

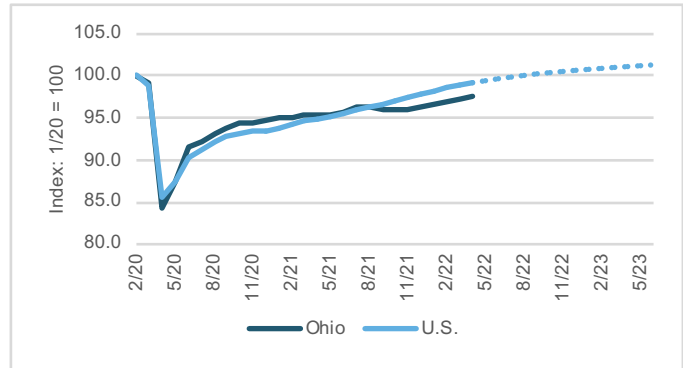
## Employment and Unemployment

- **Ohio employment growth was close to the U.S. average 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 41,200 (0.8%) between January and April. U.S. employment increased 1.0%.
- **Economists predict robust employment growth in the near term, but weaker in later quarters.** The dashed line in the employment chart is the consensus employment forecast of 53 economists from the May Outlook Survey of the National Association for Business Economics (NABE). Employment is expected to recover its 2020 losses in fall 2022.
- **The Ohio unemployment rate stood at 4.0% in April.** Ohio's rate is down from 4.3% in January. The April U.S. rate was 3.6%, down from 4.0%.

The charts below compare the trends in labor force (the denominator of the unemployment rate) and employment. Ohio labor force increased 0.5% between January and April while U.S. labor force increased 0.2%. Labor force increases put upward pressure on the unemployment rate, but the 0.8% increase in the number of employed Ohioans more than offset this impact.

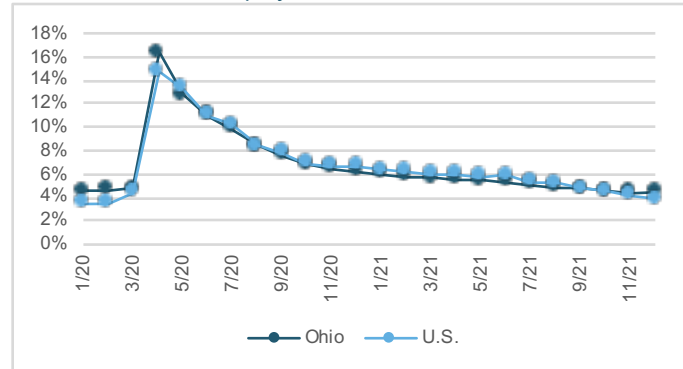
The smaller increase in the U.S. labor force was accompanied by an increase in resident employment that was also less than Ohio growth at 0.6%. Thus, while the U.S. unemployment rate is less than Ohio's, the recent national trends have been weaker than the Ohio trends.

Payroll Employment Change, Including U.S. Forecast



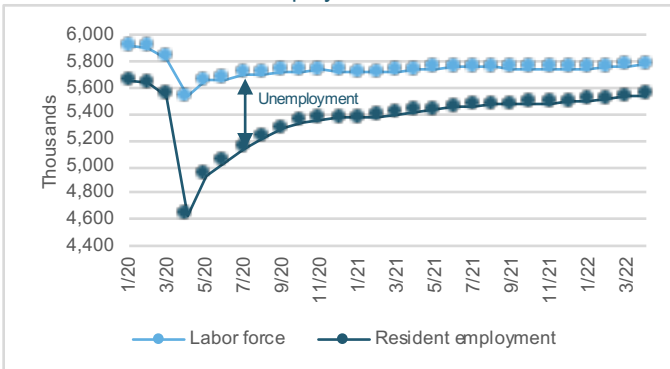
Source: U.S. Bureau of Labor Statistics, Philadelphia Federal Reserve.

Ohio and U.S. Unemployment Rates



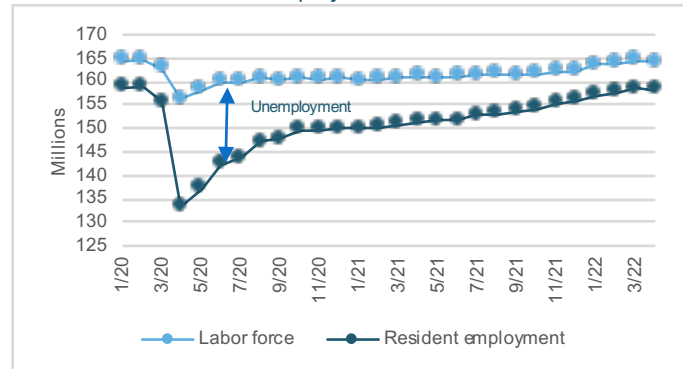
Source: Labor Force Statistics, U.S. Bureau of Labor Statistics.

Ohio Labor Force and Employment



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

U.S. Labor Force and Employment

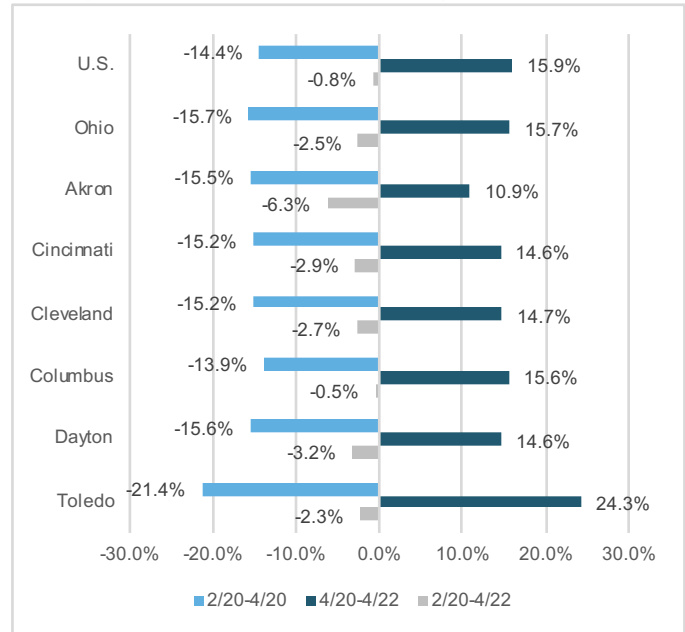


Source: Current Population Statistics, U.S. Bureau of Labor Statistics.

## Employment Changes by Region and Sector

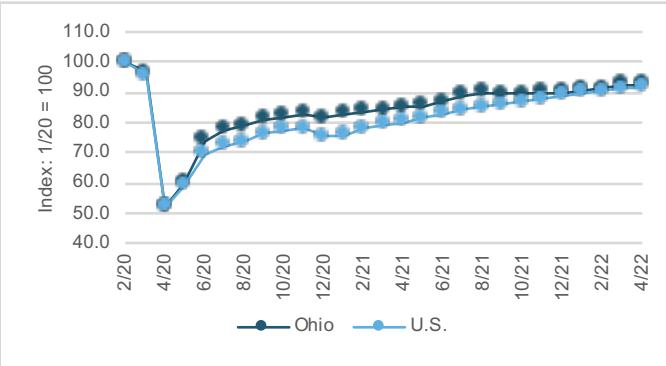
- o **Employment growth in most of Ohio's large metros lagged the 1.0% U.S. average between January and April.** Toledo gained 1.9%, Cleveland gained 1.1%, and Columbus matched the Ohio gain of 0.8%. However, Dayton gained only 0.4%, Cincinnati lost 0.3%, and Akron lost 0.5%. Columbus employment is now only 0.5% less than before the pandemic.
- o **Ohio leisure and hospitality employment increased 2.1% from January, slightly greater than the 2.0% U.S. average.**
- o **Employment growth in three office-using sectors was mixed.** Business services gained 0.9% in Ohio versus 1.0% nationally. Finance and insurance lost 0.3% in Ohio while gaining 0.7% nationally. Healthcare gained 0.3%, close to the 0.9% U.S. gain.
- o **Ohio real estate employment continued to decline.** Employment fell 1.2% between January and April compared to a U.S. gain of 1.4%.
- o **This report includes a special feature showing annual revisions to the 2020 and 2021 payroll employment estimates.** The charts on pages 13 and 14 show that Cleveland and Columbus were closer to full recovery in December than suggested in the preliminary estimates featured in previous issues of this update, while Akron and Cincinnati were further away.

Employment Loss, Gain and Net Change

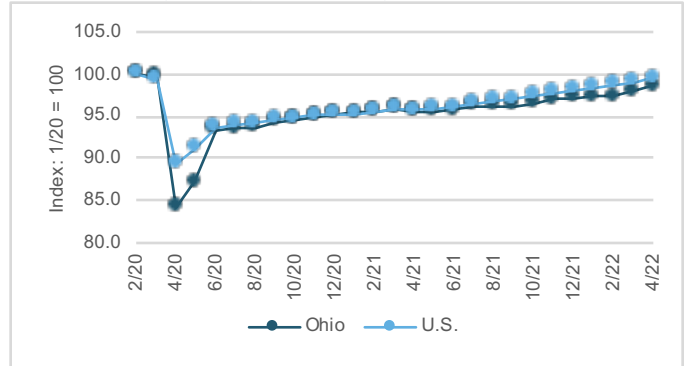


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

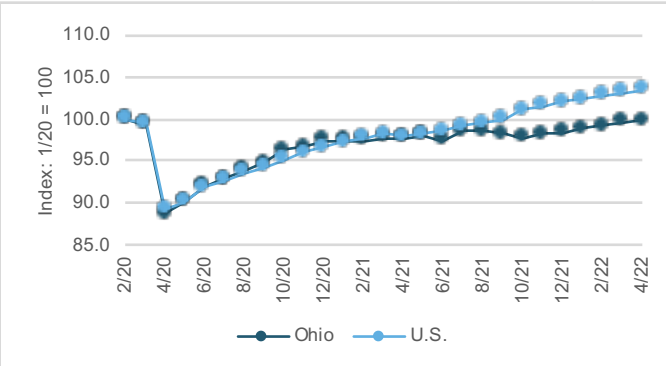
Leisure and Hospitality Employment Change



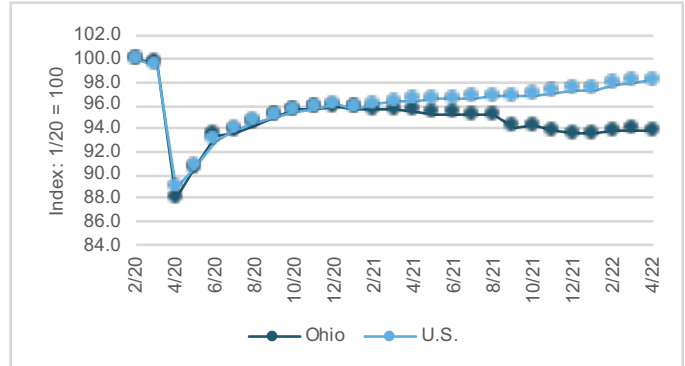
Manufacturing Employment Change



Professional & Business Services Employment Change

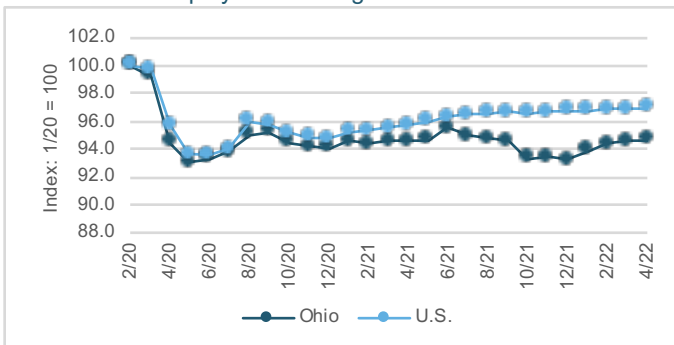


Healthcare & Social Assistance Employment Change

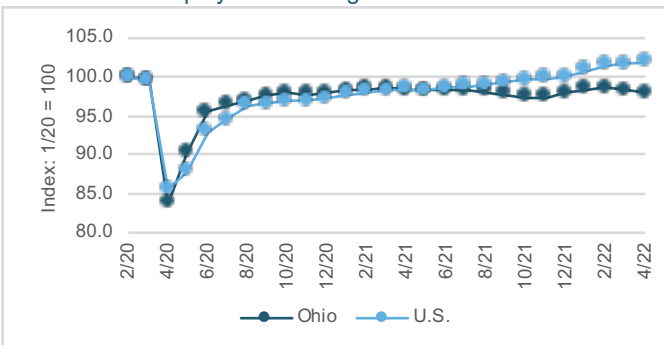


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

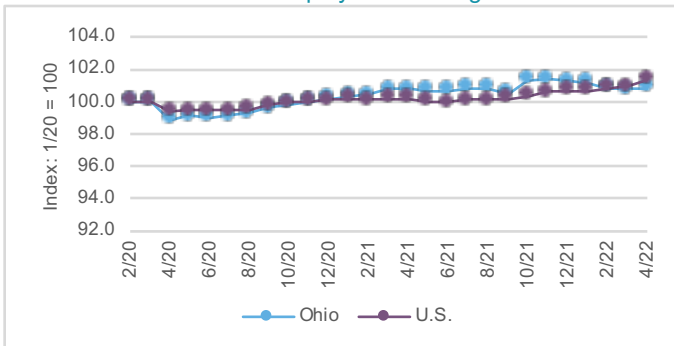
### Government Employment Change



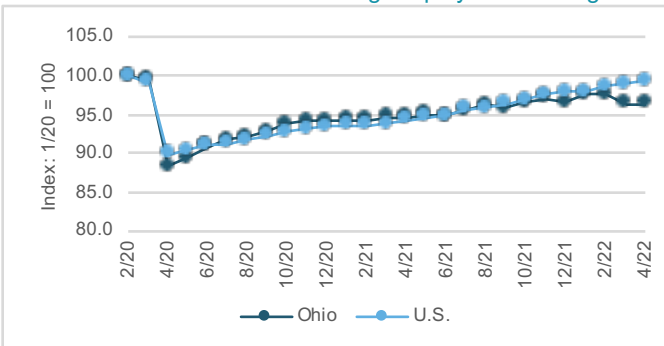
### Retail Trade Employment Change



### Finance and Insurance Employment Change



### Real Estate and Rental & Leasing Employment Change

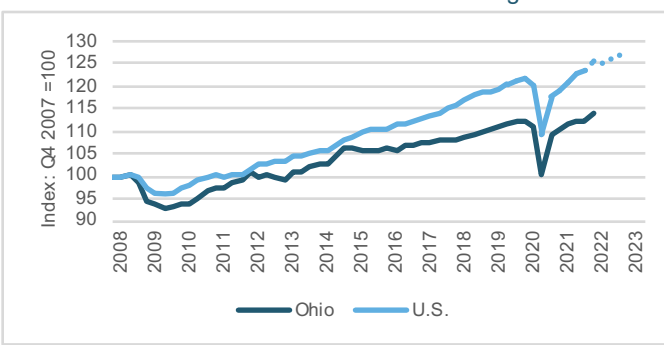


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

## Broad Economic Indicators

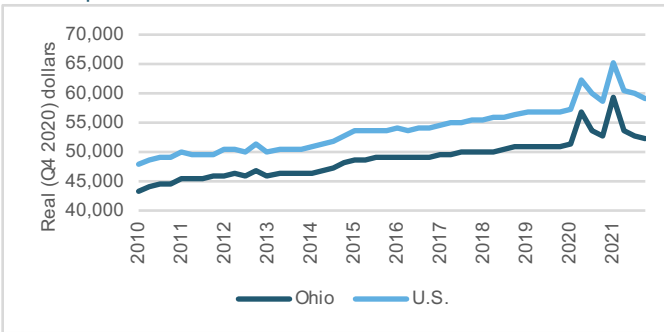
- **U.S. inflation-adjusted gross domestic product (GDP) fell an annualized 1.5% in the first quarter.** While the crucial consumer sector increased 2.5%, government expenditures and exports decreased, while imports (a deduction from GDP) increased.
- **Ohio GDP increased 5.5% in the most recent quarter available.** While Ohio's Q4 gain was less than that quarter's 6.9% U.S. average, it was the largest increase since Q2 2014 – excluding the post-lockdown surge.
- **Per-capita personal income (PCPI) gains were overcome by inflation again.** Inflation-adjusted Q4 PCPI fell 1.1% from Q3 in Ohio and 1.4% nationwide. Ohio PCPI is up 2.4% from the pre-pandemic Q4 2019, though. U.S. PCPI is up 3.6%.
- **Fourth quarter inflation increased to 8% year-over-year.** Most economists still expect inflation to subside during 2022, thanks in part to Federal Reserve intervention. The economists in the May Philadelphia Federal Reserve survey expect inflation to cool to 3.5% by year-end.
- **Consumer sentiment fell to its lowest level in nearly 11 years in May.** Inflation led to pessimism over the state of the economy. Still, consumers were generally more optimistic regarding their own financial status than previously.

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



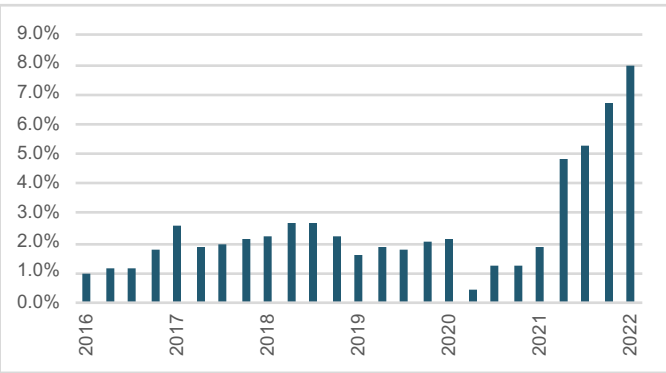
Source: U.S. Bureau of Economic Analysis; Philadelphia Federal Reserve.

### Per-Capita Personal Income



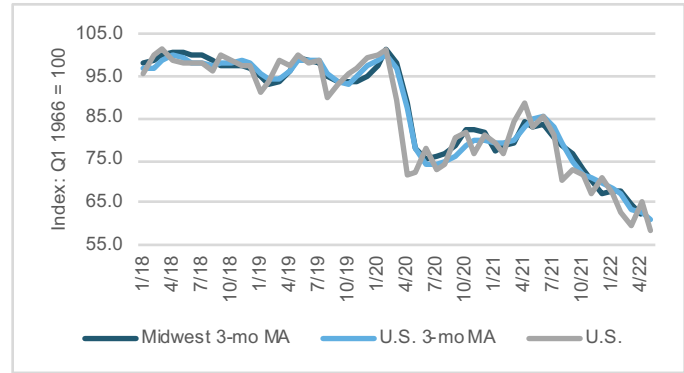
Source: U.S. Bureau of Economic Analysis.

## 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 passenger traffic was much higher in March than in March 2021.** The six airports enjoyed a 62% year-over-year gain. Gains at all airports except Toledo were 50% or more. Toledo's gain was 28%; Akron-Canton's was 97%.
- **The net decline from March 2019 for the six airports narrowed to less than 16%.** Akron-Canton was off 26%, Cincinnati traffic was off 20%, Cleveland was off 8.4%, Columbus was off 15%, Dayton was off 33%, and Toledo was off 10%.

### 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

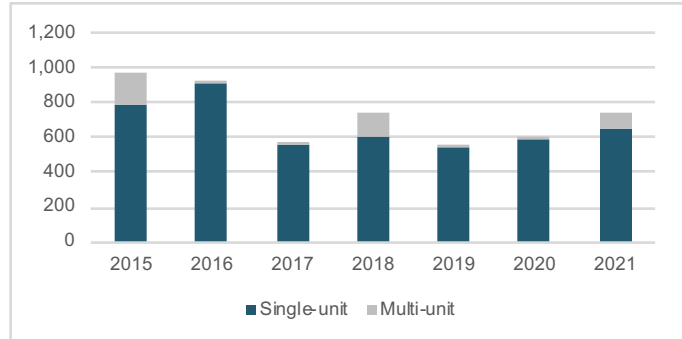
- **First quarter Ohio housing permit activity was substantially higher than a year ago.** Q1 permits statewide were up 48% from Q1 2021, to 30,900. Single-unit permits were up 39% to 20,354.
- **First quarter activity in most of the state's large metros was up from a year ago.** Akron's permits were up 65% from Q1 2021, and single-unit permits were up 34%. Cincinnati permits overall were down 8.1% due solely to lower multi-unit permit volume; single-unit permits were up 14%. Overall permitting in Cleveland increased 50%, with single-unit permits up 23%. Year-over-year permitting gains in Columbus, Dayton, and Toledo were greater than 70%.
- **The Federal Housing Finance Authority's House Price Index showed mixed results for Ohio and its MSAs in the first quarter.** Ohio house prices were up 2.9% from Q4, compared to a 3.6% gain nationally. Larger-than-average gains occurred in Cincinnati (3.7%) and Columbus (4%). Gains elsewhere were less than average: Dayton with 2.8%, Akron with 2.4%, and Cleveland and Toledo with 2.2%.

Akron MSA Housing Units Permitted by Quarter



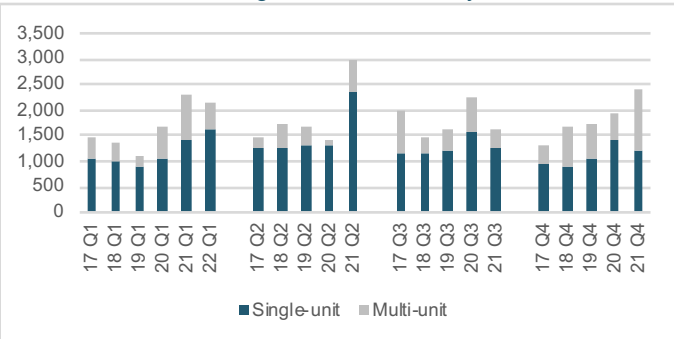
Source: U.S. Census Bureau

Akron MSA Housing Units Permitted Annually



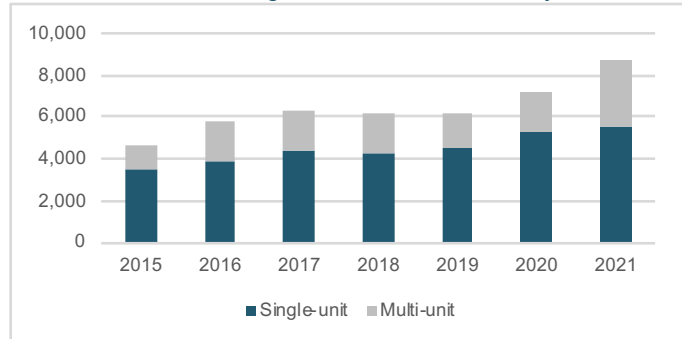
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted by Quarter



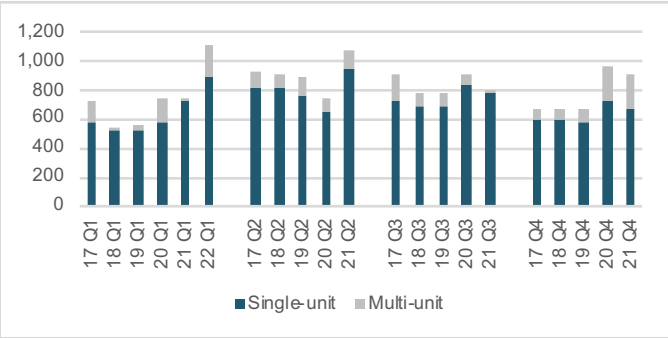
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted Annually



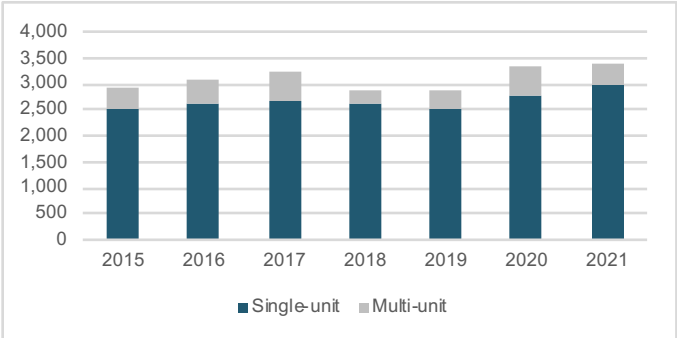
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted by Quarter



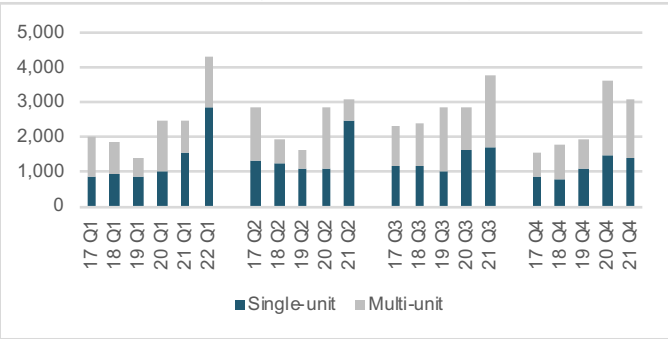
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted Annually



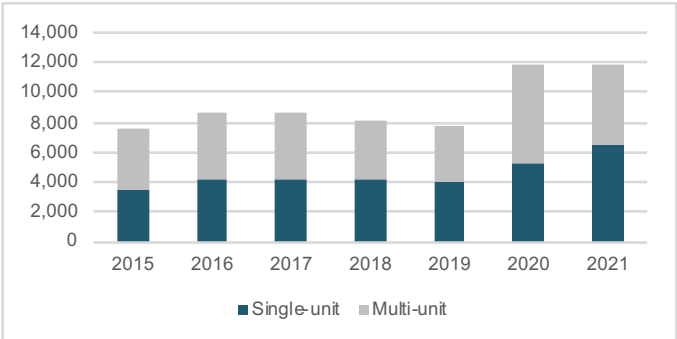
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted by Quarter



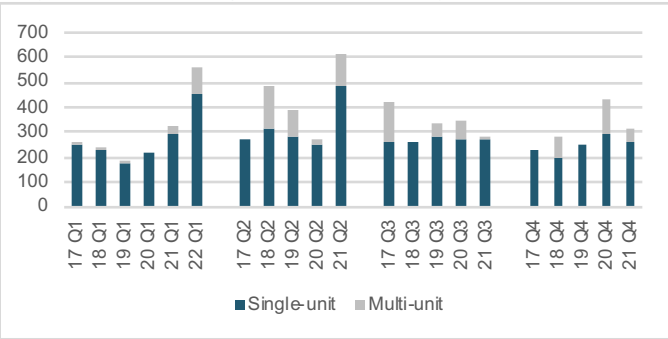
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted Annually



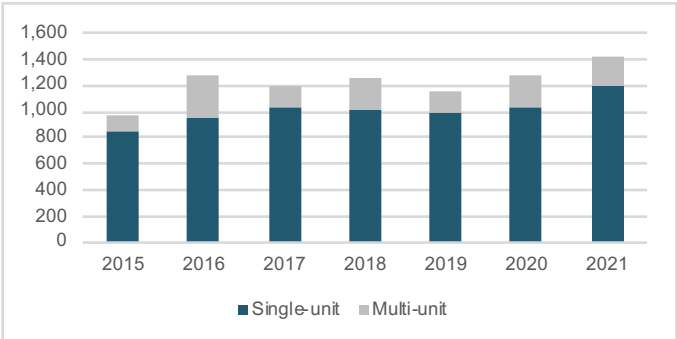
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted by Quarter



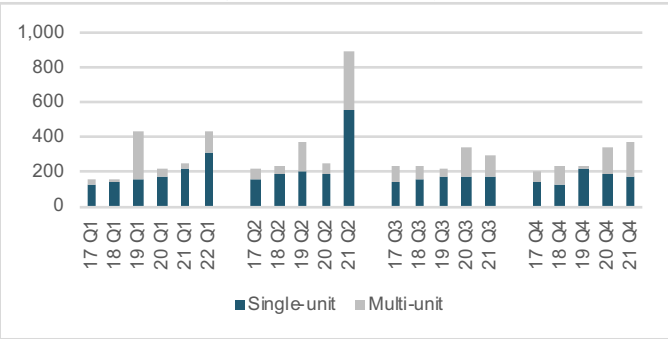
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted Annually



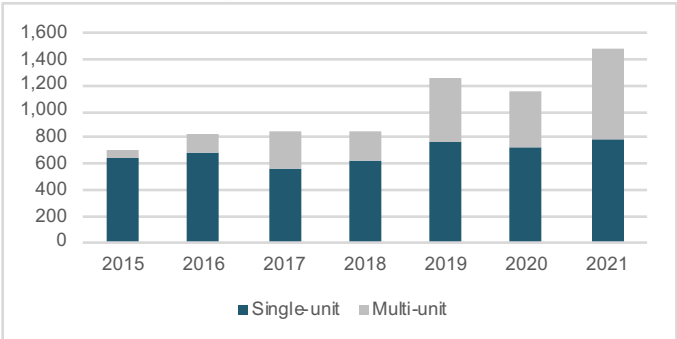
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted by Quarter



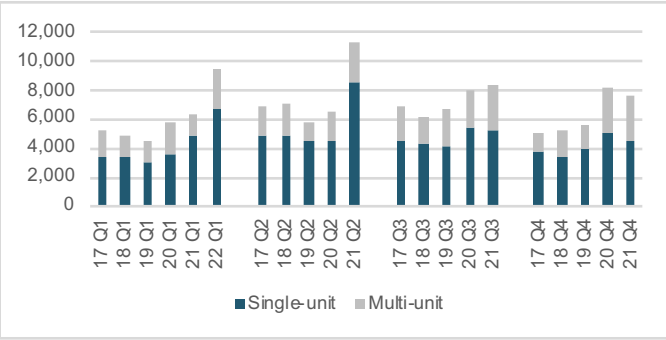
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted Annually



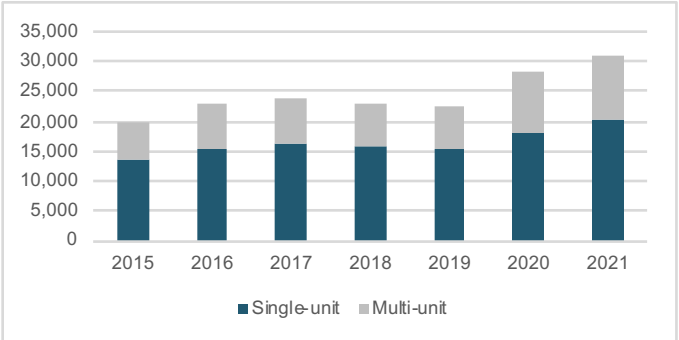
Source: U.S. Census Bureau

Ohio Housing Units Permitted by Quarter



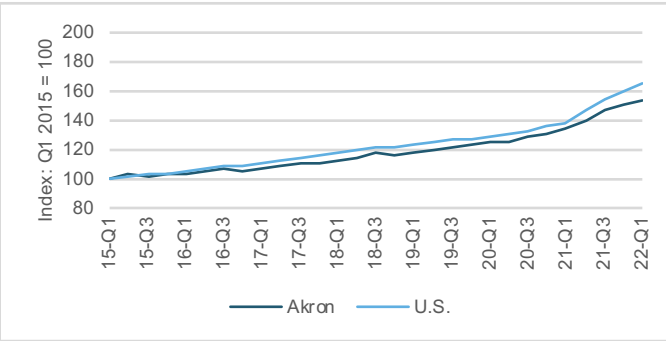
Source: U.S. Census Bureau

Ohio Housing Units Permitted Annually



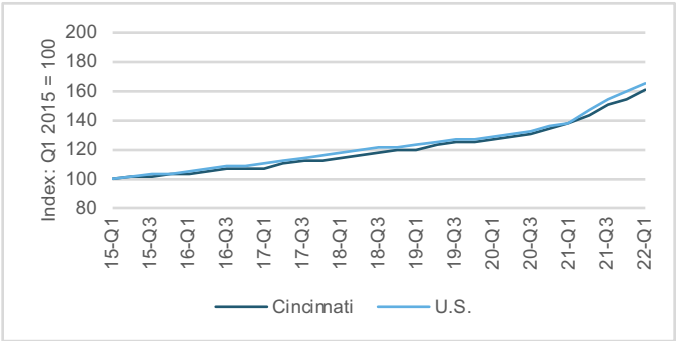
Source: U.S. Census Bureau

Akron MSA and U.S. FHFA House Price Index



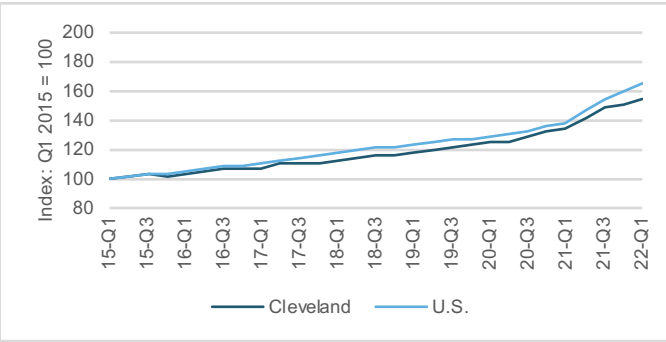
Source: Federal Housing Finance Agency.

Cincinnati MSA and U.S. FHFA House Price Index



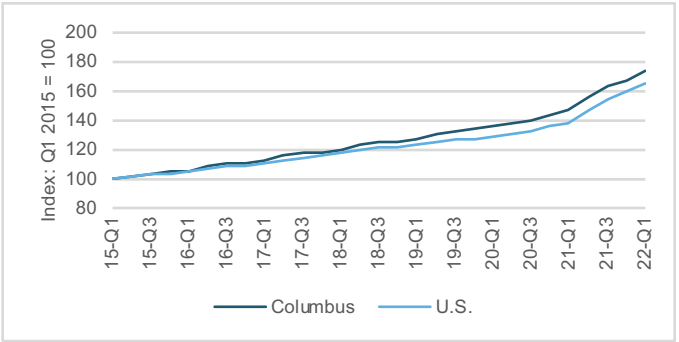
Source: Federal Housing Finance Agency.

Cleveland MSA and U.S. FHFA House Price Index



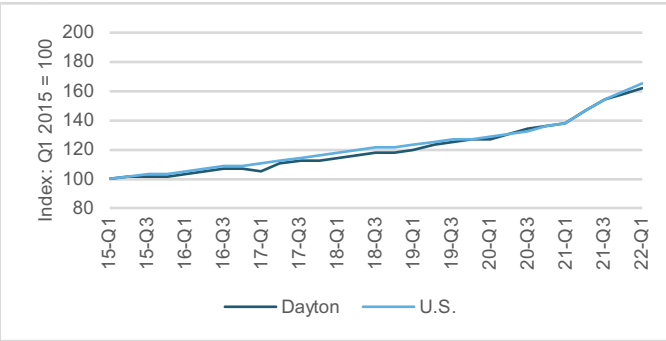
Source: Federal Housing Finance Agency.

Columbus MSA and U.S. FHFA House Price Index



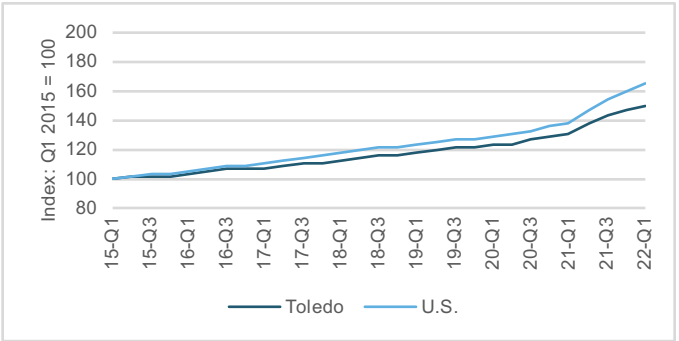
Source: Federal Housing Finance Agency.

Dayton MSA and U.S. FHFA House Price Index



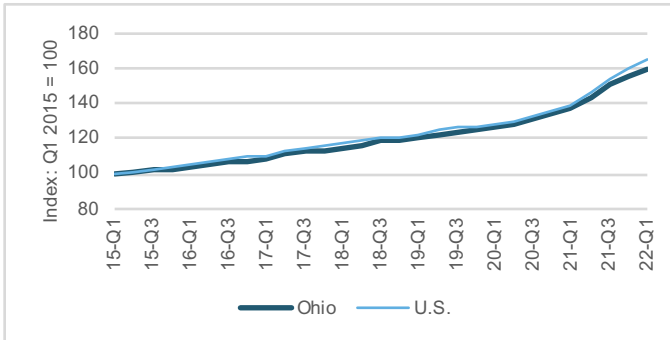
Source: Federal Housing Finance Agency.

Toledo MSA and U.S. FHFA House Price Index



Source: Federal Housing Finance Agency.

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

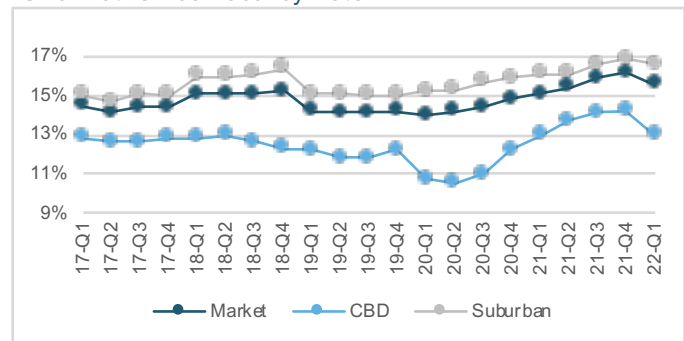


Source: Federal Housing Finance Agency.

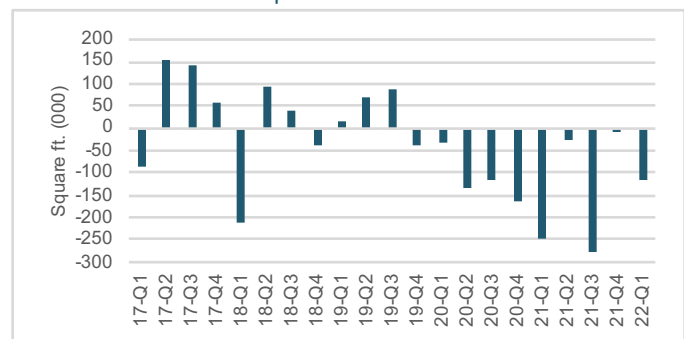
## Ohio Office Real Estate Markets

- Office vacancy rate changes were mixed. Cincinnati's vacancy fell after seven quarters of increases. Cleveland CBD vacancy fell sharply, spurring a slight improvement in the market's vacancy. Columbus vacancy increased slightly. Vacancy in Akron and Dayton remained stable.
- Absorption trends were also mixed. Cincinnati's and Dayton's negative absorption worsened. Cleveland and Akron's absorption remained positive and improved for a second quarter. Absorption in Columbus turned positive for the first time since before the pandemic.
- High inflation continued to overwhelm rent increases in most cases. Class A market rents, after adjusting for inflation, fell 2.4% in Akron and Cleveland, 3.7% in Cincinnati, 1.7% in Columbus, and 1.5% in Dayton. Dayton's total office market rent increased 3%, though, thanks to large increases in class B and C rents.

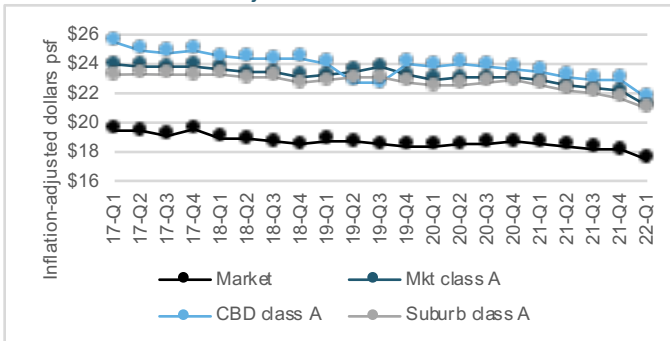
### Cincinnati Office Vacancy Rate



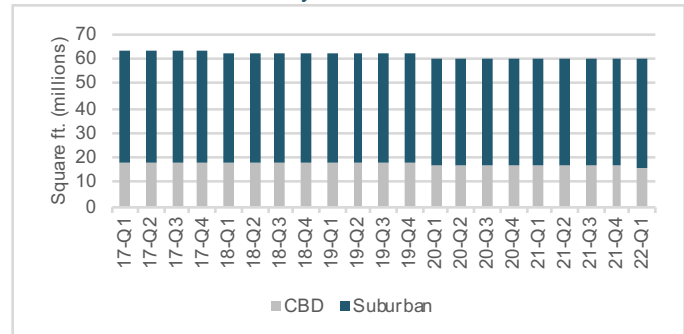
### Cincinnati Office Absorption



### Cincinnati Inflation-Adjusted Office Rent



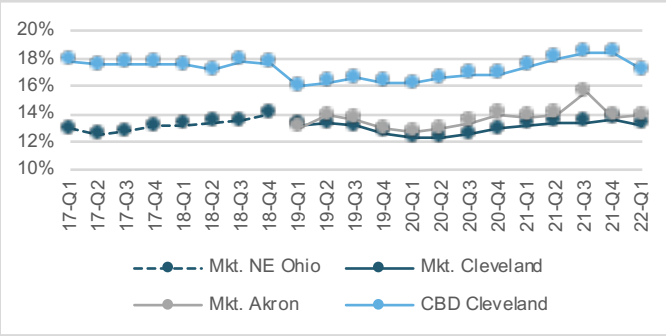
### Cincinnati Office Inventory



Source: Colliers International

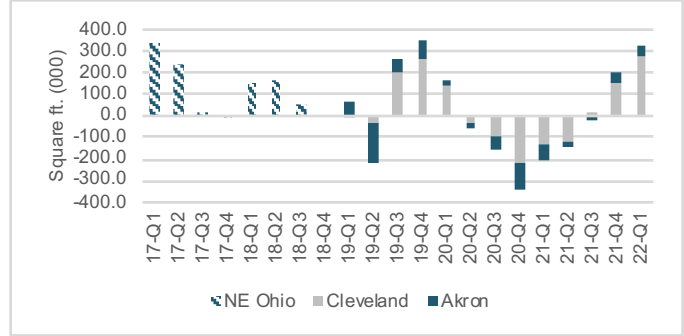


Cleveland/Northeast Ohio Office Vacancy Rate



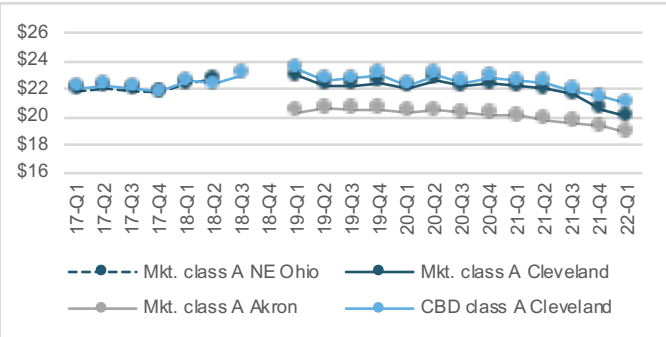
Source: Colliers International

Cleveland/Northeast Ohio Office Absorption



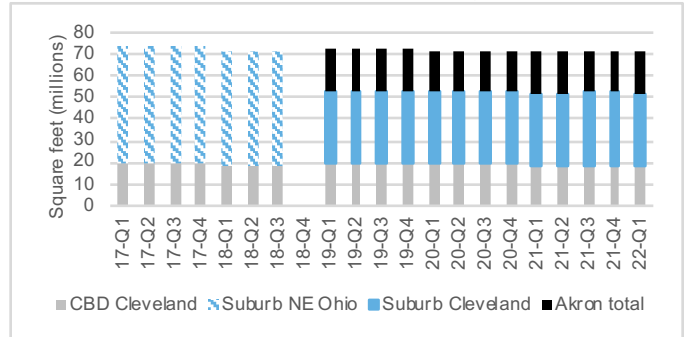
Source: Colliers International

Cleveland/Northeast Ohio Inflation-Adjusted Office Rent



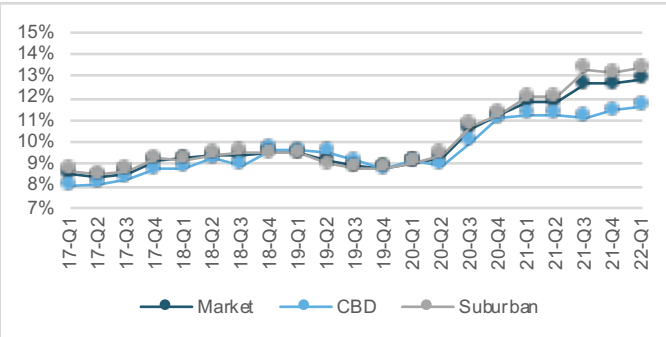
Source: Colliers International

Cleveland/Northeast Ohio Office Inventory



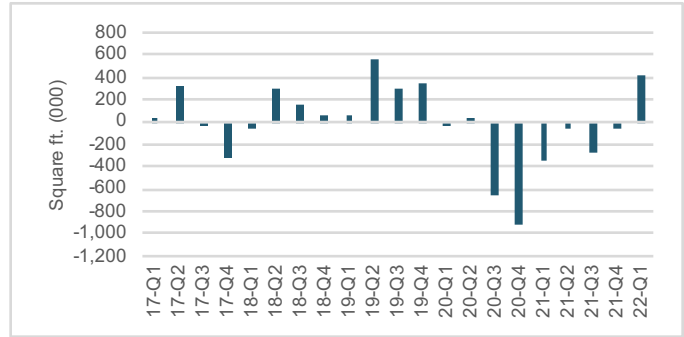
Source: Colliers International

Columbus Office Vacancy Rate



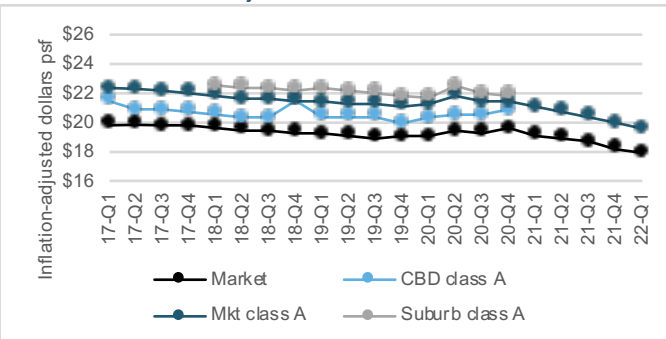
Source: Colliers International

Columbus Office Absorption



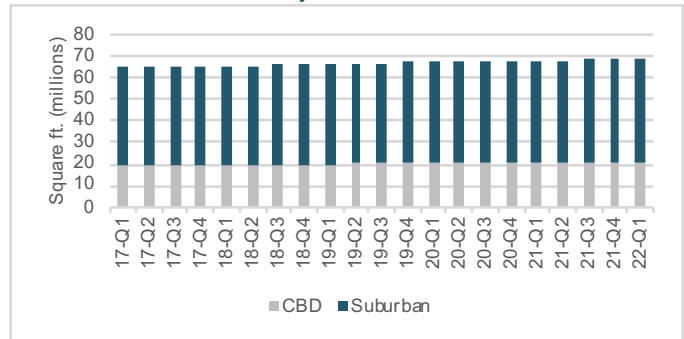
Source: Colliers International

Columbus Inflation-Adjusted Office Rent



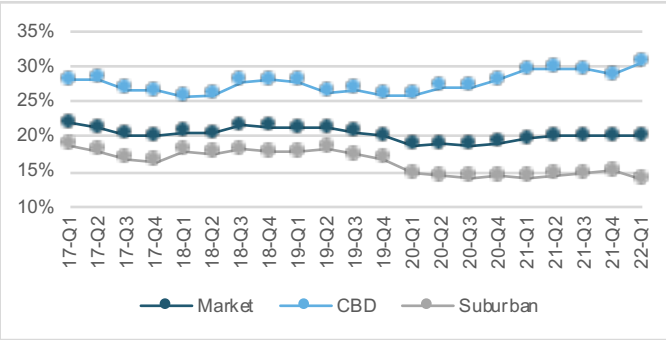
Source: Colliers International

Columbus Office Inventory



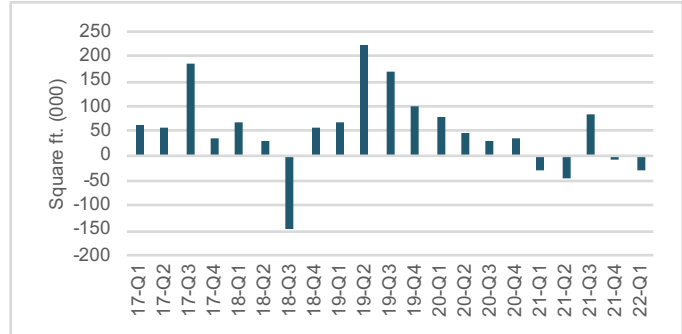
Source: Colliers International

Dayton Office Vacancy Rate



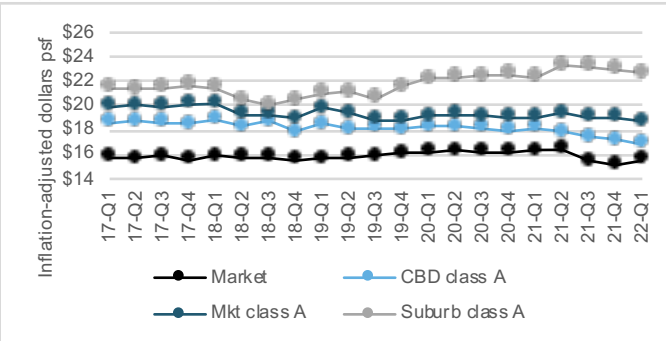
Source: Colliers International

Dayton Office Absorption



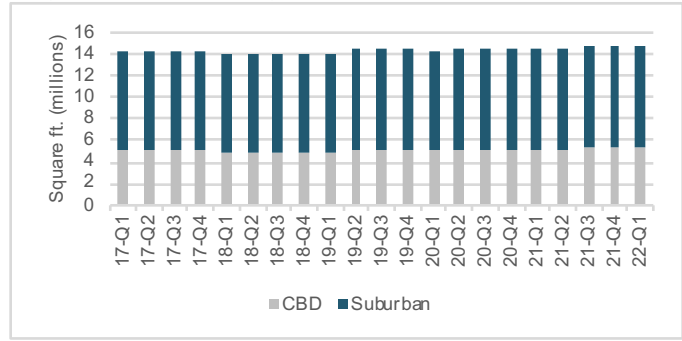
Source: Colliers International

Dayton Inflation-Adjusted Office Rent



Source: Colliers International

Dayton Office Inventory

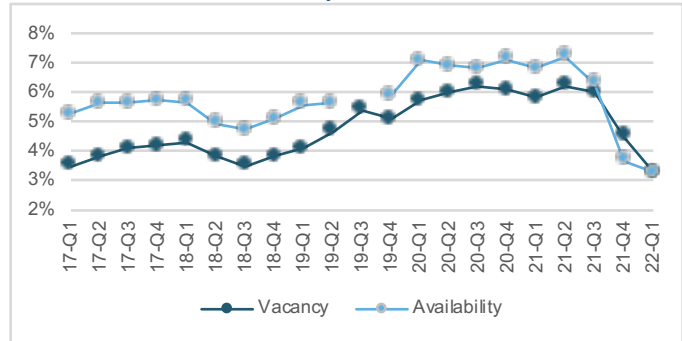


Source: Colliers International

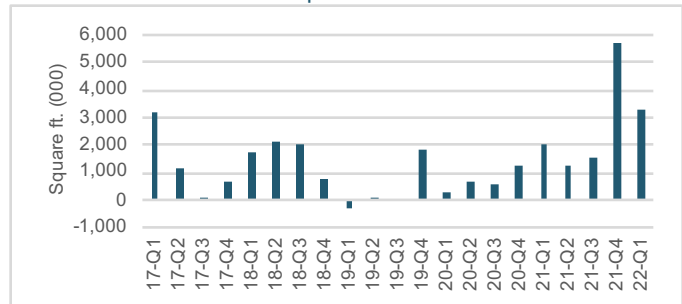
## Ohio Industrial Real Estate Markets

- **Industrial vacancy rates fell in all markets except Northeast Ohio.** Vacancy in Columbus fell to 1.6%. Declines were also registered in Cincinnati and Dayton. Eight consecutive quarters of declining vacancy in Northeast Ohio broke with an increase to a still low 4.4%.
- **Absorption remained positive in all markets.** Absorption in the Cincinnati market was off from the 5.7 million square foot pace in Q4, but still very high. Northeast Ohio was well down from recent quarters, consistent with the vacancy increase. Absorption was steady in Columbus, but sharply higher in Dayton.
- **Inflation-adjusted rent changes were mixed.** The strengthening Cincinnati industrial market allowed lessors to increase rents 2% after inflation. However, despite the sharp declines in Columbus vacancy, adjusted rents there fell 5.2%. Rents in Dayton were stable, while loosening in the Northeast Ohio market led to a 10.1% decline after inflation.

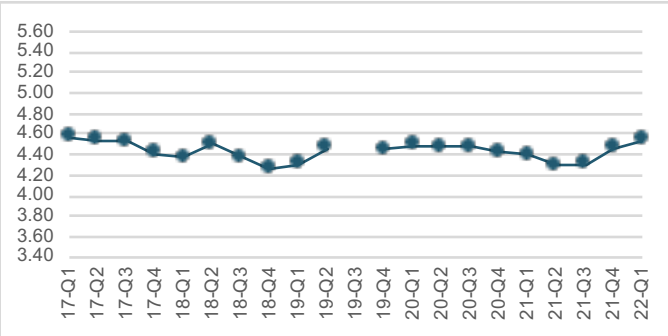
Cincinnati Industrial Vacancy Rate



Cincinnati Industrial Absorption

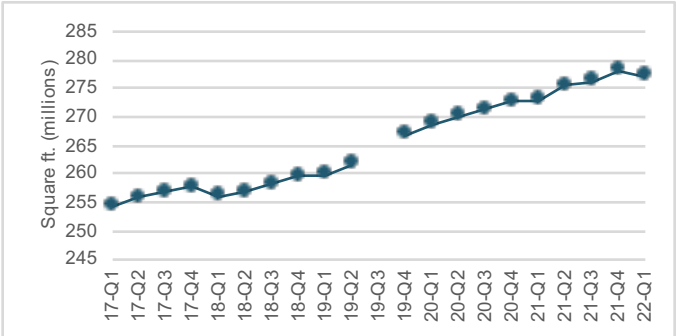


Cincinnati Inflation-Adjusted Industrial Rent



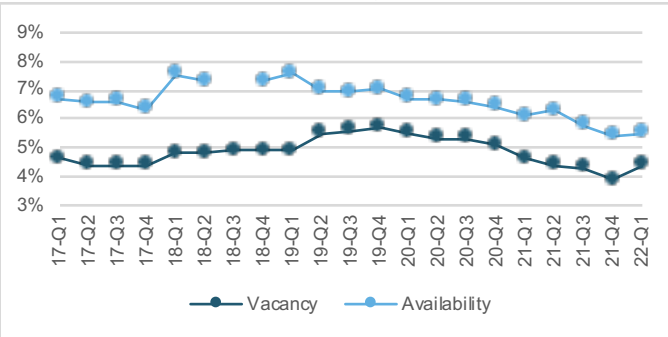
Source: Colliers International

Cincinnati Industrial Inventory



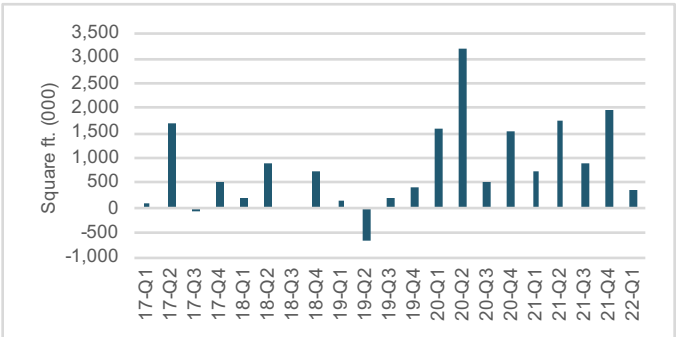
Source: Colliers International

Northeast Ohio Industrial Vacancy Rate



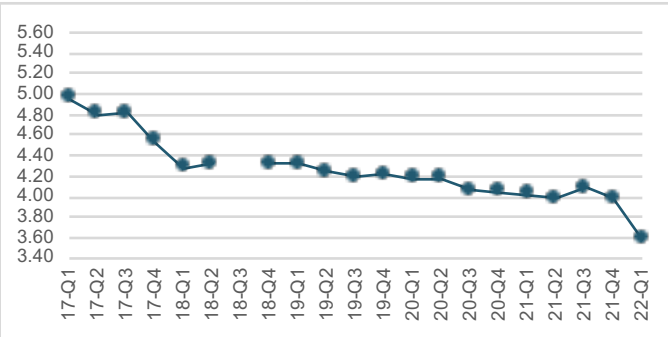
Source: Colliers International

Northeast Ohio Industrial Absorption



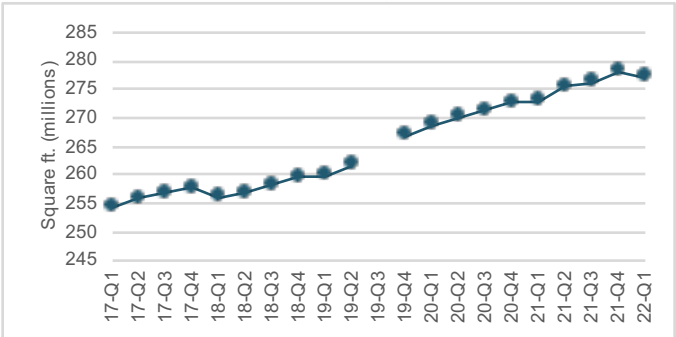
Source: Colliers International

Northeast Ohio Inflation-Adjusted Industrial Rent



Source: Colliers International

Northeast Ohio Industrial Inventory



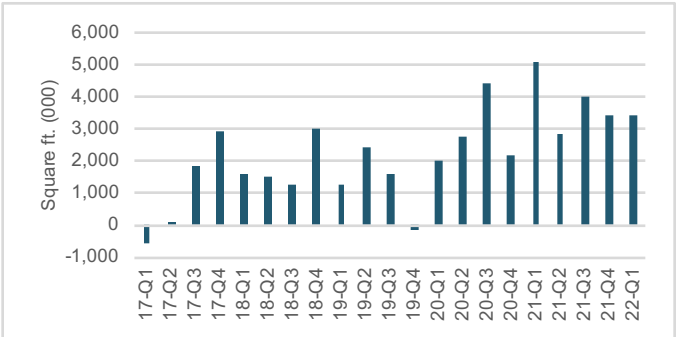
Source: Colliers International

Columbus Industrial Vacancy Rate



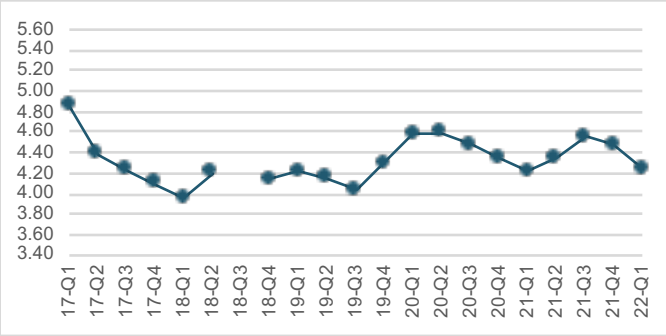
Source: Colliers International

Columbus Industrial Absorption



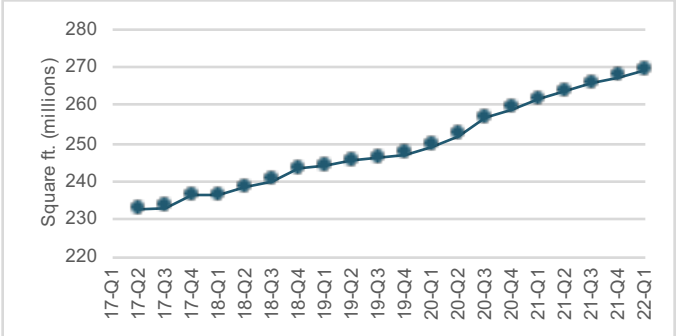
Source: Colliers International

Columbus Inflation-Adjusted Industrial Rent



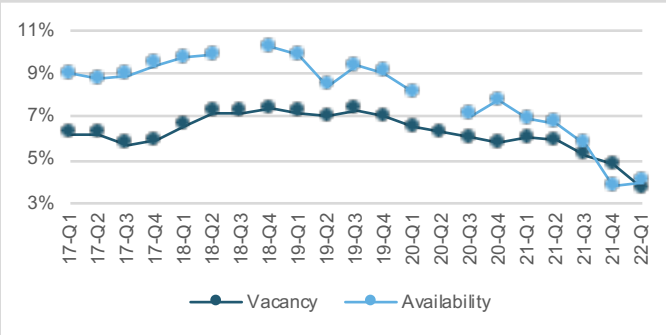
Source: Colliers International

Columbus Industrial Inventory



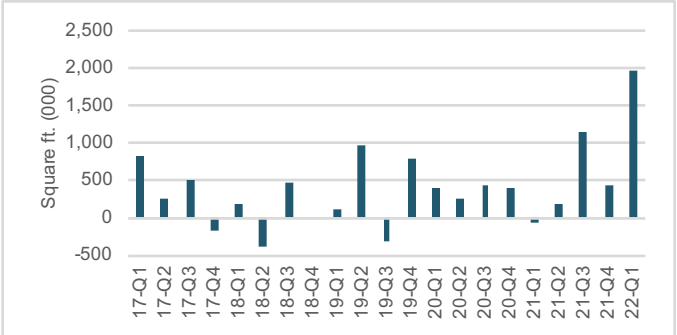
Source: Colliers International

Dayton Industrial Vacancy Rate



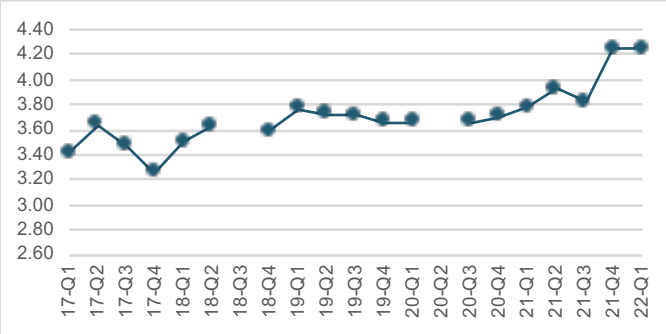
Source: Colliers International

Dayton Industrial Absorption



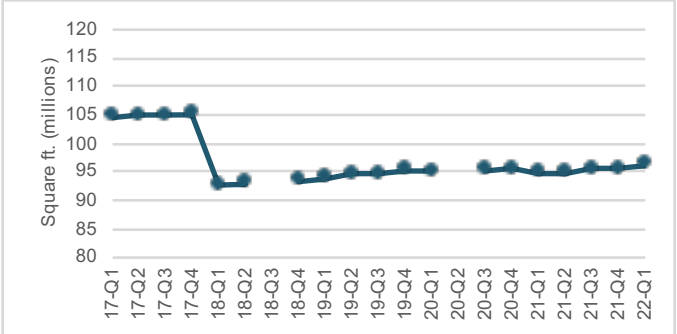
Source: Colliers International

Dayton Inflation-Adjusted Industrial Rent



Source: Colliers International

Dayton Industrial Inventory

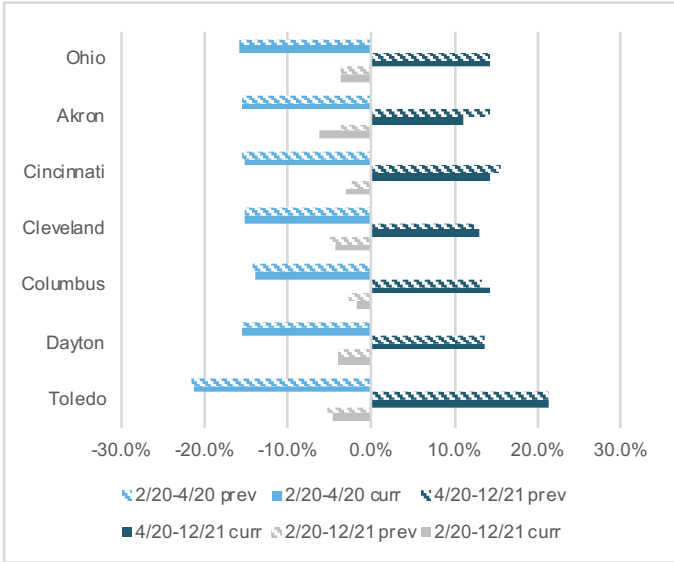


Source: Colliers International

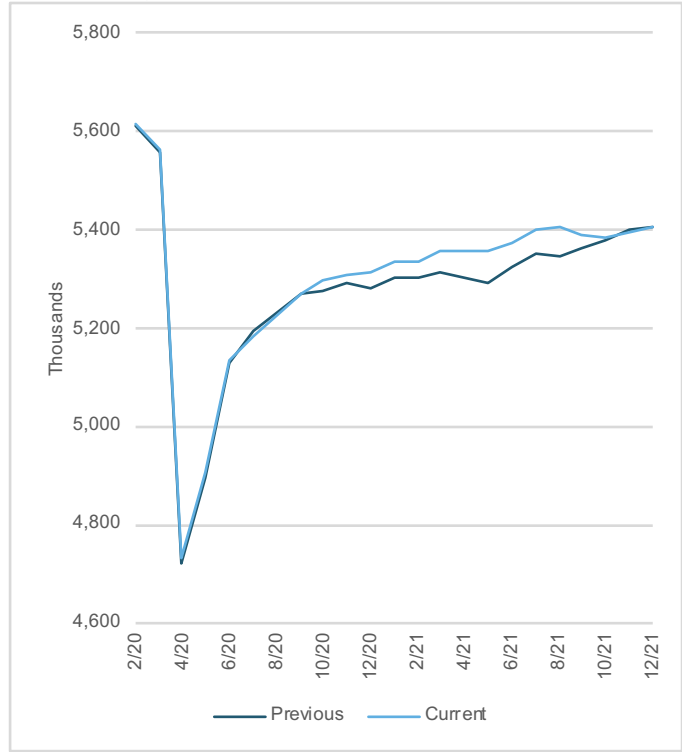
## SPECIAL FEATURE: Revisions of Ohio and MSA Employment

Annually in March, the Bureau of Labor Statistics revises monthly payroll employment estimates as featured on pp. 2-3 for the previous two years. These charts contrast previous and current estimates after this year's revisions.

Previous and Current Employment Loss, Gain and Net Change



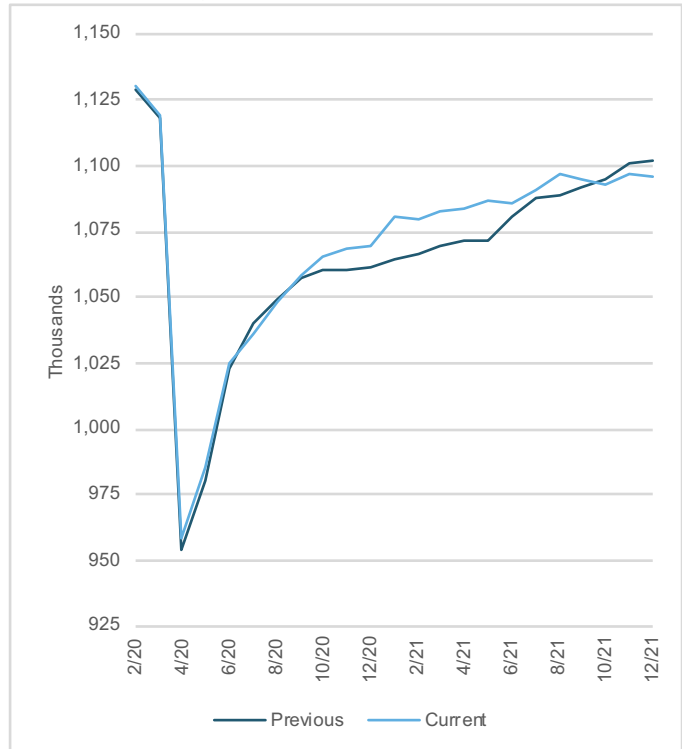
Ohio Employment



Akron Employment

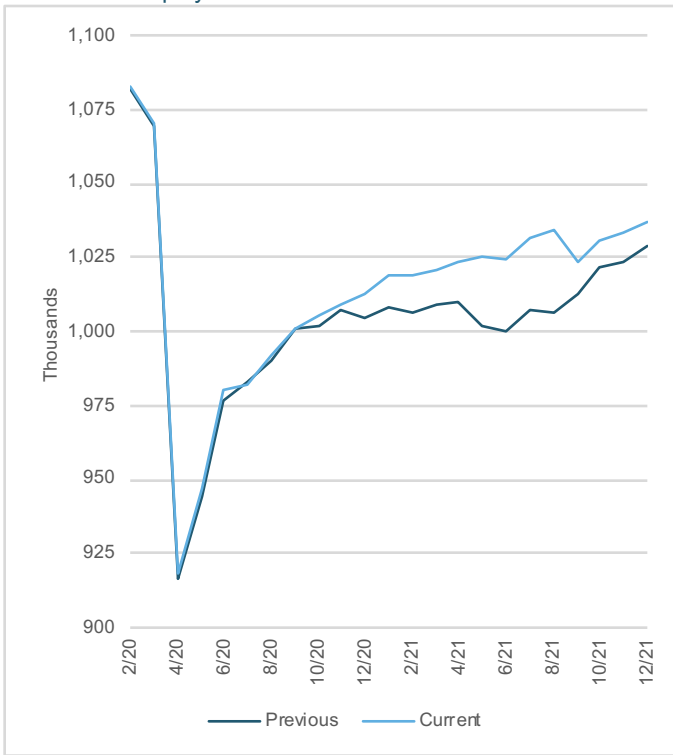


Cincinnati Employment

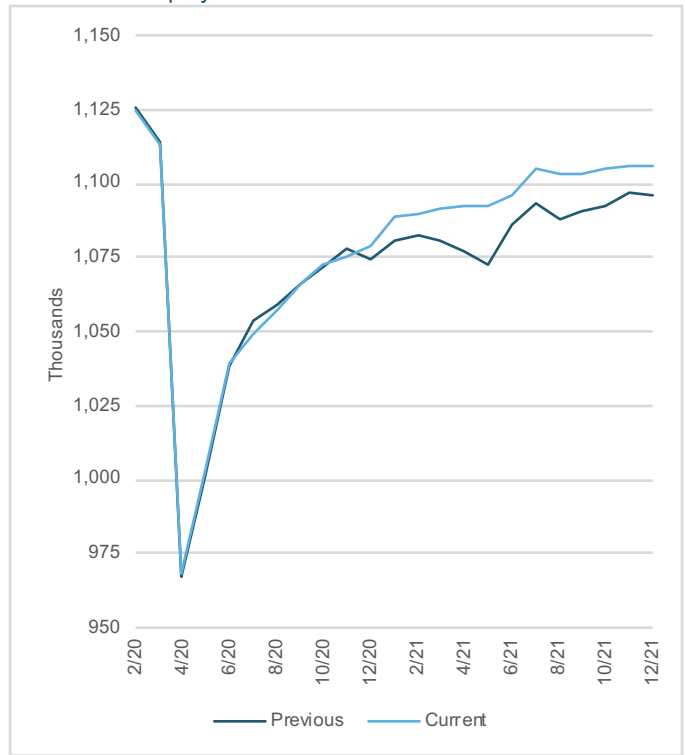


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

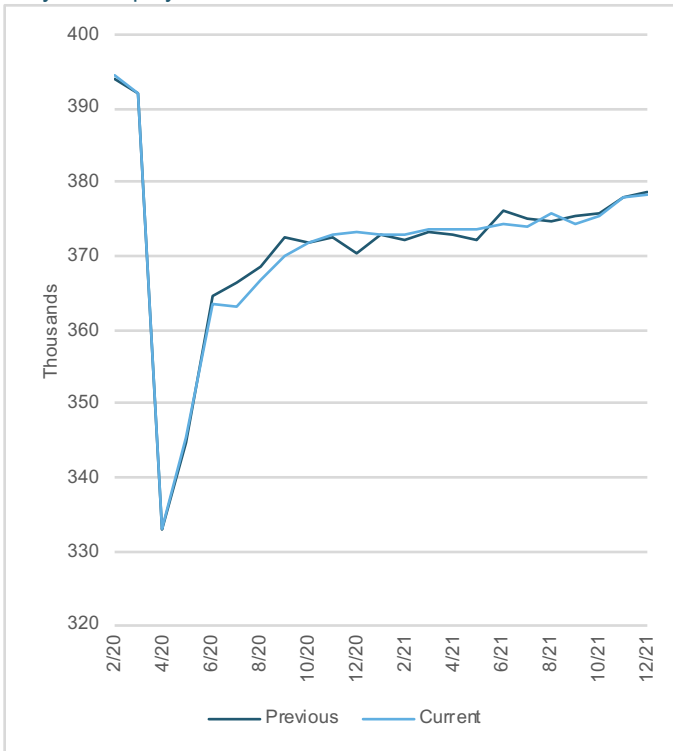
Cleveland Employment



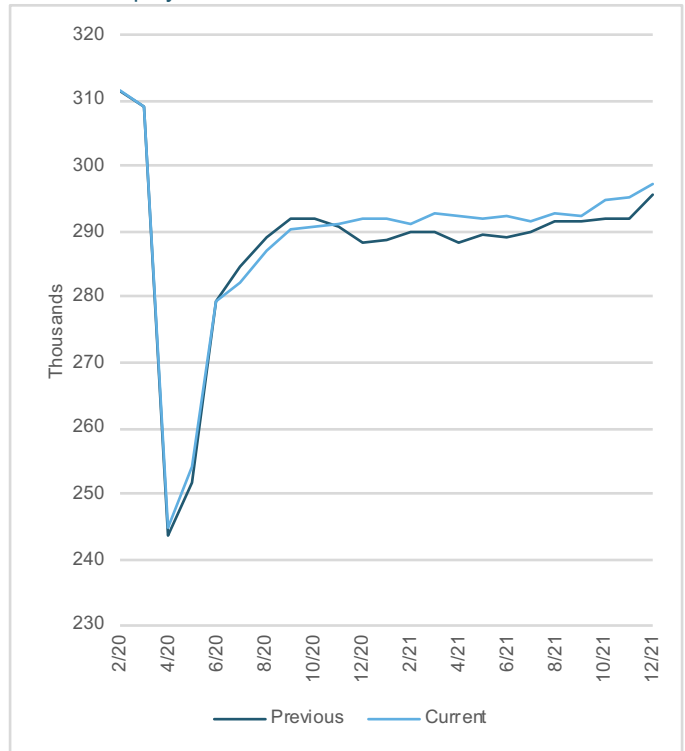
Columbus Employment



Dayton Employment



Toledo Employment



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