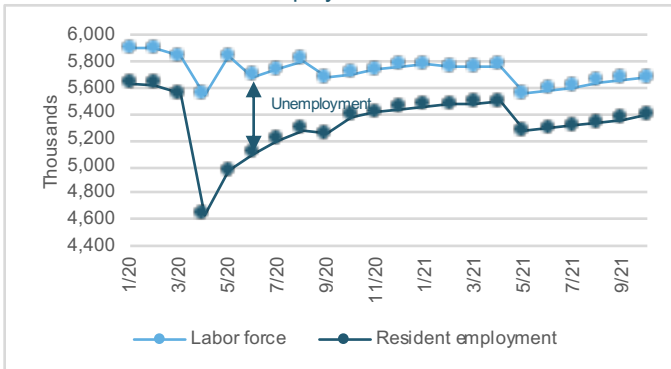
Source: U.S. Bureau of Labor Statistics, Philadelphia Federal Reserve.

Ohio and U.S. Unemployment Rates



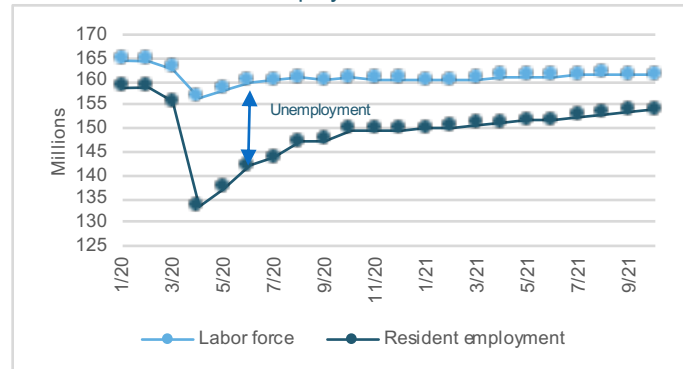
Source: Labor Force Statistics, U.S. Bureau of Labor Statistics.

Ohio Labor Force and Employment



Source: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics.

U.S. Labor Force and Employment

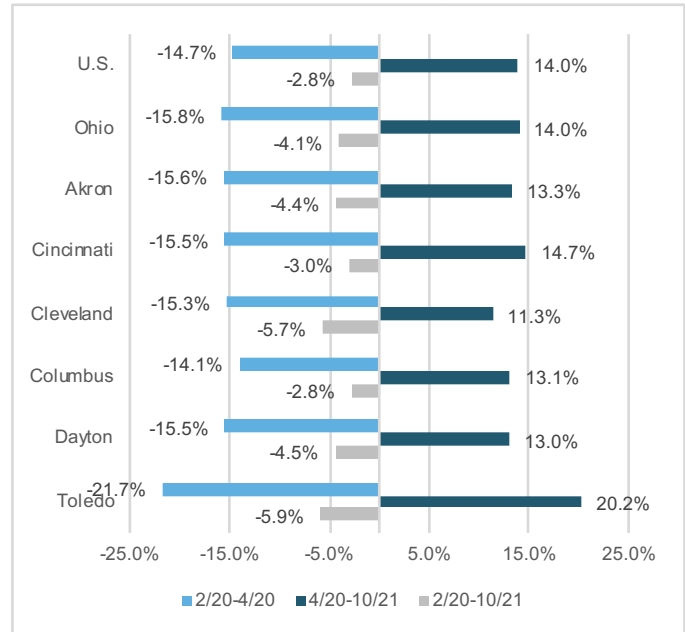


Source: Current Population Statistics, U.S. Bureau of Labor Statistics.

## Employment Changes by Region and Sector

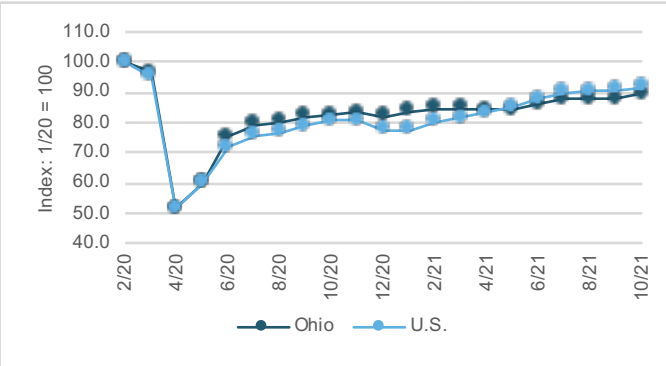
- **Metro employment growth in Cleveland and Toledo exceeded the U.S. average during the last three months.** Cleveland's gain was 1.3% and Toledo gained 1.1%, compared to a U.S. gain of 0.9%. Akron, Cincinnati, and Dayton gained between 0.4% and 0.6%, but Columbus gained only 0.1%. Ohio employment increased 0.6%.
- **Ohio leisure and hospitality employment increased 1.8% between July and October, while U.S. employment increased 2.5%.** These industries are having particular difficulties filling positions.
- **Employment in three office-using sectors increased.** Business services gained 1.0% in Ohio versus 1.5% nationally. Finance and insurance gained 0.4% in Ohio versus a 0.1% U.S. gain. Healthcare gained 0.2% and 0.5% nationwide.
- **The four-month decline in real estate employment reversed slightly in September and October.** This was insufficient to overcome September's loss. The three-month decline was 0.5%. U.S. employment grew 1.6%.

### Employment Loss, Gain and Net Change

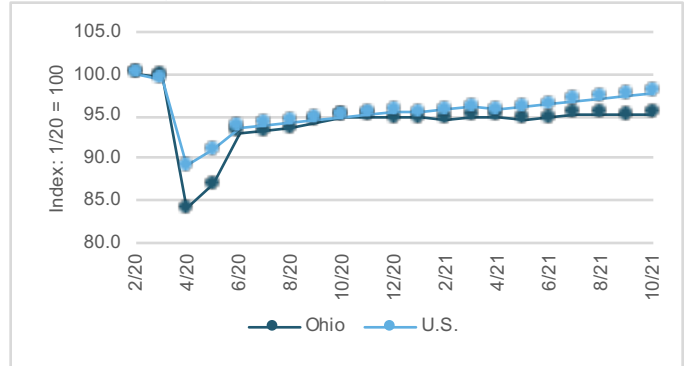


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

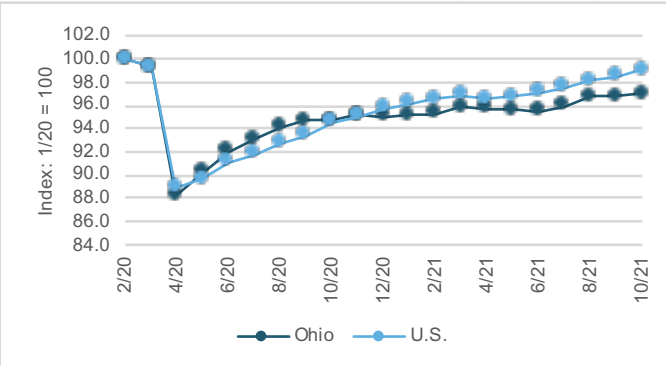
### Leisure and Hospitality Employment Change



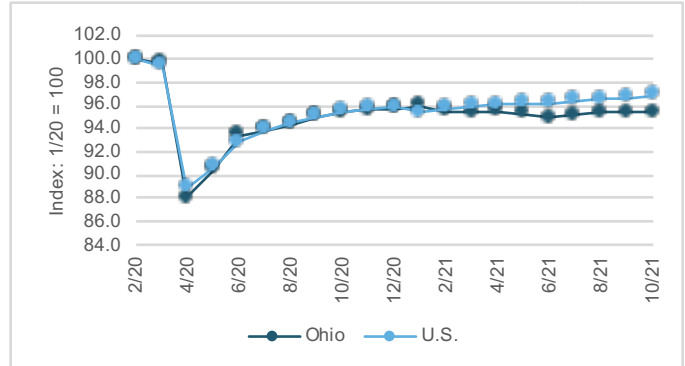
### Manufacturing Employment Change



### Professional & Business Services Employment Change

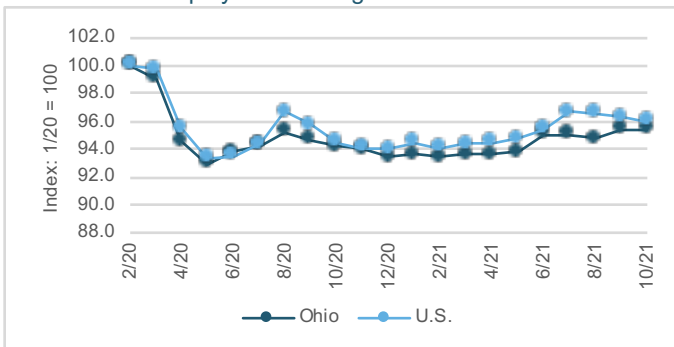


### Healthcare & Social Assistance Employment Change

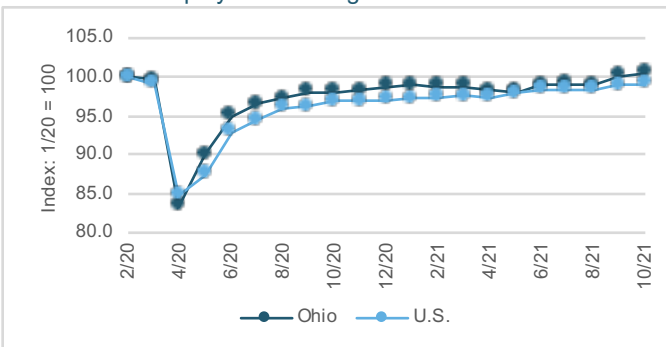


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

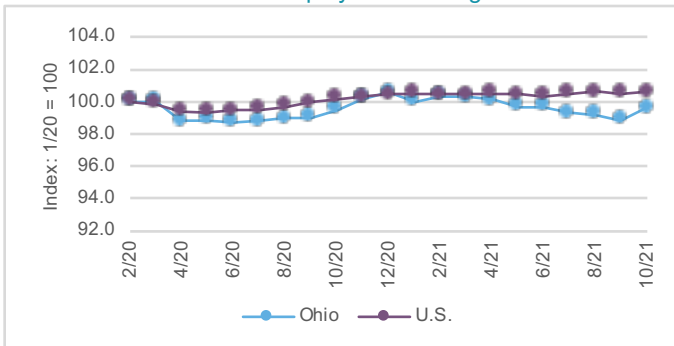
### Government Employment Change



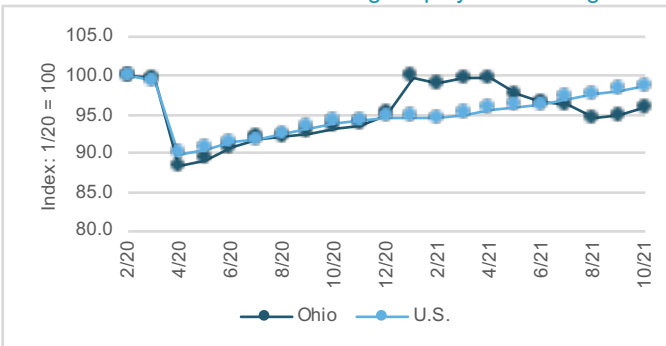
### Retail Trade Employment Change



### Finance and Insurance Employment Change



### Real Estate and Rental & Leasing Employment Change

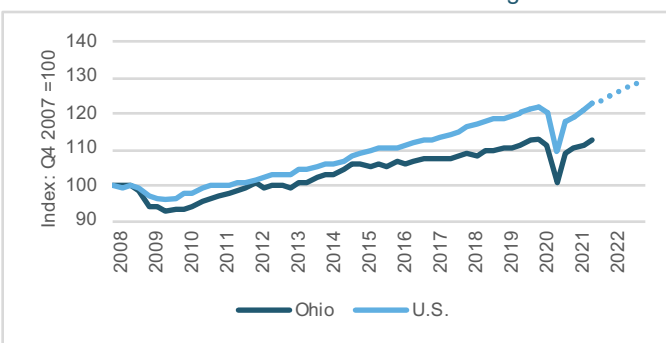


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

## Broad Economic Indicators

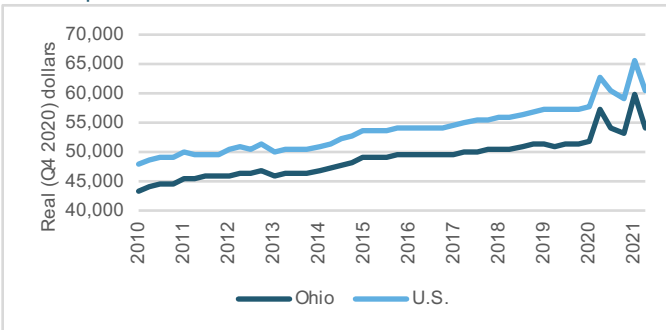
- **U.S. gross domestic product (GDP) growth cooled to a 2.1% annualized rate in the third quarter.** This followed Q1 growth of 6.3% and 6.7% in Q2. An uptick in COVID cases, a reduction in assistance payments, and the emergence of supply chain problems weighed on the economy. The dashed line in the chart to the right is the result of the quarterly survey of the Philadelphia Federal Reserve. This survey predicts strengthening growth in coming quarters.
- **Ohio GDP growth lagged the national average in the most recent quarter available.** Ohio's Q2 gain was 5.2% versus the 6.7% U.S. average.
- **Per-capita personal income (PCPI) fell back with the reduction in assistance payments.** Q3 PCPI fell 5.7% in Ohio and 3.8% nationwide. Ohio PCPI is up 5.4% from Q4 2019, though, equal to the U.S. average.
- **Second quarter inflation increased to 5.3% year-over-year.** Most economists expect inflation to subside as supply bottlenecks ease. The economists in the Philadelphia Fed survey expect inflation to cool to 3% by year-end and 2.1% by the end of 2022.
- **Consumer sentiment has fallen sharply from its summer peak.** Concerns over rapid price increases were the chief concern of consumers in recent reports.

### U.S. and Ohio Gross Domestic Product Change



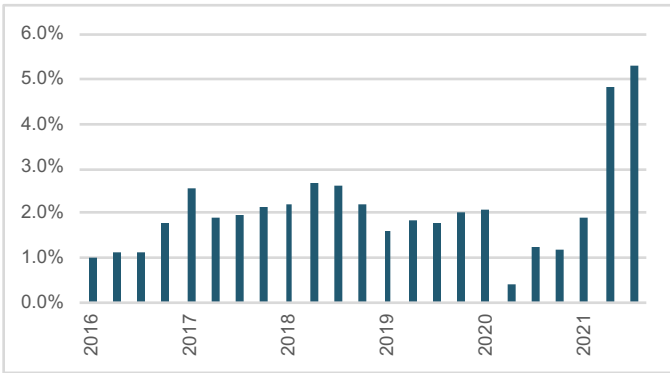
Source: U.S. Bureau of Economic Analysis; Philadelphia Federal Reserve.

### Per-Capita Personal Income



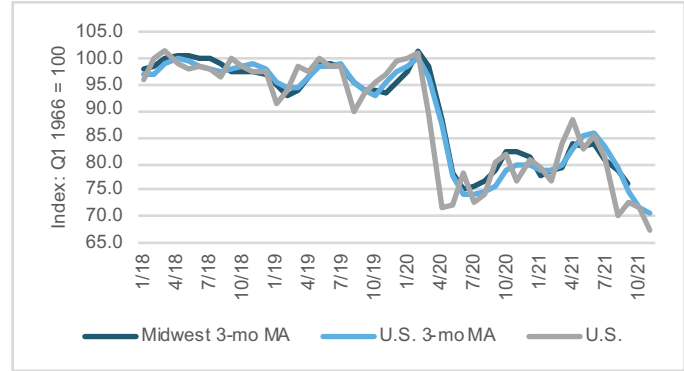
Source: U.S. Bureau of Economic Analysis.

### Year-over-Year Consumer Price Inflation



Source: Consumer Price Index, U.S. Bureau of Labor Statistics

### Consumer Sentiment Index



Source: Survey Research Center, University of Michigan.

## Passengers at Primary Regional Airports

- **Airport traffic slipped in the third quarter, but this is typical.** Passenger traffic typically peaks in July and falls off in August and September, so the downturns in each of the six airports is not a cause for concern.
- **Traffic recovery continues, but is not yet complete.** The six airports' Q3 passenger counts are 22% below Q3 2019. Q2 was 33% below those months of 2019. Continued improvement is vulnerable to traveler concerns over the Delta and Omicron COVID variants.

### Akron-Canton Airport



Source: Akron-Canton Airport.

### Cincinnati-Northern Kentucky International Airport



Source: Cincinnati-Northern Kentucky International Airport.

### Cleveland Hopkins International Airport



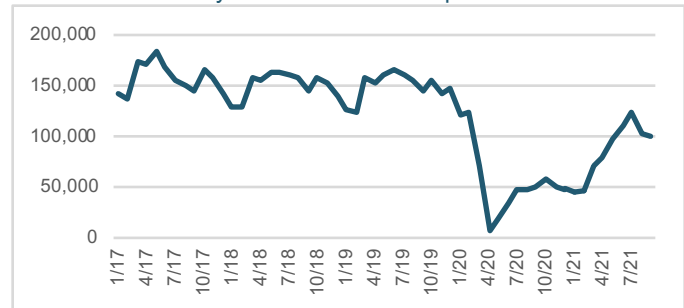
Source: Cleveland Airport System.

### John Glenn Columbus International Airport



Source: Columbus Regional Airport Authority.

### James M. Cox Dayton International Airport



Source: Dayton International Airport. (Total traffic estimated from enplanements.)

Eugene F. Kranz Toledo Express Airport



Source: Toledo-Lucas County Port Authority.

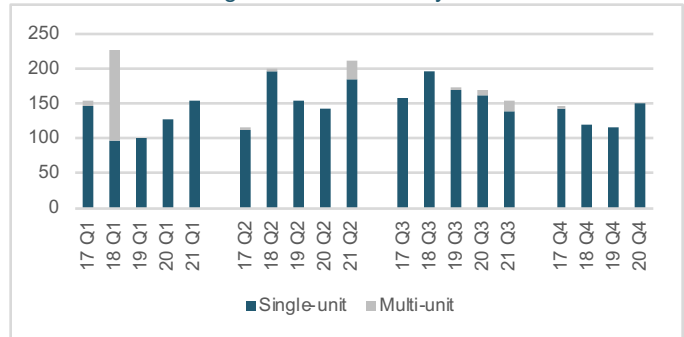
Six Airport Total



## Residential Real Estate

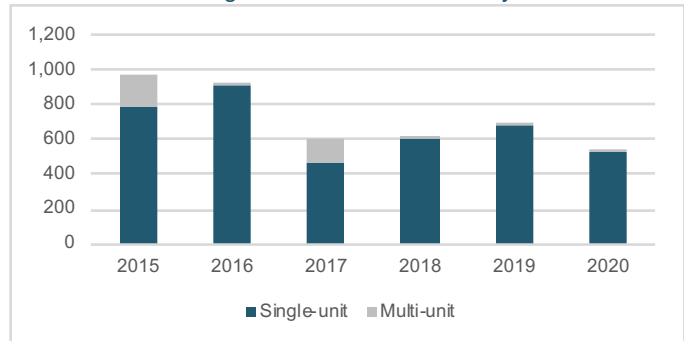
- **After a strong second quarter, housing permit activity in Ohio's large metro areas was generally down from a year ago.** Q3 permits statewide were up 5.7% from Q3 2020, but the gain was driven by the volatile multi-unit segment. Single-unit permits were off 6.3%.
- **Cincinnati's permits were off 28% from Q3 2020.** Single-unit permits were down 21.6%. Year-over-year losses were also suffered in Dayton (18.1%), Toledo (13.9%), Cleveland (13.1%), and Akron (8.8%). Dayton's single-unit permits were up 2.6%, however.
- **Columbus total and single-unit permits were up sharply from Q3 2020.** The 31.3% overall gain was centered in the multi-unit segment. Single-unit permits were up 5.2%.
- **Strength in the Federal Housing Finance Authority's House Price Index continued in the third quarter.** Akron gained 5.6%, Cincinnati gained 5.4%, Cleveland gained 5.0%, Columbus gained 5.4%, Dayton gained 5.0%, and Toledo gained 4.0%. The statewide gain was 5.1% and the U.S. gain was 5.6%.

Akron MSA Housing Units Permitted by Quarter



Source: U.S. Census Bureau

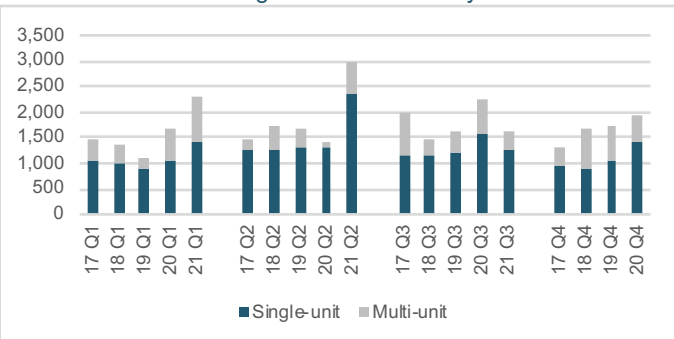
Akron MSA Housing Units Permitted Annually



Source: U.S. Census Bureau

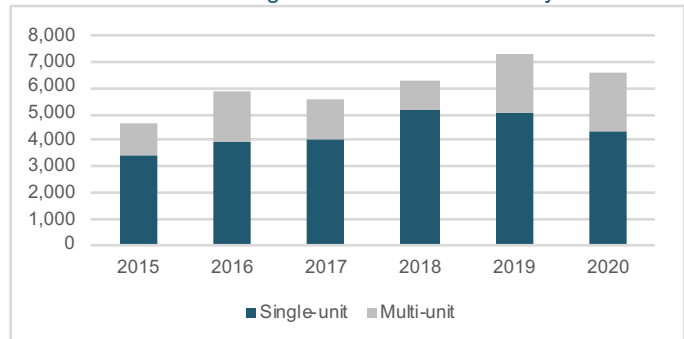
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted by Quarter



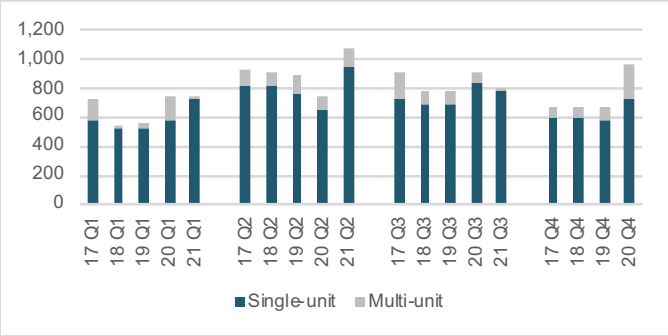
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted Annually



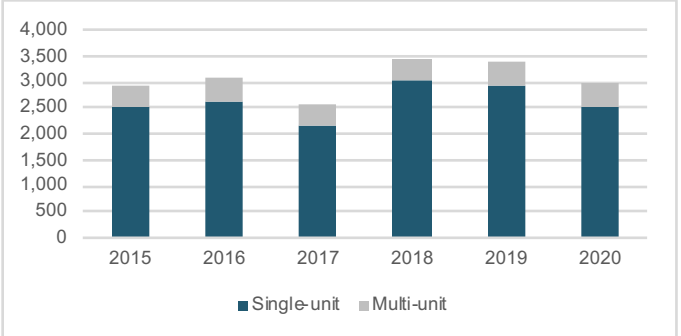
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted by Quarter



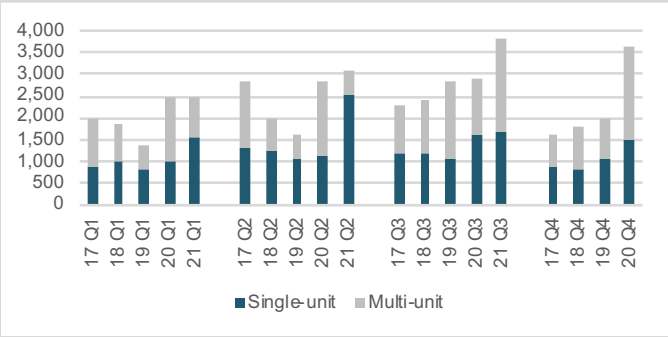
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted Annually



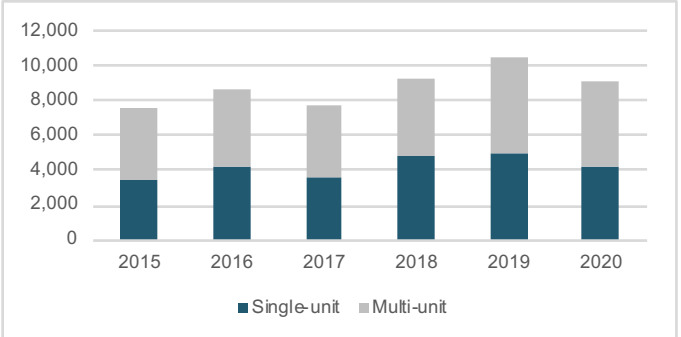
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted by Quarter



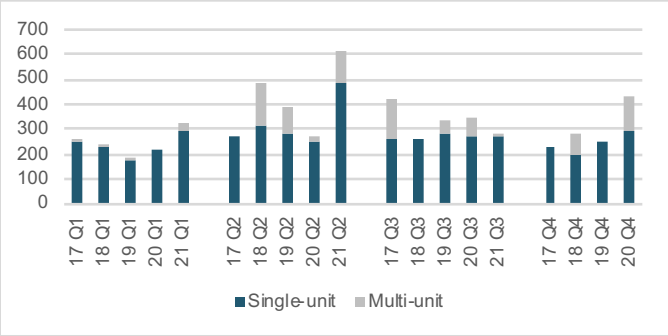
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted Annually



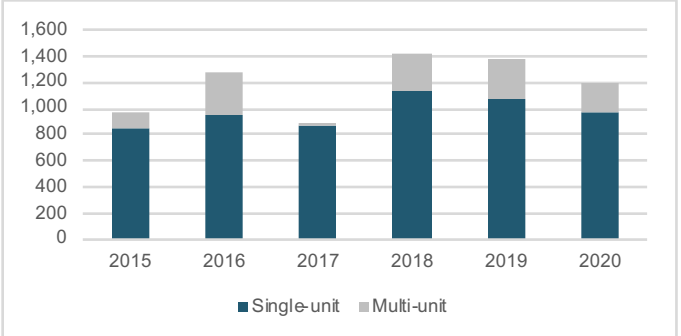
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted by Quarter



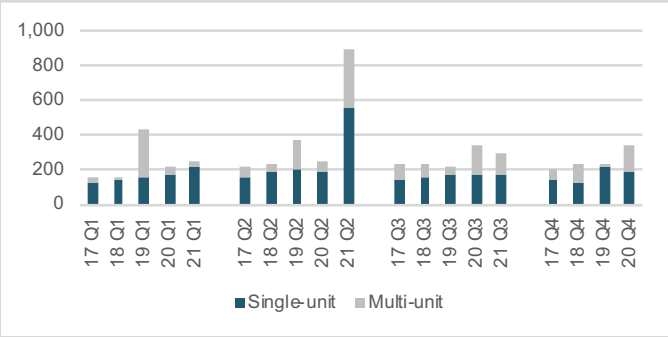
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted Annually



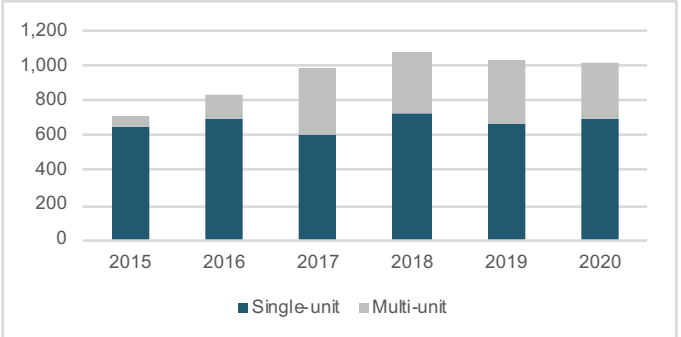
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted by Quarter



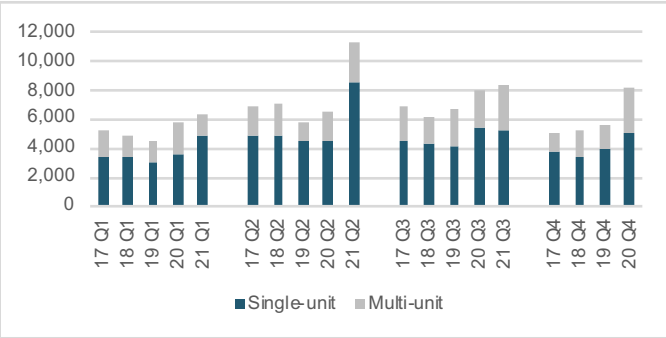
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted Annually



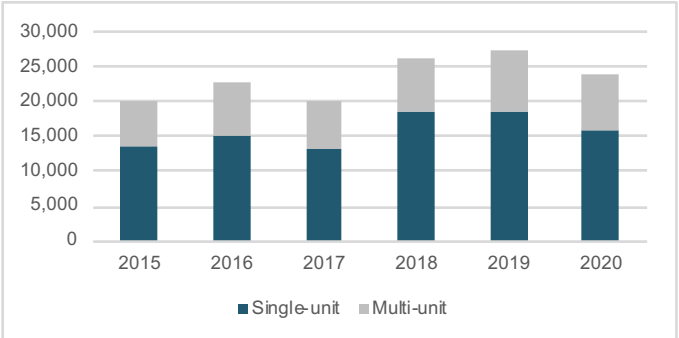
Source: U.S. Census Bureau

Ohio Housing Units Permitted by Quarter



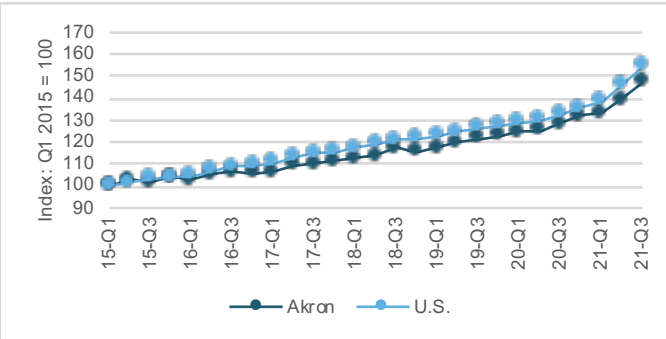
Source: U.S. Census Bureau

Ohio Housing Units Permitted Annually



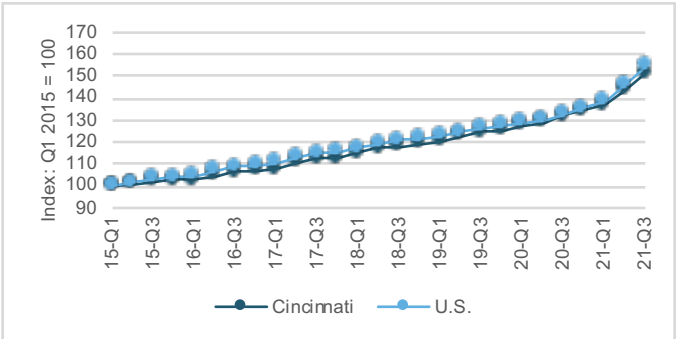
Source: U.S. Census Bureau

Akron MSA and U.S. FHFA House Price Index



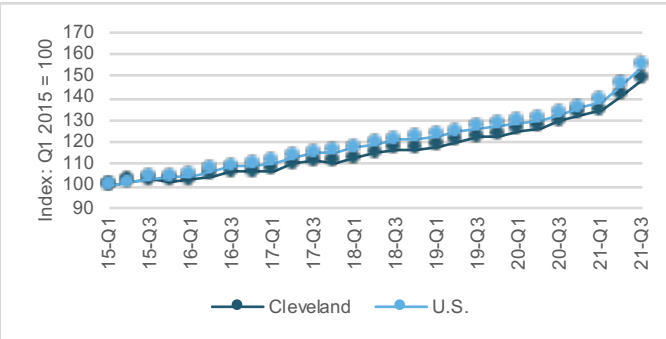
Source: Federal Housing Finance Agency.

Cincinnati MSA and U.S. FHFA House Price Index



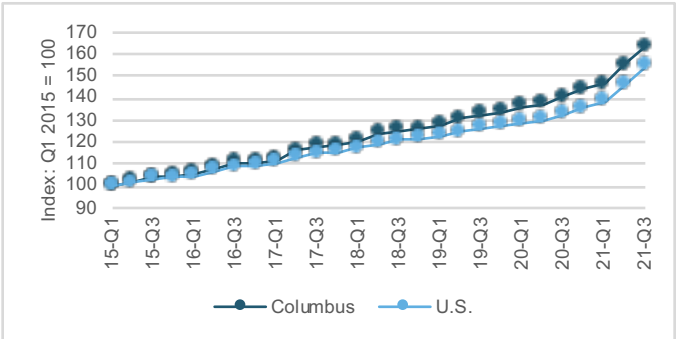
Source: Federal Housing Finance Agency.

Cleveland MSA and U.S. FHFA House Price Index



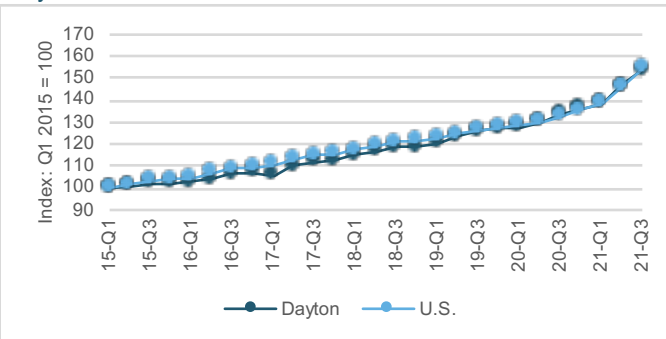
Source: Federal Housing Finance Agency.

Columbus MSA and U.S. FHFA House Price Index



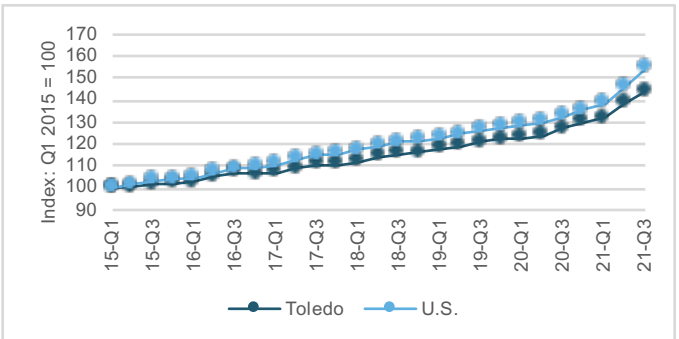
Source: Federal Housing Finance Agency.

Dayton MSA and U.S. FHFA House Price Index



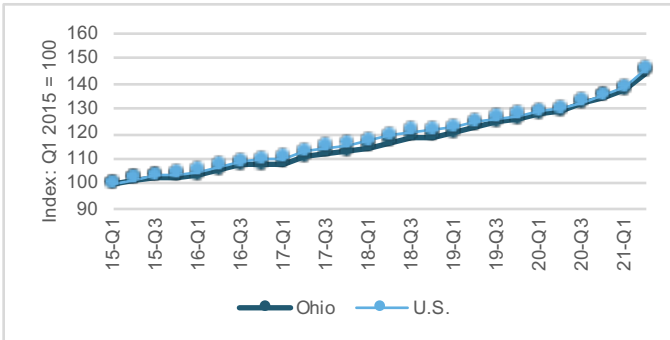
Source: Federal Housing Finance Agency.

Toledo MSA and U.S. FHFA House Price Index



Source: Federal Housing Finance Agency.

## Ohio and U.S. FHFA House Price Index

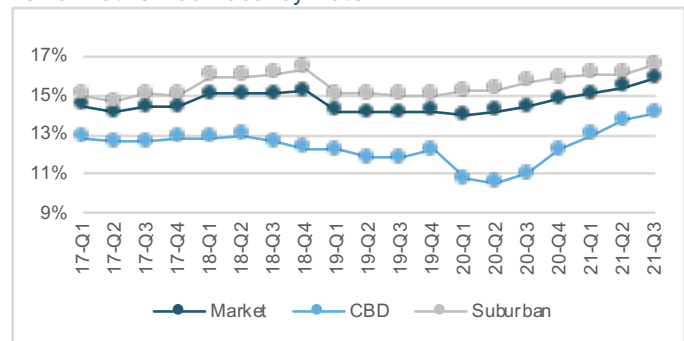


Source: Federal Housing Finance Agency.

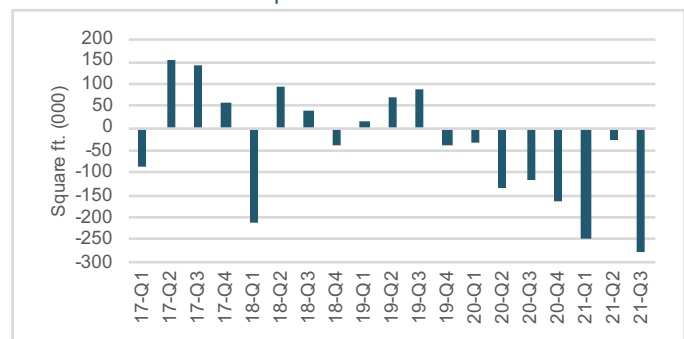
## Ohio Office Real Estate Markets

- Office vacancy increased in most available regions. Dayton's rate was unchanged at 20% and the Cleveland rate fell slightly, but vacancy increased sharply in Columbus and Akron, and Cincinnati's vacancy increased for a sixth consecutive quarter.
- Cincinnati office absorption reached a new low. Absorption fell to a negative 275,800 square feet, and market rents slipped 0.7%.
- Northeast Ohio absorption improved markedly. Akron absorption was only slightly negative, but Cleveland turned marginally positive for the first time since before the pandemic.
- Columbus office absorption worsened again. Inflation-adjusted rents slipped to \$18.69.
- Dayton absorption turned positive after two negative quarters. A 5.6% rent decline and a 20% market vacancy rate indicates continued challenges.

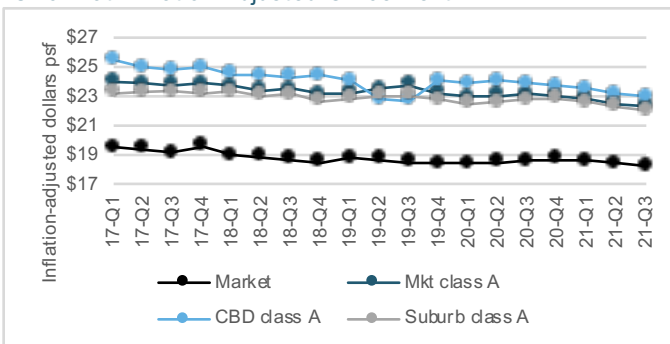
### Cincinnati Office Vacancy Rate



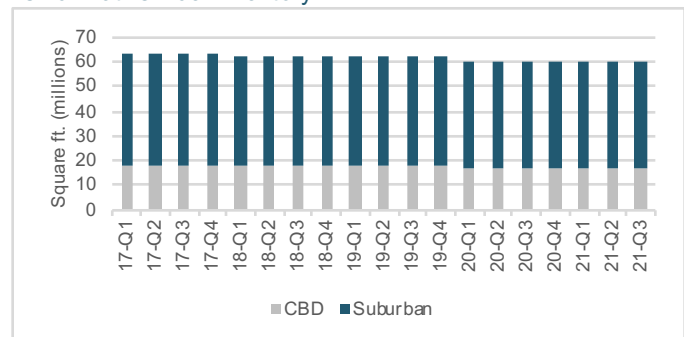
### Cincinnati Office Absorption



### Cincinnati Inflation-Adjusted Office Rent



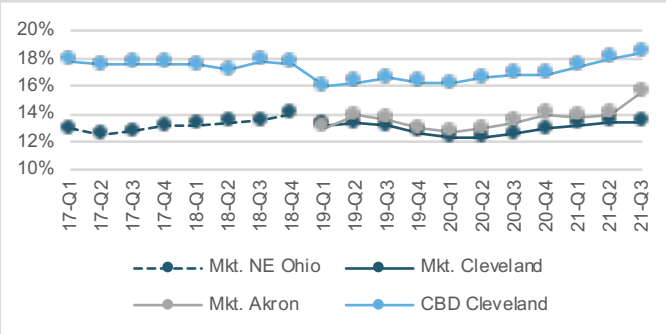
### Cincinnati Office Inventory



Source: Colliers International

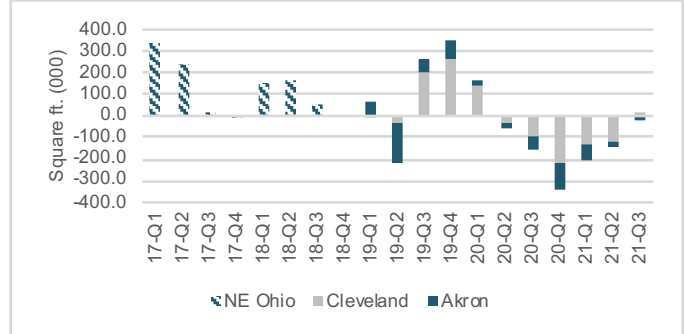


### Cleveland/Northeast Ohio Office Vacancy Rate



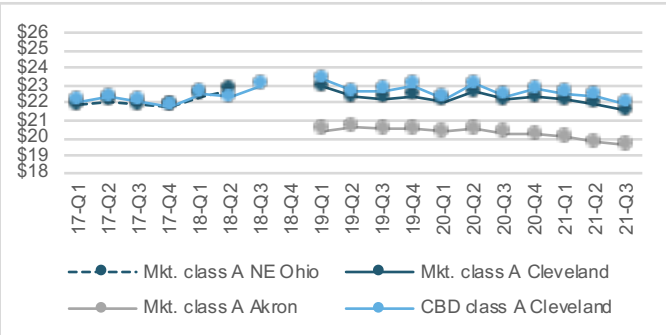
Source: Colliers International

### Cleveland/Northeast Ohio Office Absorption



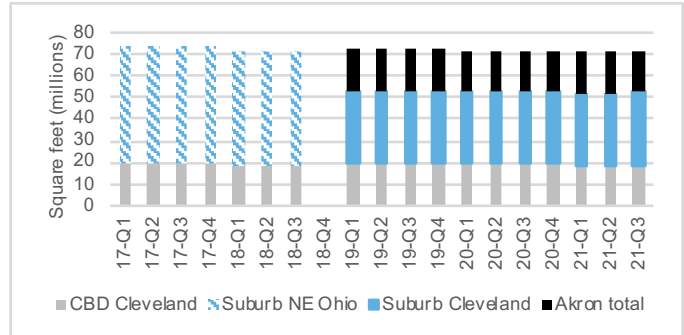
Source: Colliers International

### Cleveland/Northeast Ohio Inflation-Adjusted Office Rent



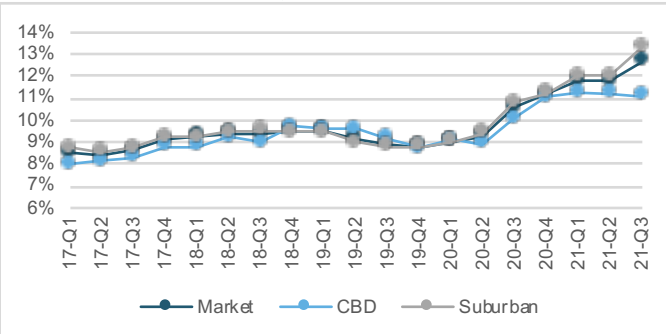
Source: Colliers International

### Cleveland/Northeast Ohio Office Inventory



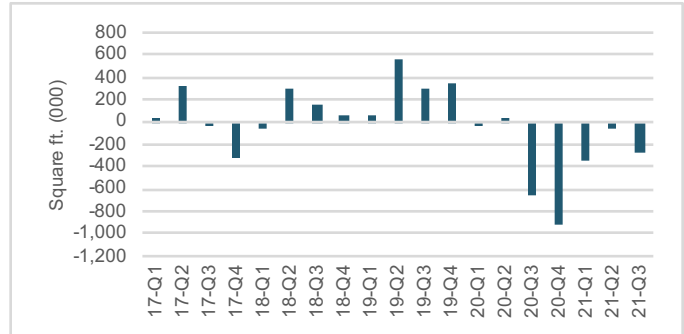
Source: Colliers International

### Columbus Office Vacancy Rate



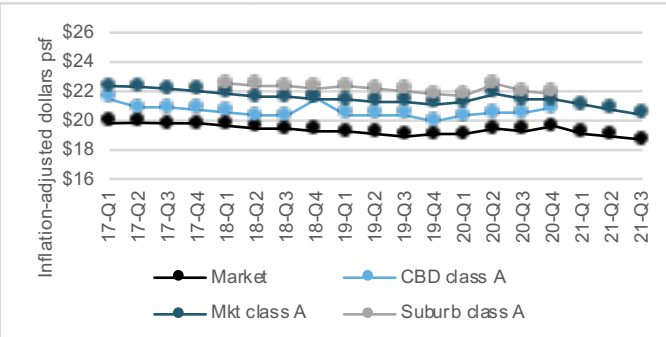
Source: Colliers International

### Columbus Office Absorption



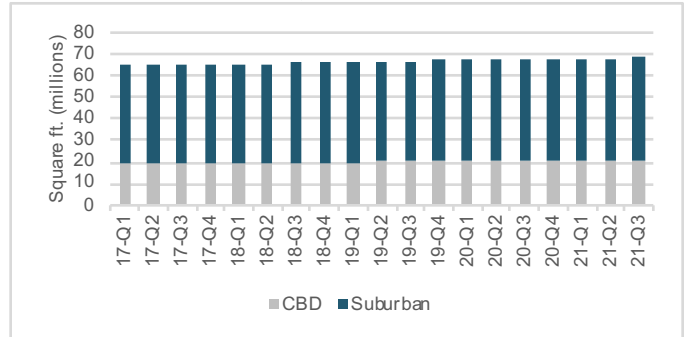
Source: Colliers International

### Columbus Inflation-Adjusted Office Rent



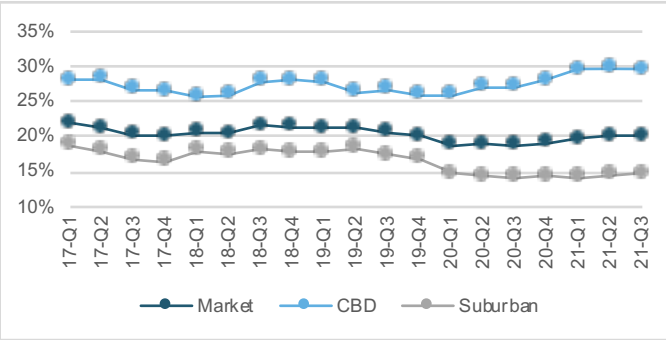
Source: Colliers International

### Columbus Office Inventory



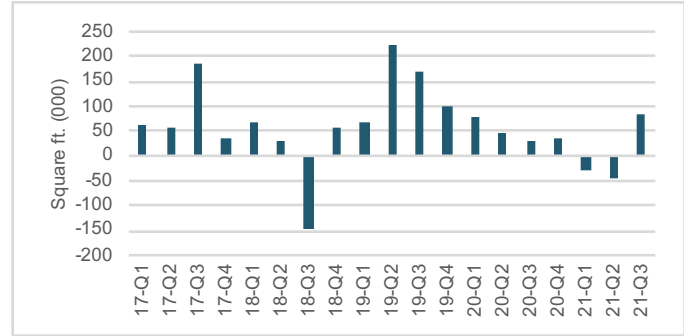
Source: Colliers International

### Dayton Office Vacancy Rate



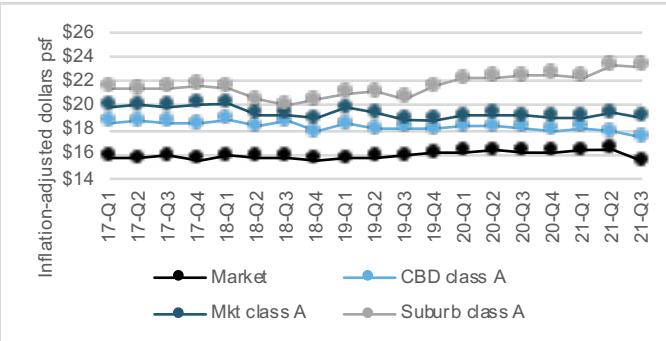
Source: Colliers International

### Dayton Office Absorption



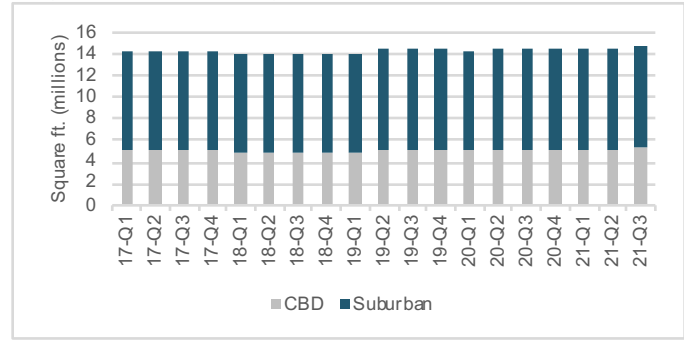
Source: Colliers International

### Dayton Inflation-Adjusted Office Rent



Source: Colliers International

### Dayton Office Inventory

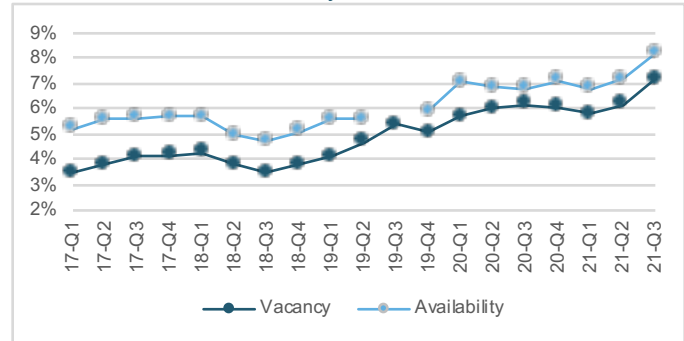


Source: Colliers International

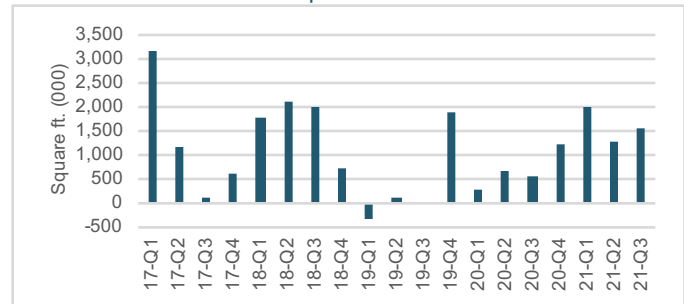
## Ohio Industrial Real Estate Markets

- o **Industrial absorption was positive in all four tracked markets.** Rents were generally higher as well.
- o **Cincinnati area vacancy rates rose to 7.2%.** This was far higher than the other markets. New space delivered so far this year totals 4.55 million square feet. Rents were flat.
- o **Northeast Ohio industrial vacancy is down a percentage point in a year, and now stands at 4.3%.** Absorption has been positive for nine consecutive quarters, and now totals 10.8 million square feet. Inflation-adjusted rents rose after five quarters of decline.
- o **The Columbus industrial vacancy rate plunged to 2.8%.** Another 4 million square feet of space was absorbed, and rents increased.
- o **Dayton industrial absorption exceeded 1.1 million square feet.** Rents came off last quarter's peak as vacancy fell to 5.2%.

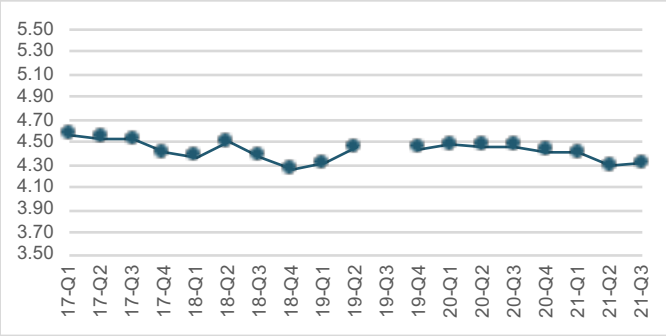
### Cincinnati Industrial Vacancy Rate



### Cincinnati Industrial Absorption

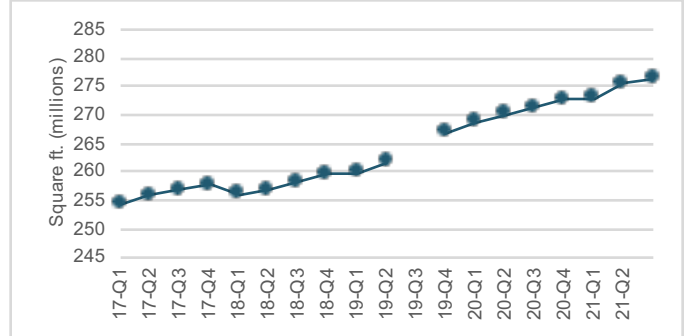


Cincinnati Inflation-Adjusted Industrial Rent



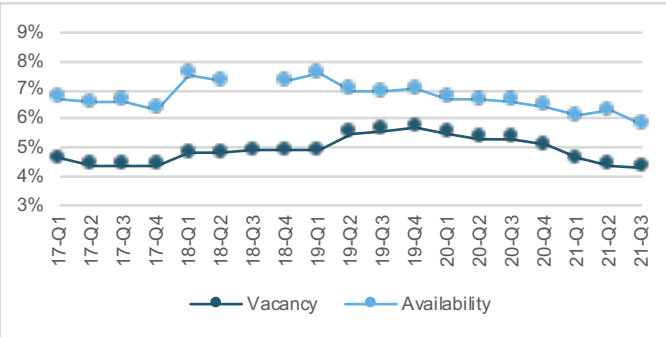
Source: Colliers International

Cincinnati Industrial Inventory



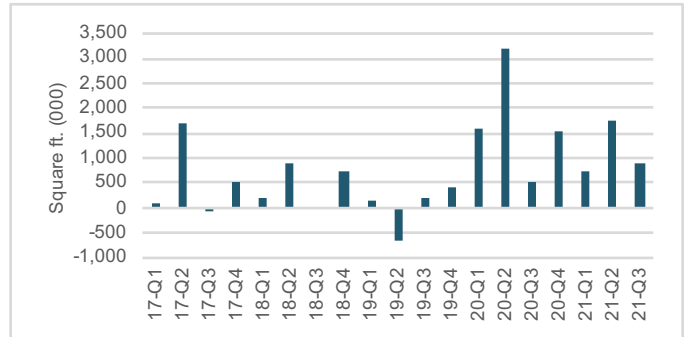
Source: Colliers International

Northeast Ohio Industrial Vacancy Rate



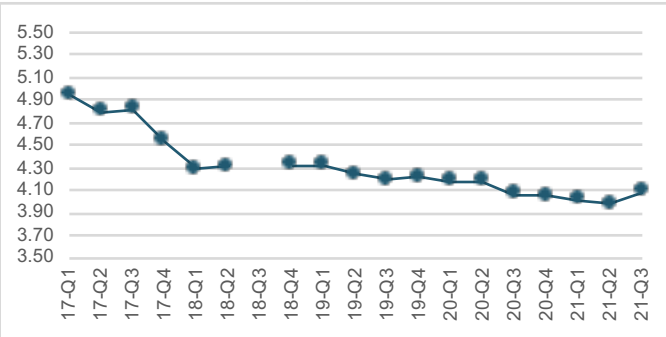
Source: Colliers International

Northeast Ohio Industrial Absorption



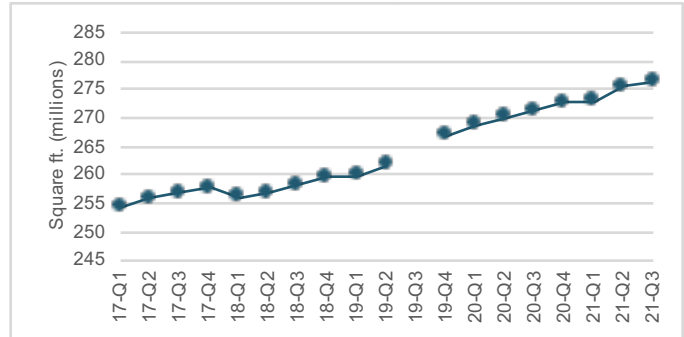
Source: Colliers International

Northeast Ohio Inflation-Adjusted Industrial Rent



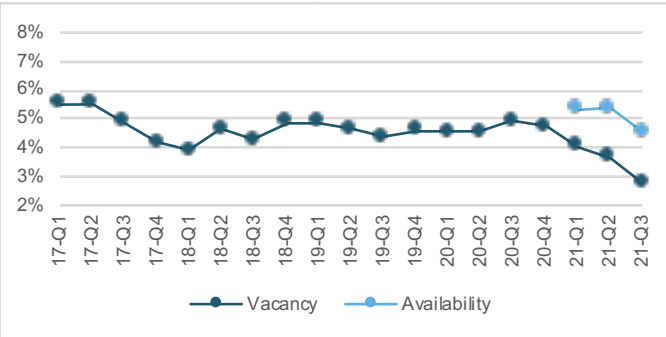
Source: Colliers International

Northeast Ohio Industrial Inventory



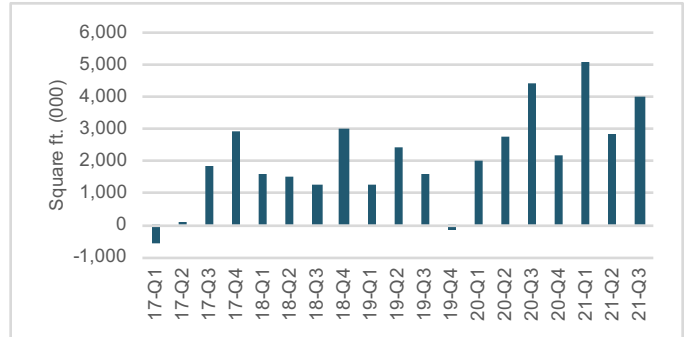
Source: Colliers International

Columbus Industrial Vacancy Rate



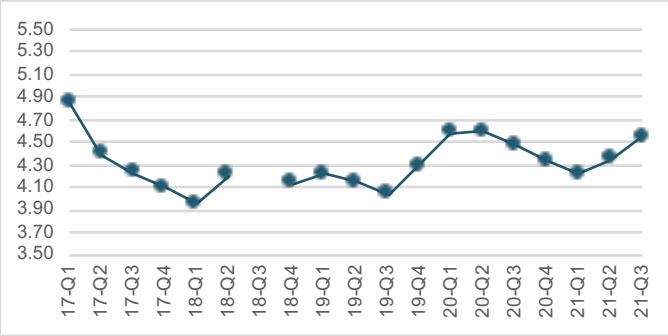
Source: Colliers International

Columbus Industrial Absorption



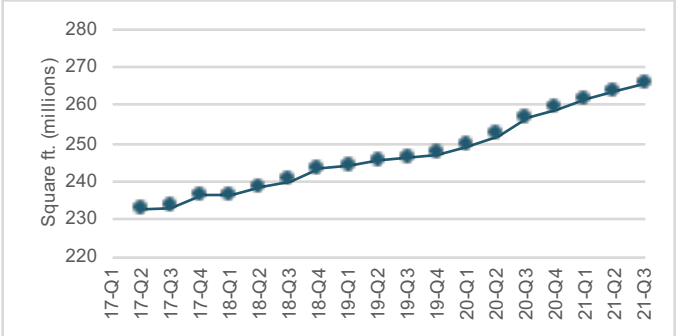
Source: Colliers International

Columbus Inflation-Adjusted Industrial Rent



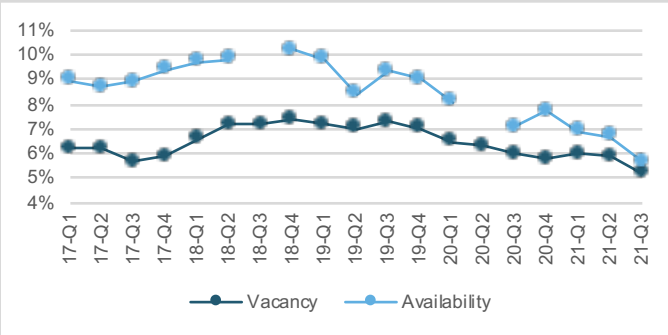
Source: Colliers International

Columbus Industrial Inventory



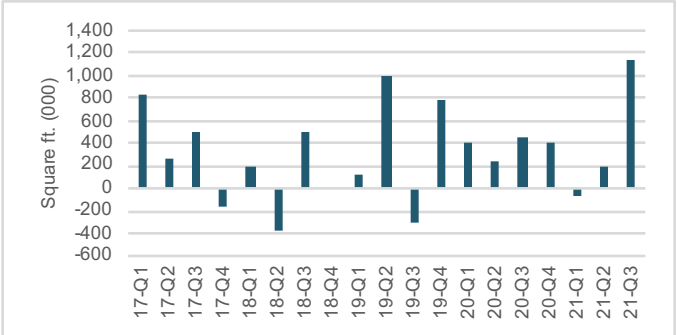
Source: Colliers International

Dayton Industrial Vacancy Rate



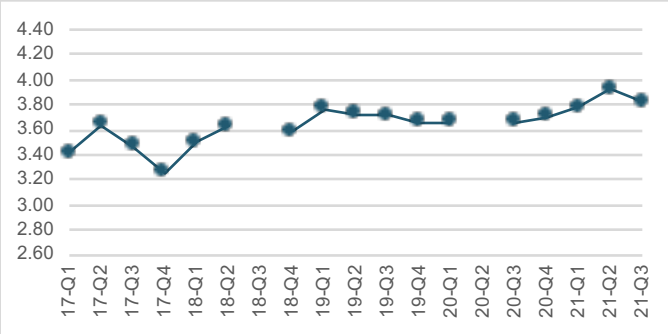
Source: Colliers International

Dayton Industrial Absorption



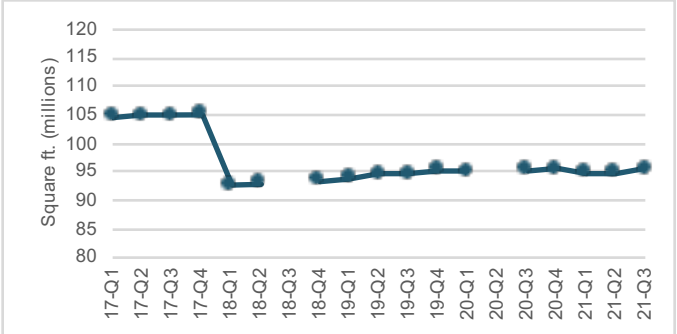
Source: Colliers International

Dayton Inflation-Adjusted Industrial Rent



Source: Colliers International

Dayton Industrial Inventory



Source: Colliers International