

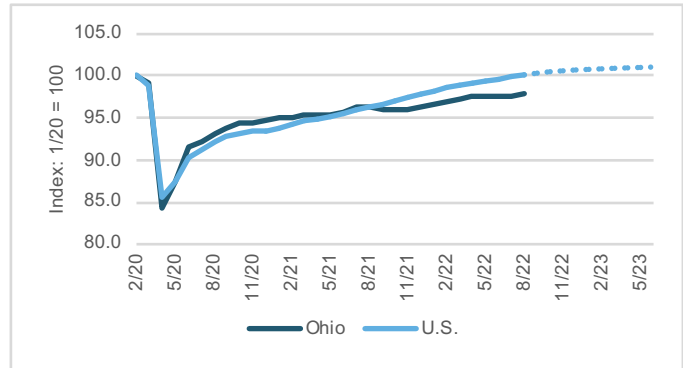
Employment and Unemployment

- **Third quarter Ohio employment growth was only marginally less than the national average.** 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. Growth quickened to 27,300 (0.5%) between July and October. U.S. employment increased 0.6%.
- **Economists continue to reduce their employment growth forecasts.** The dashed line in the employment chart is the consensus employment forecast of 45 economists from the National Association for Business Economics' (NABE) Outlook Survey. Most economists see at least a 25% chance of a recession, but there is still a possibility of a soft landing.
- **The Ohio unemployment rate stood at 4.2% in October,** up from 3.9% in July. The April U.S. rate was 3.7%, up from July's rate of 3.5%.

The charts below compare the trends in labor force (the unemployment rate denominator) and employment. Ohio labor force fell 0.6% between July and October while U.S. labor force increased 0.4%. Labor force declines tend to reduce the unemployment rate, but the number of employed Ohioans fell 0.9%, causing the unemployment rate to rise.

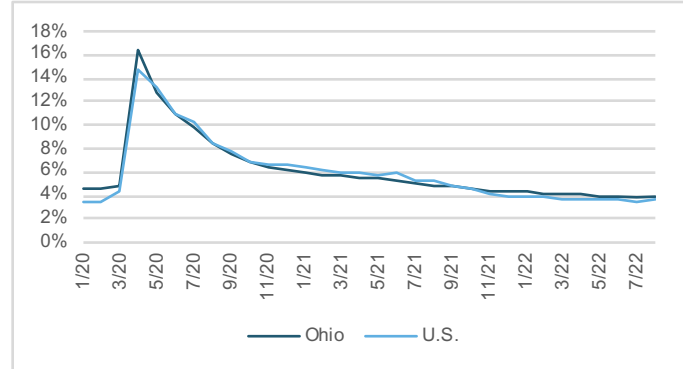
The increase in the U.S. labor force was accompanied by smaller 0.2% increase in resident employment, resulting in an increase in the U.S. unemployment rate.

Payroll Employment Change, Including U.S. Forecast



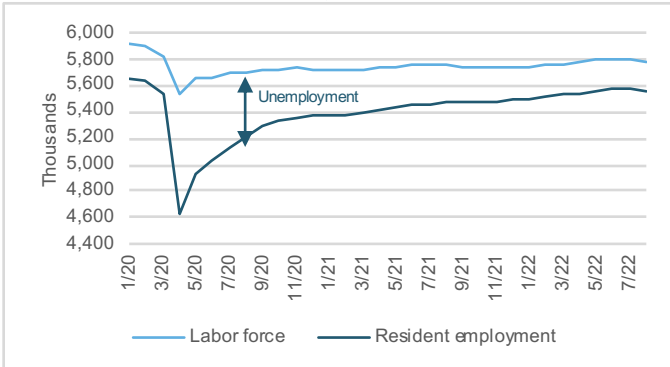
Source: U.S. Bureau of Labor Statistics, National Assn. for Business Economics.

Ohio and U.S. Unemployment Rates



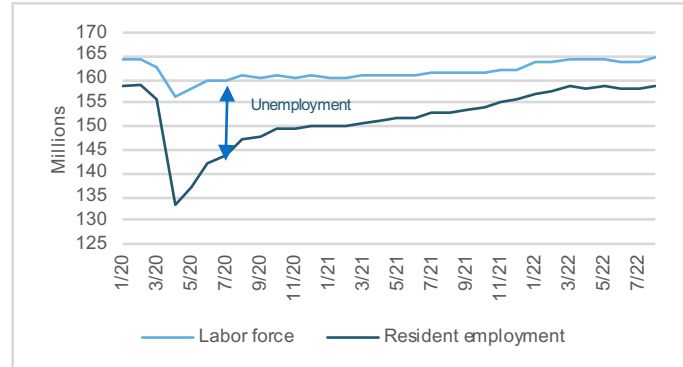
Source: Labor Force Statistics, U.S. Bureau of Labor Statistics.

Ohio Labor Force and Employment



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

U.S. Labor Force and Employment

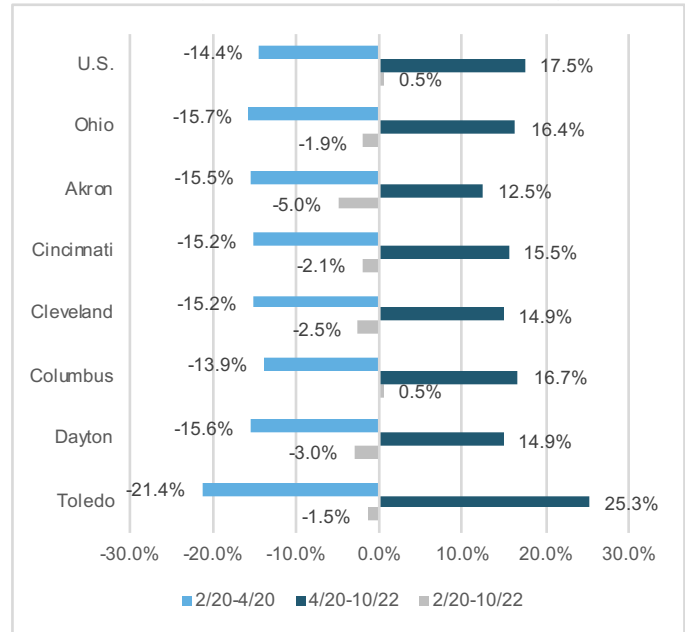


Source: Current Population Statistics, U.S. Bureau of Labor Statistics.

Employment Changes by Region and Sector

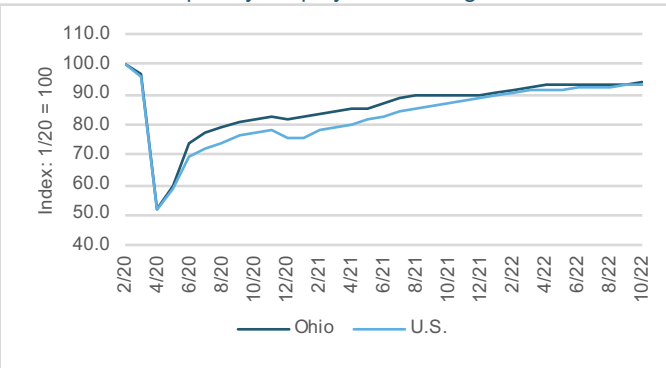
- **Employment growth in Ohio's large metros between July and October weakened.** Only Cincinnati's 0.9% growth beat the 0.6% U.S. average. Columbus tied Ohio's 0.5% growth. Akron and Toledo increased 0.2%. Cleveland and Dayton suffered small net declines.
- **Ohio leisure and hospitality employment increased 0.6%, less than the 1.0% U.S. average.** Ohio's leisure employment remains 6.1% less than in February 2020. U.S. employment is 6.5% less.
- **Employment grew in two of three office-using sectors.** Business services stabilized in Ohio after previous losses, but gained 0.5% nationally. Finance and insurance matched the 0.2% U.S. gain. Healthcare gained 1.4%, better than the 1.1% national gain.
- **Ohio real estate employment surged.** Ohio's three-month gain was 2.5% versus only 0.1% nationwide.

Pandemic Employment Loss, Gain and Net Change

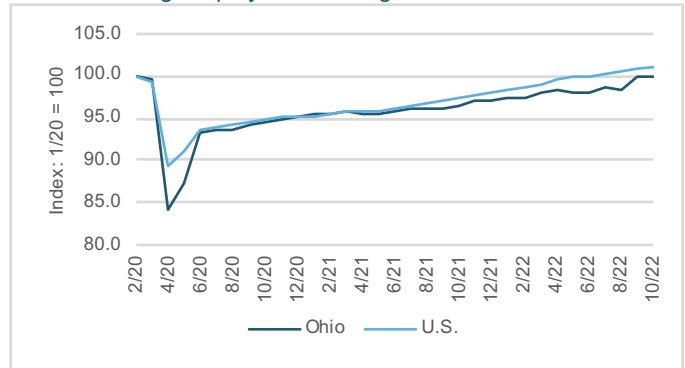


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

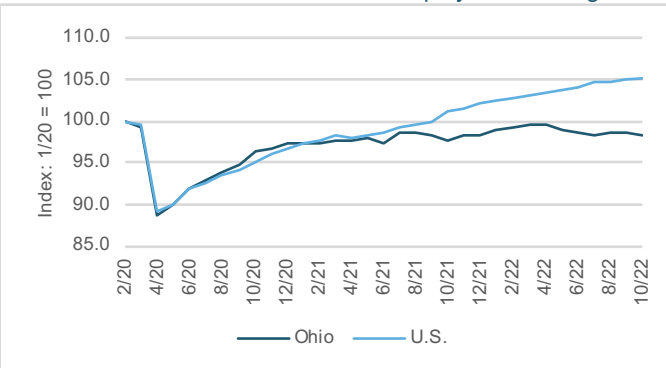
Leisure and Hospitality Employment Change



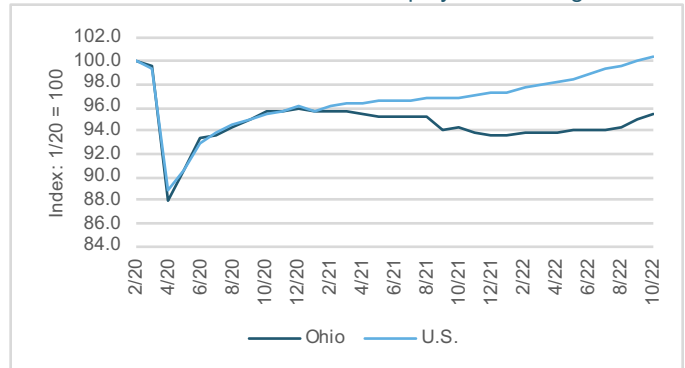
Manufacturing Employment Change



Professional & Business Services Employment Change

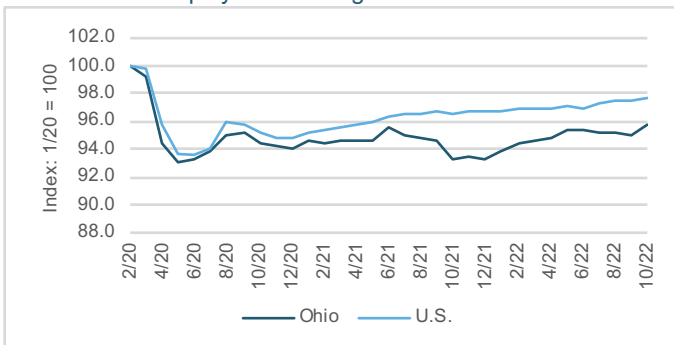


Healthcare & Social Assistance Employment Change

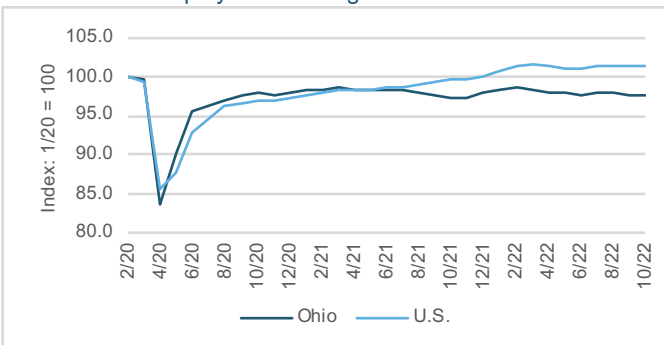


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

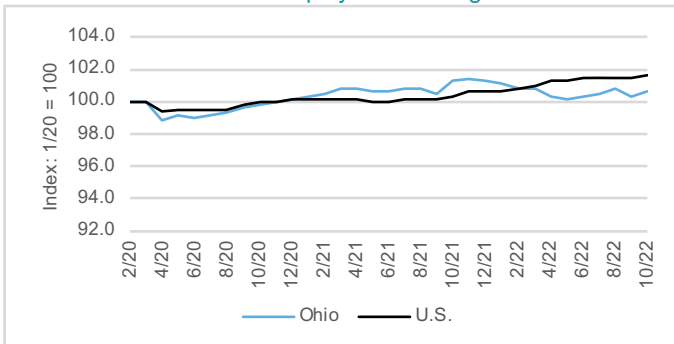
Government Employment Change



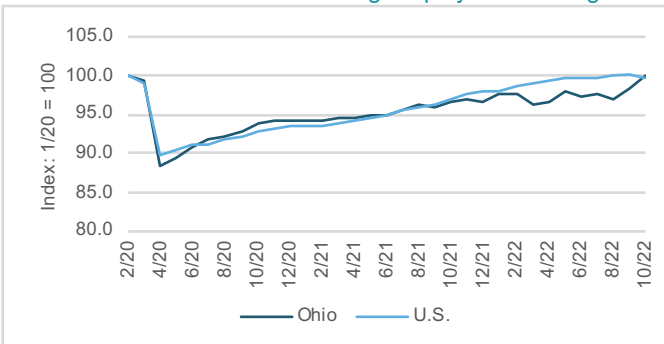
Retail Trade Employment Change



Finance and Insurance Employment Change



Real Estate and Rental & Leasing Employment Change

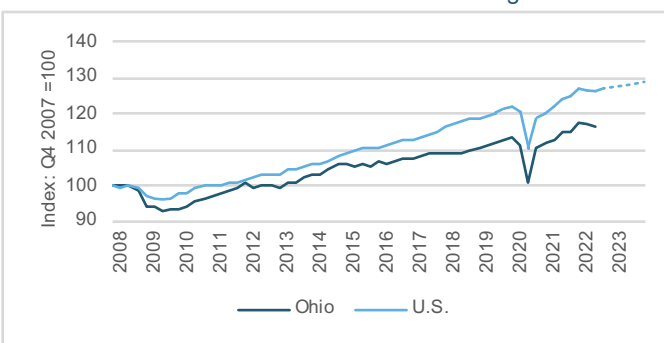


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

Broad Economic Indicators

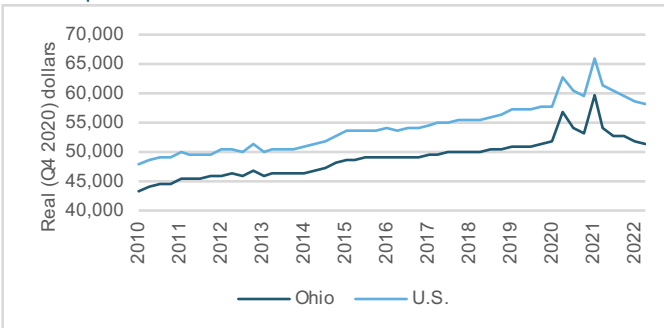
- **U.S. inflation-adjusted gross domestic product (GDP) grew at an annualized 2.6% rate in the second quarter.** This was a better-than-expected gain following two consecutive declines. The NABE consensus is for modest GDP growth in 2023, but the recession risk is significant.
- **Ohio GDP fell 1.1% in the second quarter.** Ohio's Q2 decline was worse than that quarter's 0.6% U.S. decline.
- **Per-capita personal income (PCPI) gains were wiped out by inflation.** Ohio's inflation-adjusted Q2 PCPI fell 5.3%, slightly worse than the 5.0% U.S. loss.
- **Third quarter inflation improved slightly to 8.3% year-over-year.** The economists in the October NABE survey expect inflation to cool to 2.7% year-over-year by year-end 2023 as a result of slower growth.
- **Consumer sentiment improved slightly from its summer lows.** However, sentiment continues to be weighed down by inflation, higher borrowing costs, and labor market concerns. Midwest sentiment has pulled ahead of the U.S. average.

U.S. and Ohio Gross Domestic Product Change



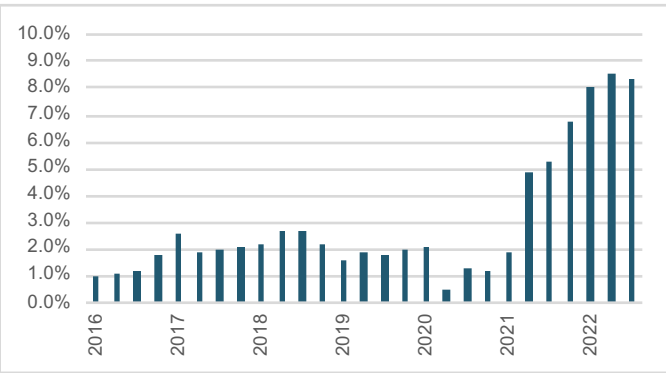
Source: U.S. Bureau of Economic Analysis; Philadelphia Federal Reserve.

Per-Capita Personal Income



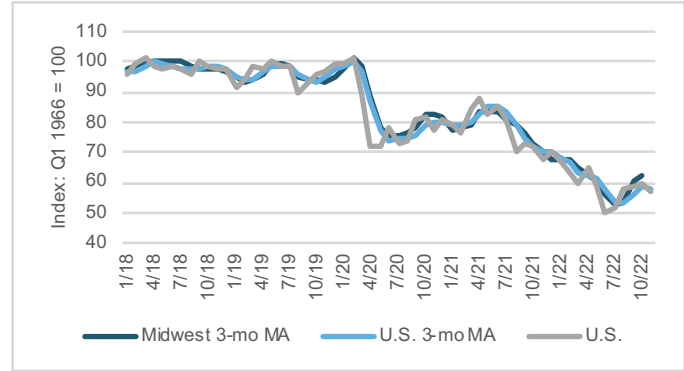
Source: U.S. Bureau of Economic Analysis.

Year-over-Year Consumer Price Inflation



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

Consumer Sentiment Index

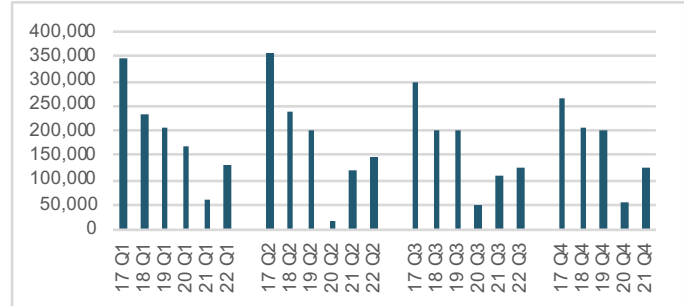


Source: Survey Research Center, University of Michigan.

Passengers at Primary Regional Airports

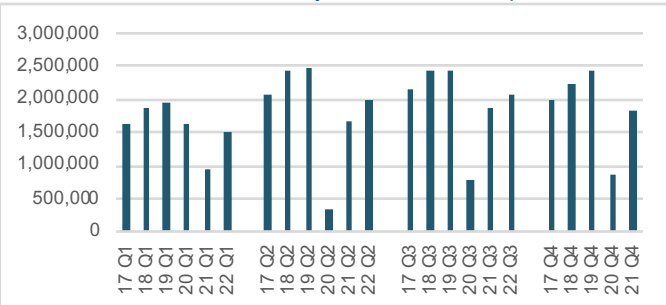
- Ohio-serving airport traffic grew 8.3% year-over-year in the third quarter. Akron-Canton, Cincinnati, and Columbus enjoyed gains of 10.8% to 12.8% over Q3 2021. Dayton traffic, however, was down 7.6%, and Toledo, which lost a carrier, was down 36%.
- The net decline from the second quarter of 2019 for the six airports was 16%. Akron-Canton was off 39%, Cincinnati and Cleveland were off 15%, Columbus was off 11%, Dayton was off 35%, and Toledo was off 49%.

Akron-Canton Airport



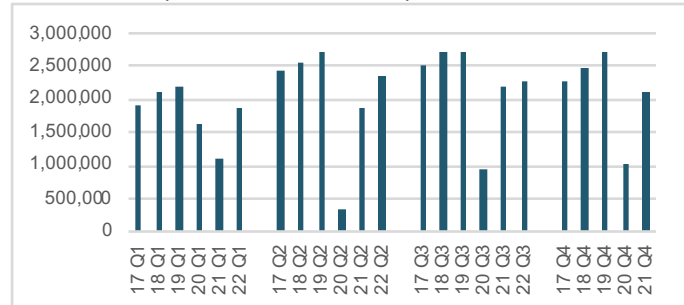
Source: Akron-Canton Airport.

Cincinnati-Northern Kentucky International Airport



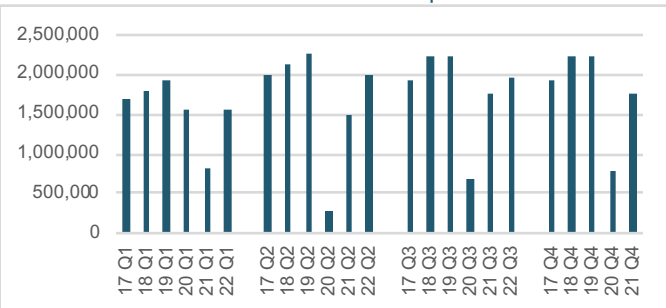
Source: Cincinnati-Northern Kentucky International Airport.

Cleveland Hopkins International Airport



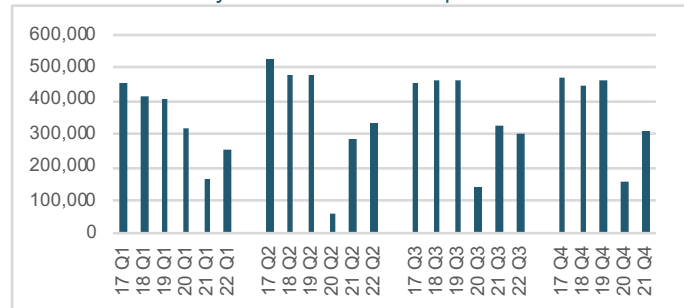
Source: Cleveland Airport System.

John Glenn Columbus International Airport



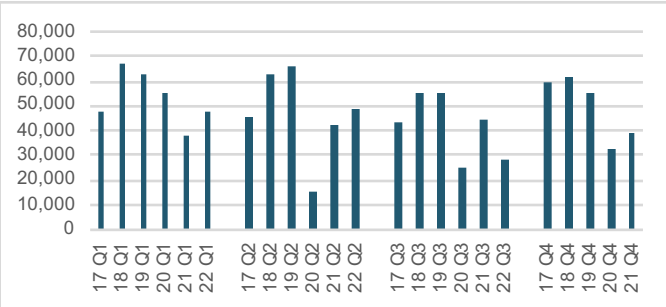
Source: Columbus Regional Airport Authority.

James M. Cox Dayton International Airport



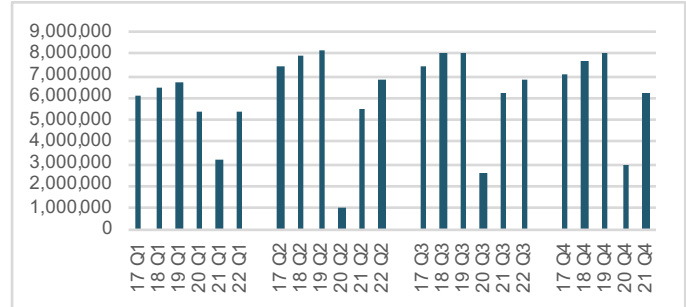
Source: Dayton International Airport (May and June 2022 traffic estimated).

Eugene F. Kranz Toledo Express Airport



Source: Toledo-Lucas County Port Authority.

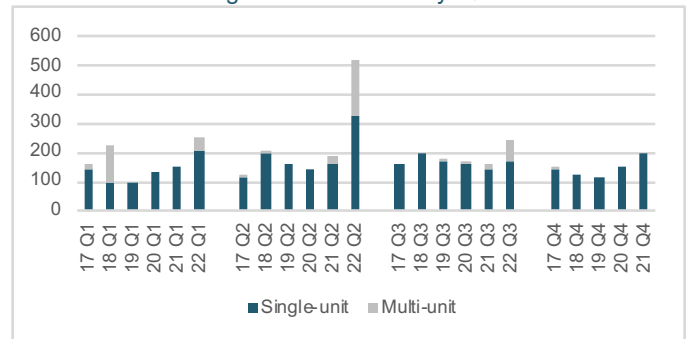
Six Airport Total



Residential Real Estate

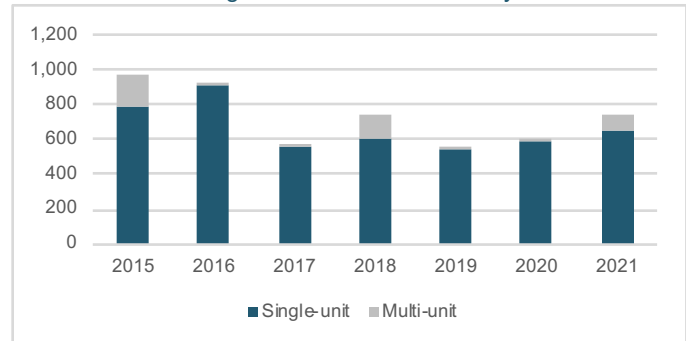
- **Residential building permits were generally down in the third quarter from year-ago levels.** Single-unit permits statewide were down 12.6%, with total permits down 6.7%. U.S. single-unit permits were down 16.6%; total permits were down 5.9%
- **Metro-level changes were mixed.** Akron's permits were up 21% from Q3 2021, and single-unit permits were up 57%. Cincinnati permits overall were down 6.2%; single-unit permits were down 26%. Overall permitting in Cleveland was up 4.7%, with single-unit permits down 3.6%. Columbus single-unit permits were off 2.9%, and total permits were off 3.7%. Dayton single-unit permits were up 2.9%, but total permits more than doubled. Toledo single-unit permits also doubled, with total permits up 63%.
- **The Federal Housing Finance Authority's House Price Index showed gains for Ohio and its MSAs in the third quarter.** Ohio house prices were up 6.8% from Q2, compared to 6.9% nationally. Akron was up 6.5%, Cincinnati was up 7.5%, Cleveland was up 7.3%, Columbus was up 7.7%, Dayton was up 5.4%, and Toledo was up 6.2%.

Akron MSA Housing Units Permitted by Quarter



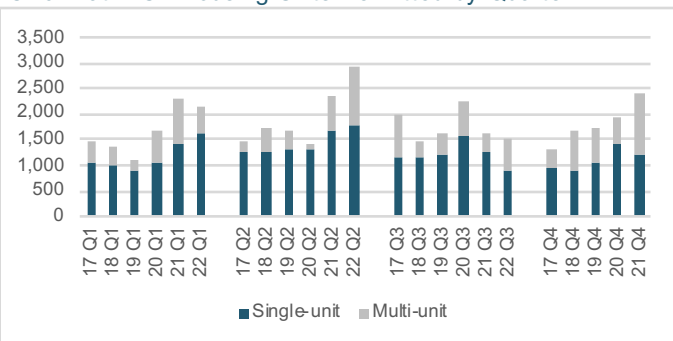
Source: U.S. Census Bureau

Akron MSA Housing Units Permitted Annually



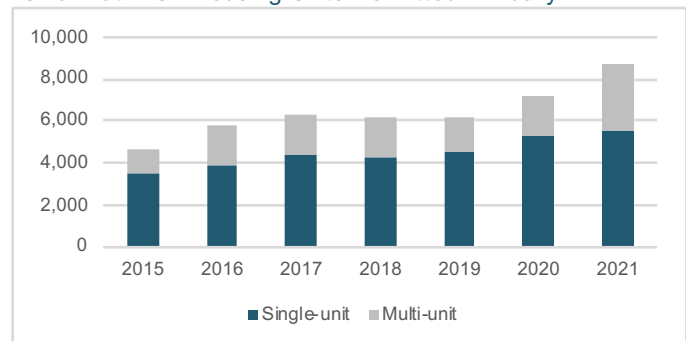
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted by Quarter



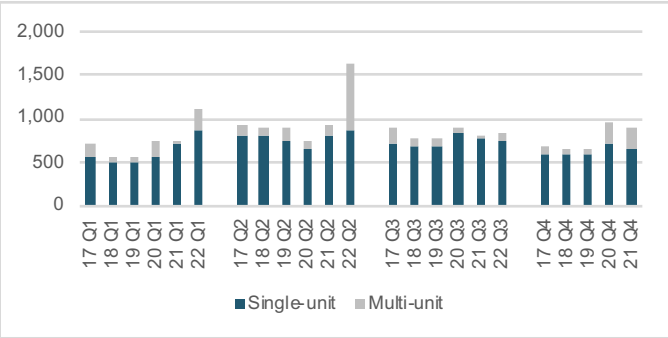
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted Annually



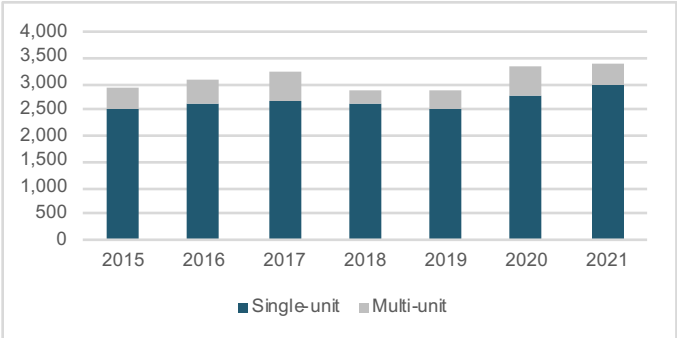
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted by Quarter



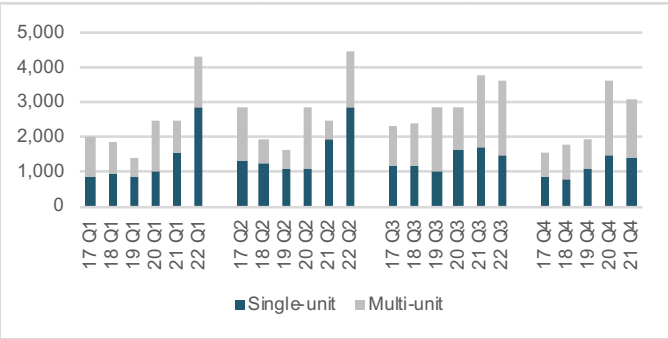
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted Annually



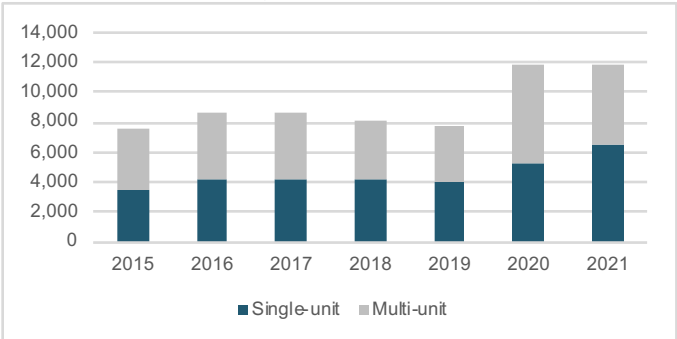
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted by Quarter



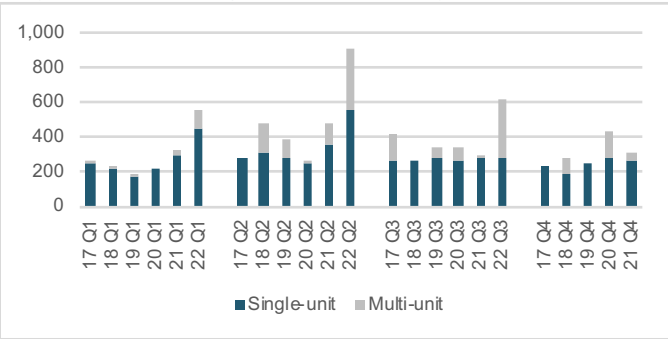
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted Annually



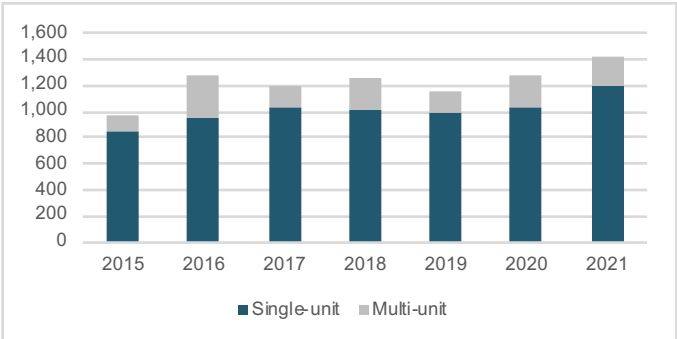
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted by Quarter



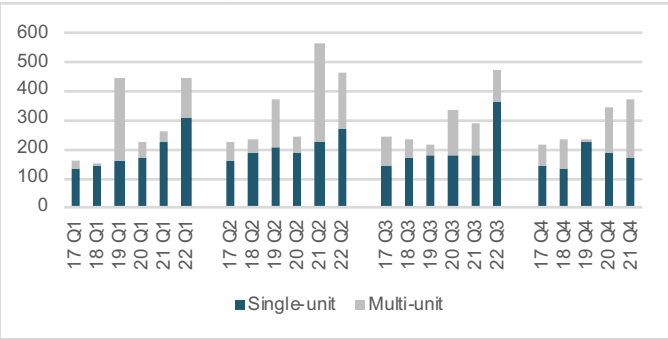
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted Annually



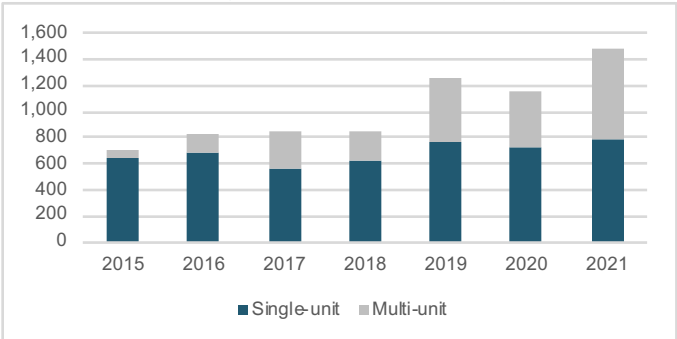
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted by Quarter



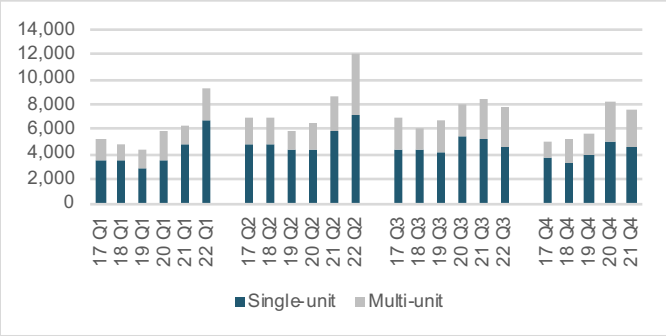
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted Annually



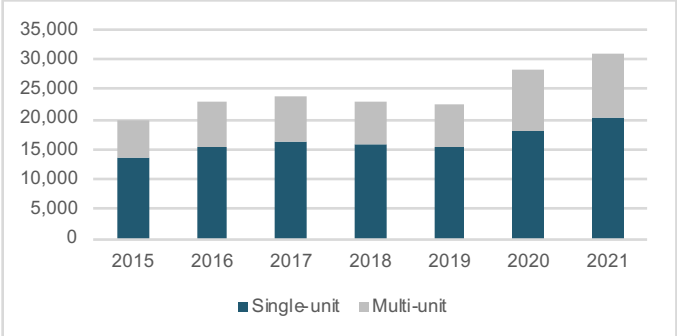
Source: U.S. Census Bureau

Ohio Housing Units Permitted by Quarter



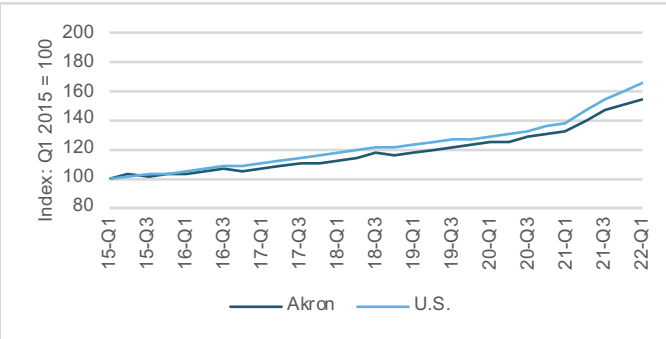
Source: U.S. Census Bureau

Ohio Housing Units Permitted Annually



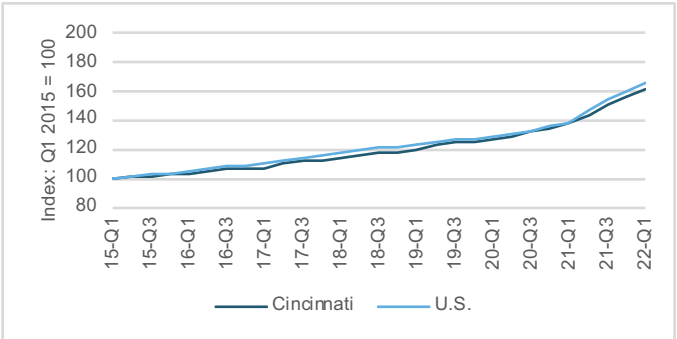
Source: U.S. Census Bureau

Akron MSA and U.S. FHFA House Price Index



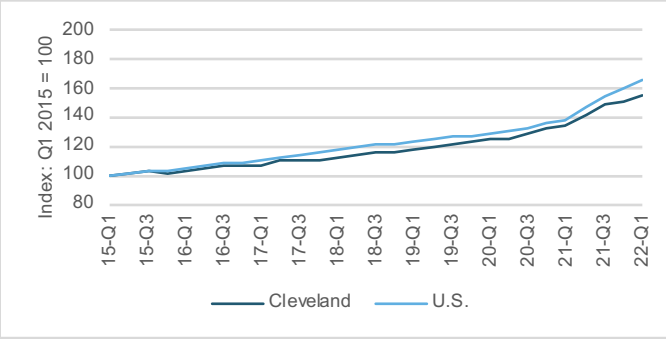
Source: Federal Housing Finance Agency.

Cincinnati MSA and U.S. FHFA House Price Index



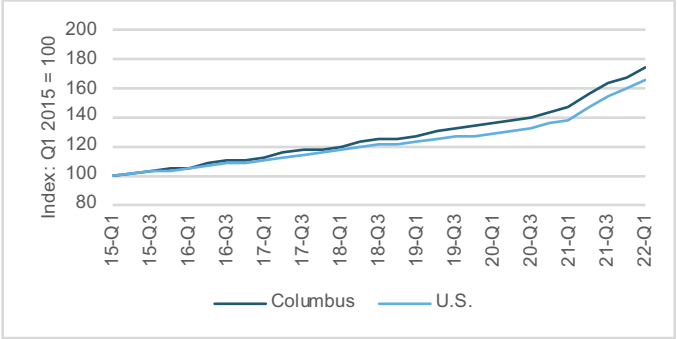
Source: Federal Housing Finance Agency.

Cleveland MSA and U.S. FHFA House Price Index



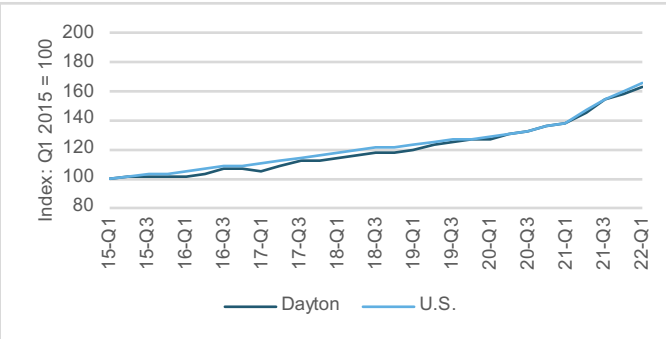
Source: Federal Housing Finance Agency.

Columbus MSA and U.S. FHFA House Price Index



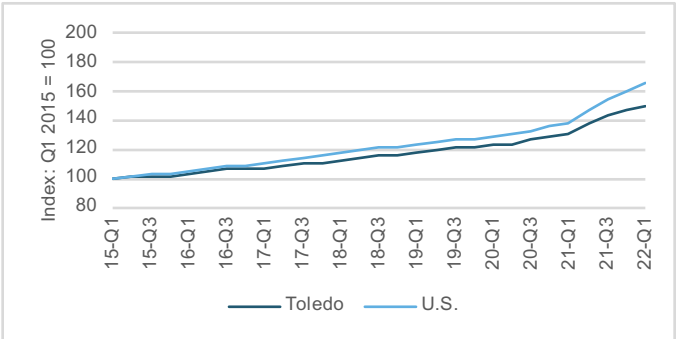
Source: Federal Housing Finance Agency.

Dayton MSA and U.S. FHFA House Price Index



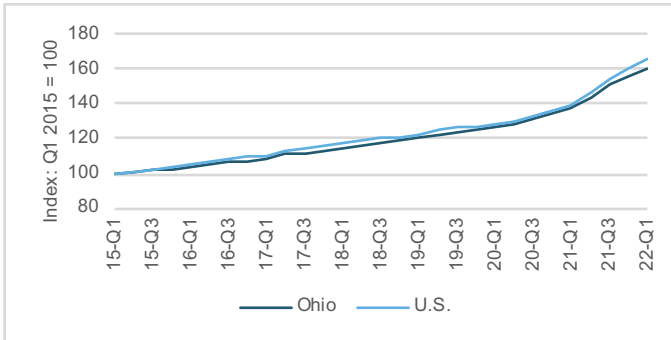
Source: Federal Housing Finance Agency.

Toledo MSA and U.S. FHFA House Price Index



Source: Federal Housing Finance Agency.

Ohio and U.S. FHFA House Price Index

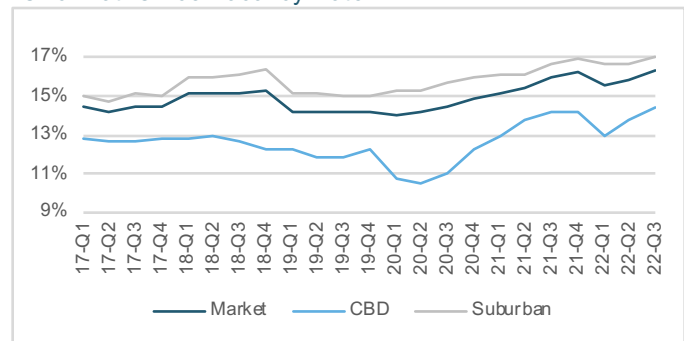


Source: Federal Housing Finance Agency.

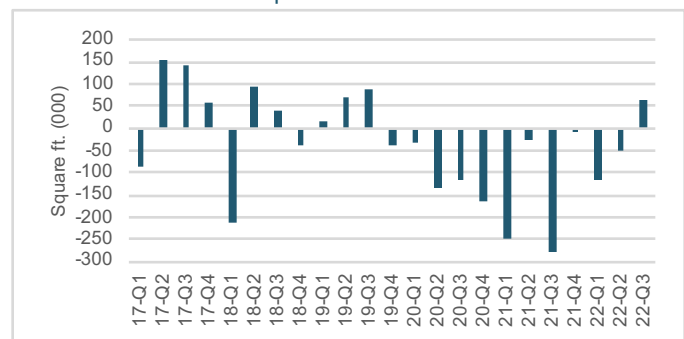
Ohio Office Real Estate Markets

- **Columbus office statistics were unavailable. Those charts are not updated.**
- **Office vacancy rates increased in all four tracked markets.** Rates were up across the board, in all downtown and suburban markets.
- **Absorption was negative in most markets.** Cleveland and Akron absorption was negative after three positive quarters. Dayton's negative absorption worsened. However, Cincinnati's absorption turned positive for the first time in three years.
- **Inflation-adjusted rent declines continued.** Class A market rents, after adjusting for inflation, fell 1.3% in Akron and Cincinnati, 0.6% in Cleveland, and 0.5% in Dayton. Thanks to large gains in Classes B and C, rent for the total Dayton market was up 6.1%.

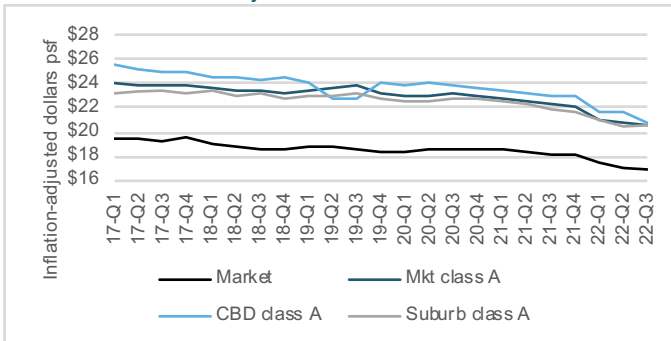
Cincinnati Office Vacancy Rate



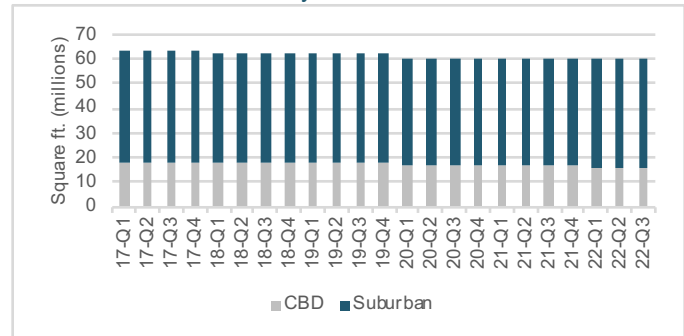
Cincinnati Office Absorption



Cincinnati Inflation-Adjusted Office Rent

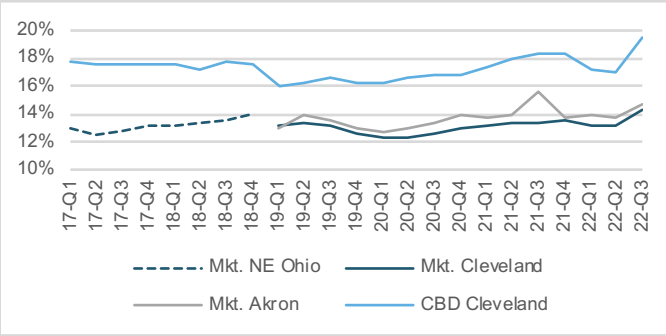


Cincinnati Office Inventory



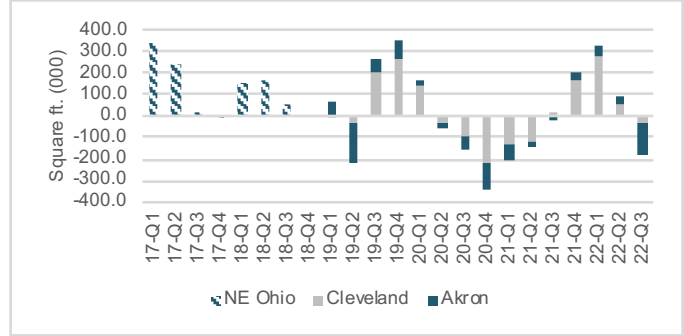
Source: Colliers International

Cleveland/Northeast Ohio Office Vacancy Rate



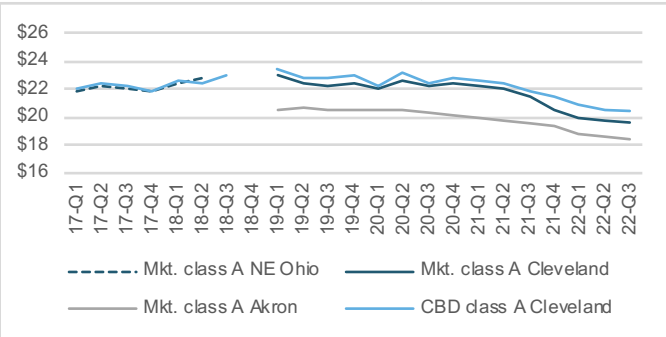
Source: Colliers International

Cleveland/Northeast Ohio Office Absorption



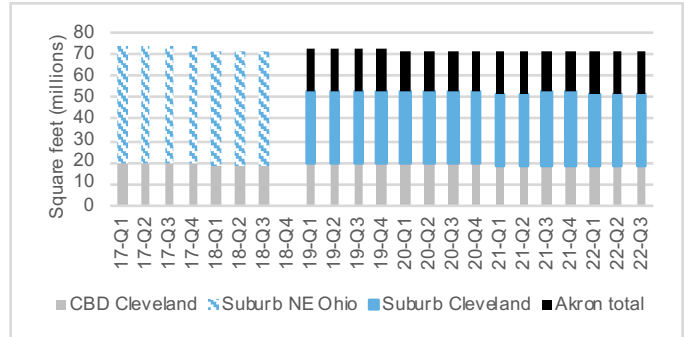
Source: Colliers International

Cleveland/Northeast Ohio Inflation-Adjusted Office Rent



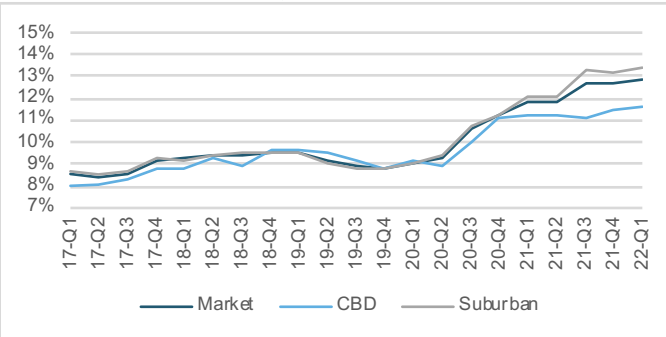
Source: Colliers International

Cleveland/Northeast Ohio Office Inventory



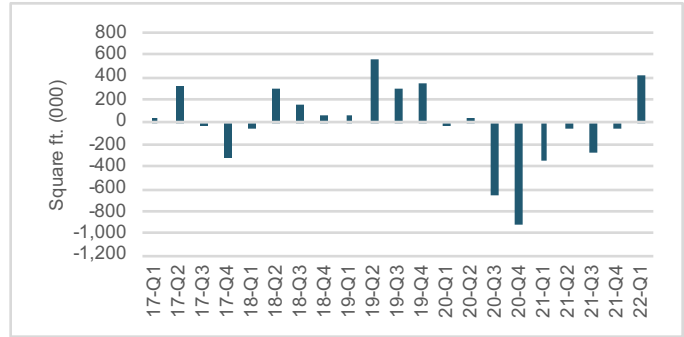
Source: Colliers International

Columbus Office Vacancy Rate



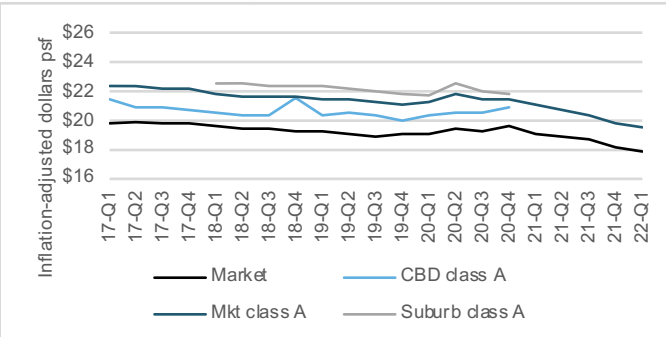
Source: Colliers International

Columbus Office Absorption



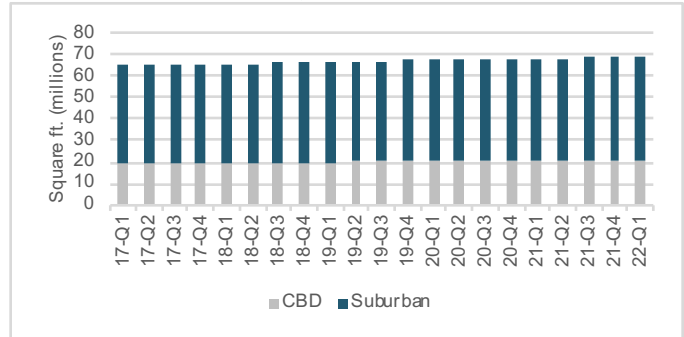
Source: Colliers International

Columbus Inflation-Adjusted Office Rent



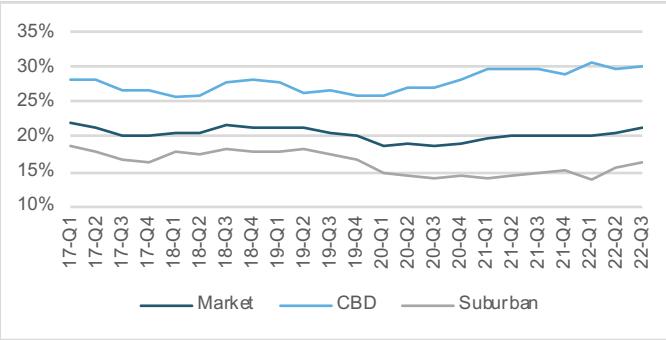
Source: Colliers International

Columbus Office Inventory



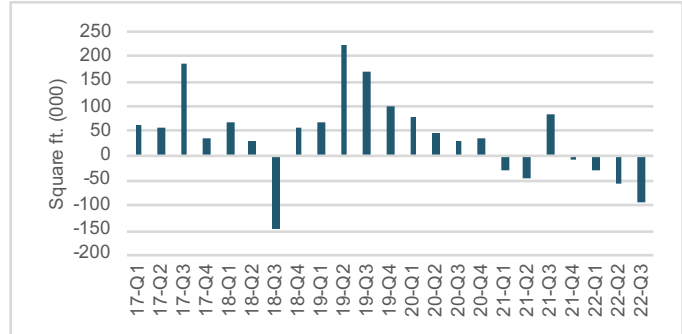
Source: Colliers International

Dayton Office Vacancy Rate



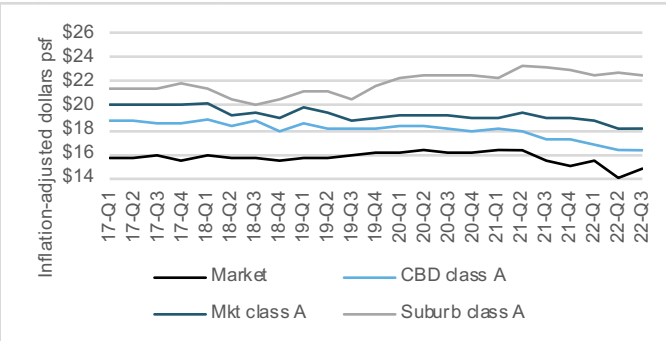
Source: Colliers International

Dayton Office Absorption



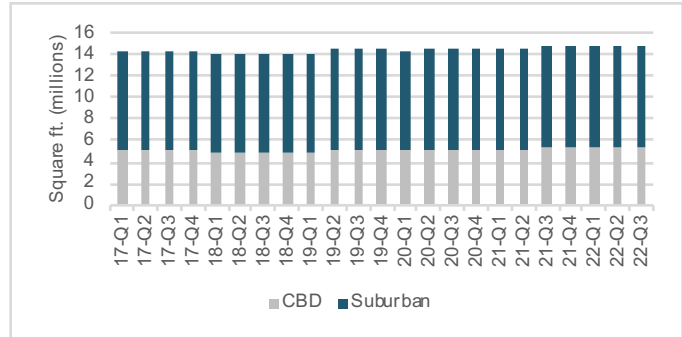
Source: Colliers International

Dayton Inflation-Adjusted Office Rent



Source: Colliers International

Dayton Office Inventory



Source: Colliers International

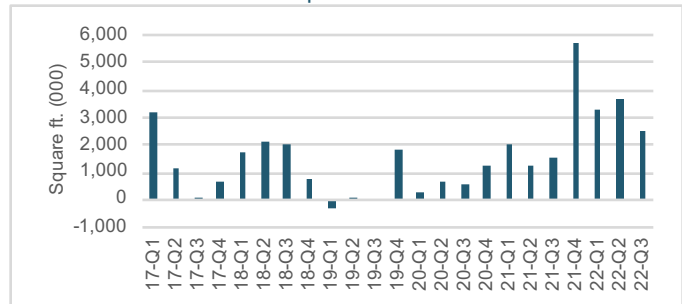
Ohio Industrial Real Estate Markets

- o **Columbus industrial statistics were unavailable. Those charts are not updated.**
- o **Industrial vacancy rates were stable to lower.** Cincinnati's vacancy rate fell to 1.7%. Vacancy in Northeast Ohio was unchanged at 4.2%, and fell to 3.3% in Dayton.
- o **Absorption remained positive, but lower, in all markets.** Absorption fell to 2.5 million square feet in Cincinnati, 266,000 square feet in Northeast Ohio, and 393,000 square feet in Dayton.
- o **Inflation-adjusted rent changes were small in either direction.** Cincinnati rents increased 0.9% after inflation. Rents decreased 0.8% in Northeast Ohio, but rose 0.3% in Dayton.

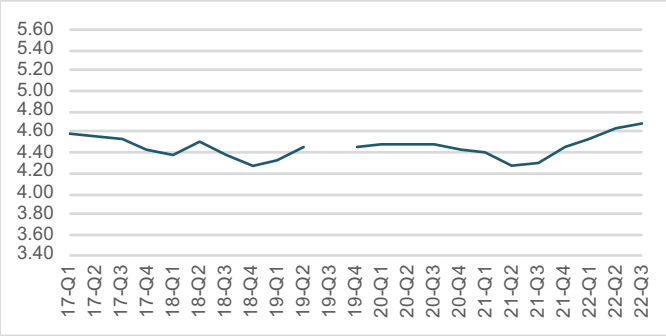
Cincinnati Industrial Vacancy Rate



Cincinnati Industrial Absorption

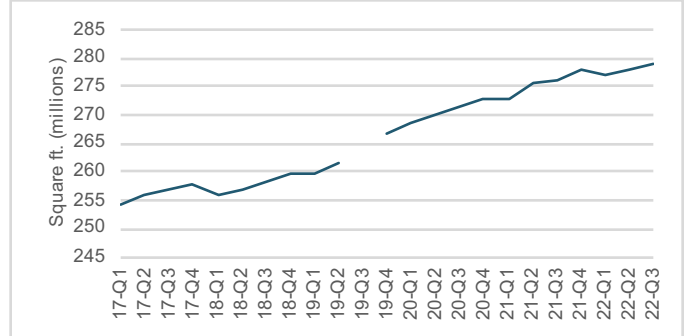


Cincinnati Inflation-Adjusted Industrial Rent



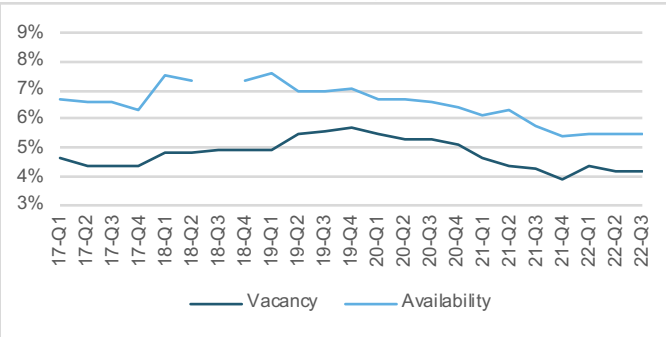
Source: Colliers International

Cincinnati Industrial Inventory



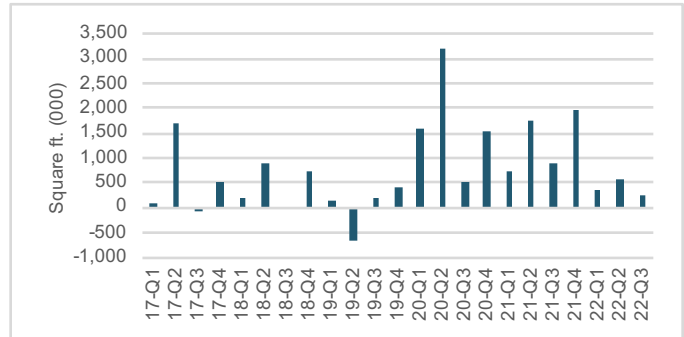
Source: Colliers International

Northeast Ohio Industrial Vacancy Rate



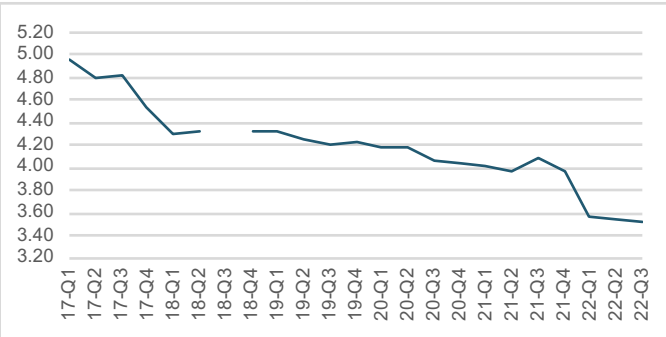
Source: Colliers International

Northeast Ohio Industrial Absorption



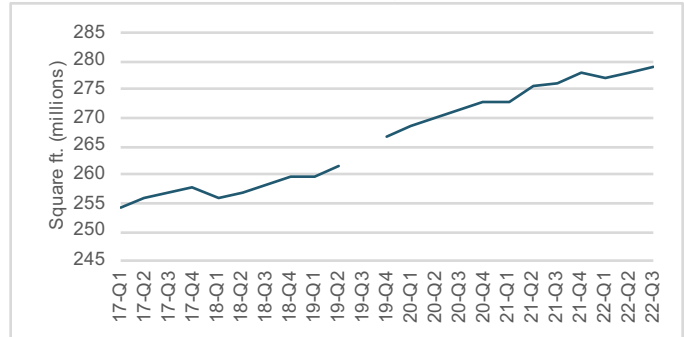
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Northeast Ohio Inflation-Adjusted Industrial Rent



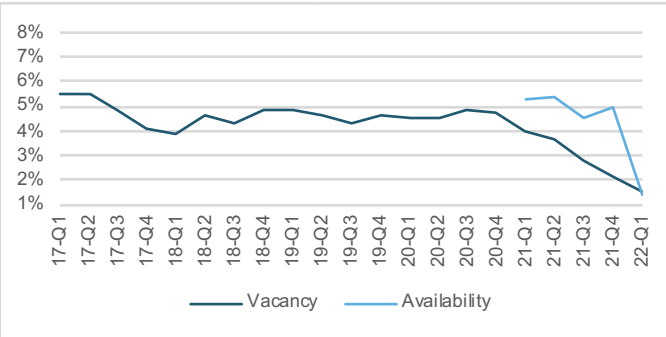
Source: Colliers International

Northeast Ohio Industrial Inventory



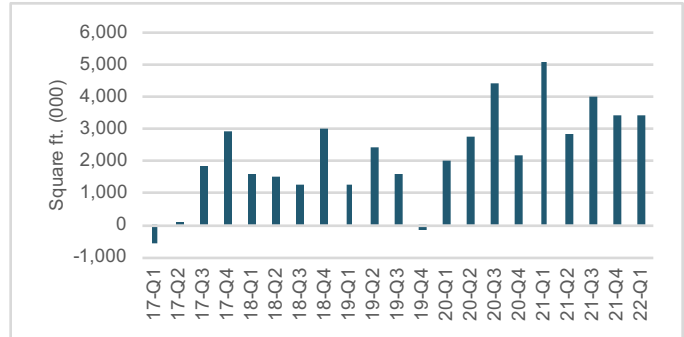
Source: Colliers International

Columbus Industrial Vacancy Rate



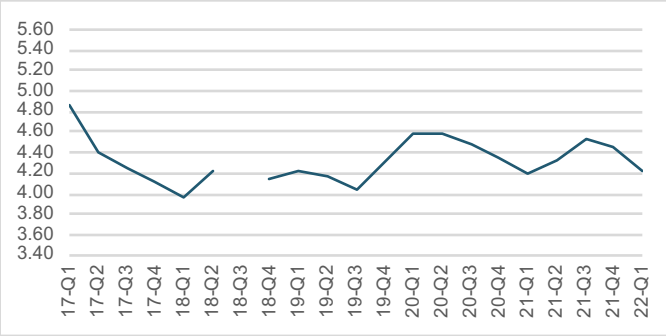
Source: Colliers International

Columbus Industrial Absorption



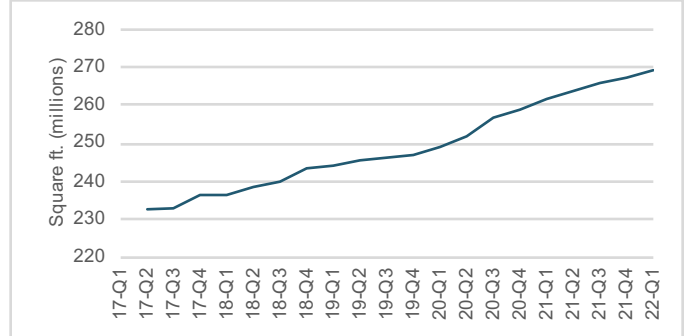
Source: Colliers International

Columbus Inflation-Adjusted Industrial Rent



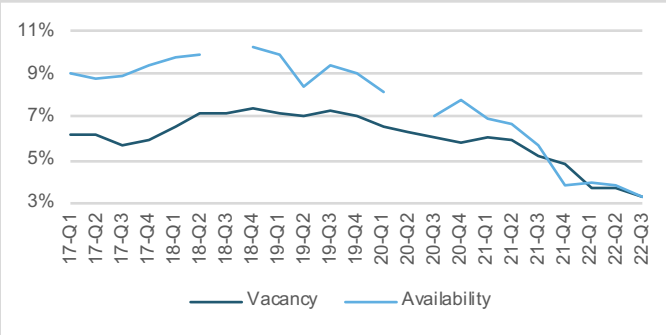
Source: Colliers International

Columbus Industrial Inventory



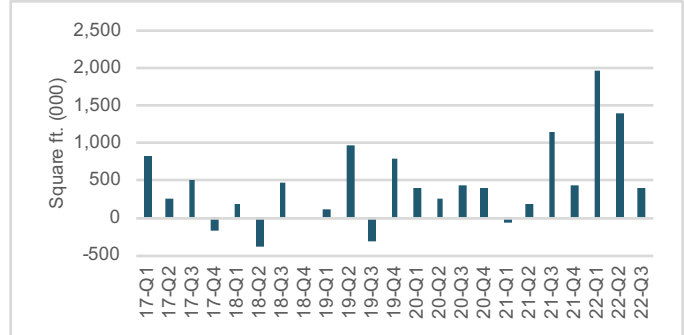
Source: Colliers International

Dayton Industrial Vacancy Rate



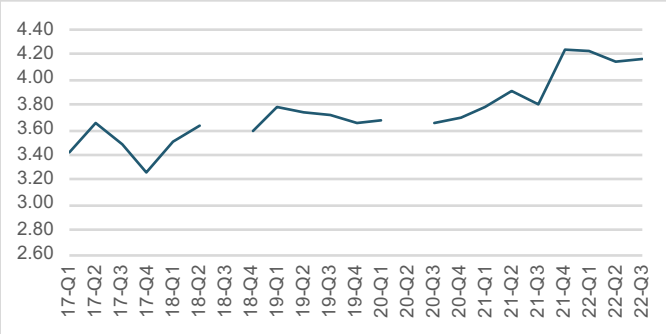
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Dayton Industrial Absorption



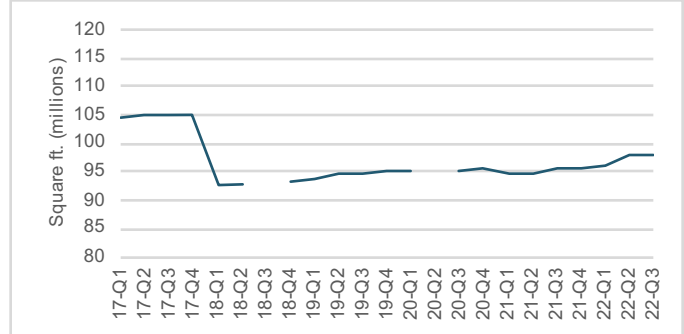
Source: Colliers International

Dayton Inflation-Adjusted Industrial Rent



Source: Colliers International

Dayton Industrial Inventory



Source: Colliers International