

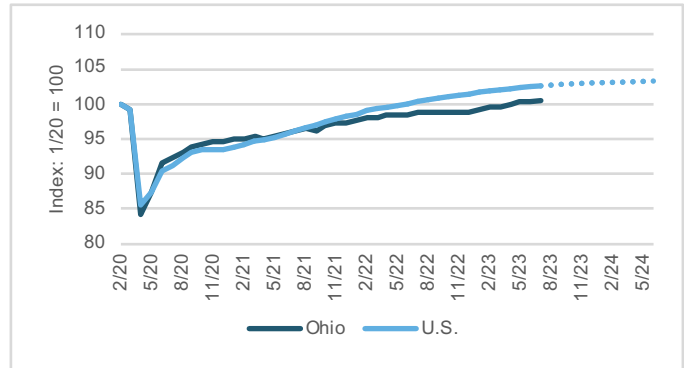
## Employment and Unemployment

- **Ohio employment growth from April through July exceeded the national average again.** 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. Ohio employment increased 31,200 (0.6%) between April and July. U.S. employment increased 0.4%.
- **Ohio employment recovered the last of its 2020 losses in May.** The U.S. fully recovered its losses in February 2022.
- **Economic forecasts are markedly more optimistic than three months ago.** The dashed line in the employment chart is the consensus employment forecast of 37 economists from the Philadelphia Federal Reserve August forecast survey. The consensus is mostly job growth to average 130,000 through year-end. The default Fed expectation is now for a soft landing and no recession.
- **The Ohio unemployment rate reached a new low in July.** The 3.3% rate, down from 3.7% in April, was the lowest ever recorded in estimates beginning in 1976. The December U.S. rate was 3.5%, up slightly from April's 3.4%.

The charts below compare the trends in labor force (the unemployment rate denominator) and employment. Ohio labor force rose 0.7% between April and July, much greater than the 0.2% U.S. increase. The number of employed Ohioans rose a larger 1%, causing the unemployment rate to fall.

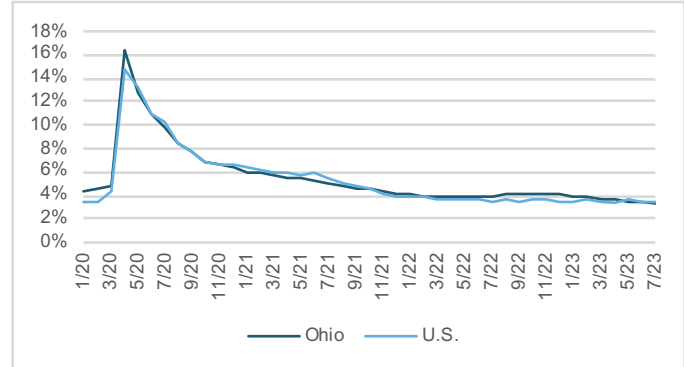
The 0.2% increase in the U.S. labor force was accompanied by a smaller 0.1% increase in resident employment, resulting in the increase in the U.S. unemployment rate.

Payroll Employment Change, Including U.S. Forecast



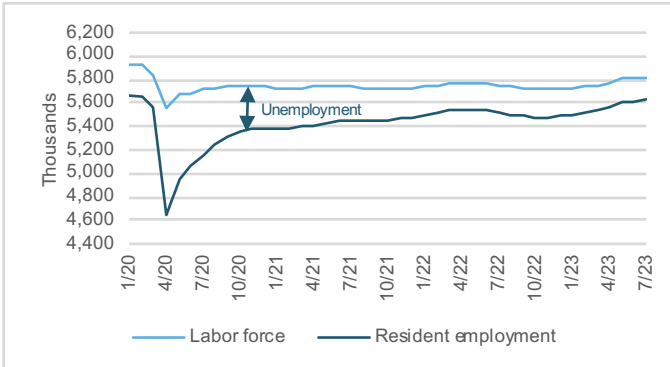
Source: U.S. Bureau of Labor Statistics, National Assn. for Business Economics.

Ohio and U.S. Unemployment Rates



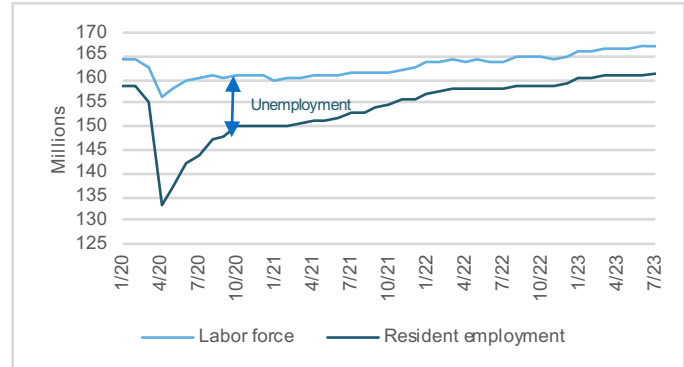
Source: Labor Force Statistics, U.S. Bureau of Labor Statistics.

Ohio Labor Force and Employment



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

U.S. Labor Force and Employment

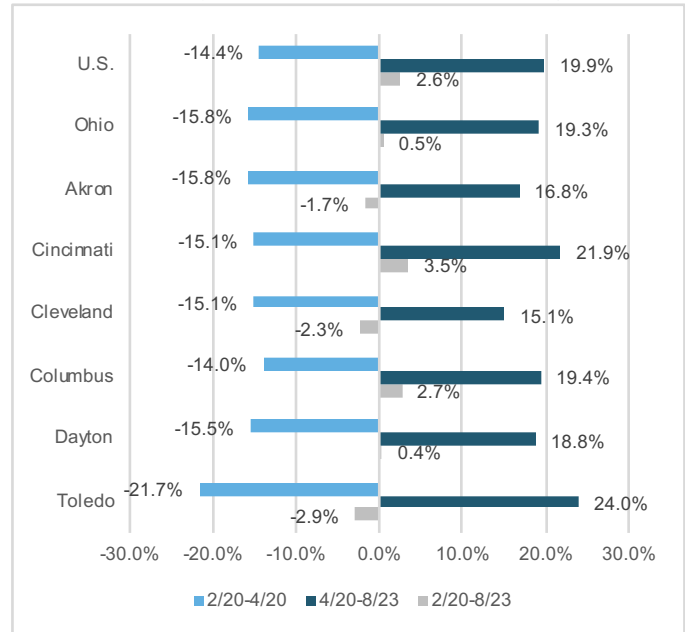


Source: Current Population Statistics, U.S. Bureau of Labor Statistics.

## Employment Changes by Region and Sector

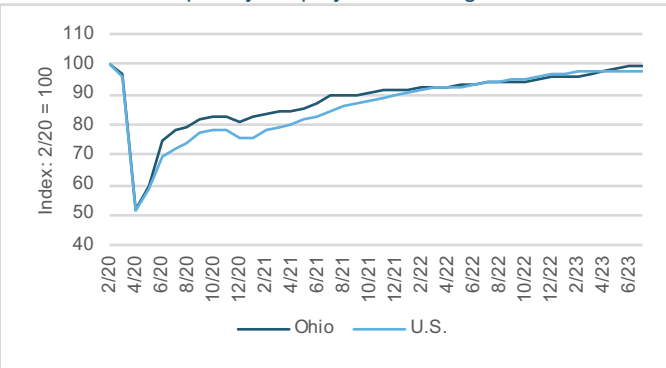
- **Employment growth varied in Ohio's large metros between April and July.** Dayton's 1.1% and Cincinnati's 0.6% growth met or exceeded Ohio's growth. Akron matched the 0.4% U.S. average. Cleveland and Columbus increased 0.2% and Toledo slipped 0.3%.
- **Three of the six large MSAs have recovered their 2020 losses.** These include Cincinnati, Columbus, and Dayton. Toledo remains 2.9% less, Cleveland is 2.3% less, and Akron is 1.7% less than in February 2020.
- **Ohio leisure and hospitality employment increased 2%, compared to the 4% U.S. average.** Ohio's leisure employment remains 0.6% less than in February 2020. U.S. employment is 2.1% less.
- **Office-using sectors' growth was generally weak.** Business services lost 1% in Ohio versus a 0.3% U.S. gain. Finance and insurance gained 0.2% in Ohio, but 0.6% in the U.S. Healthcare gained 4.5% in Ohio, 4.2% nationally.
- **Ohio real estate employment fell sharply.** Employment fell 2,600 (3.9%) between April and July. U.S. employment increased 2.7%.

Pandemic Employment Loss, Gain and Net Change

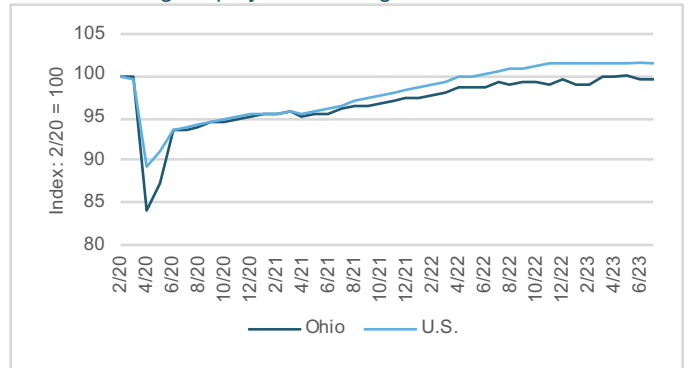


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

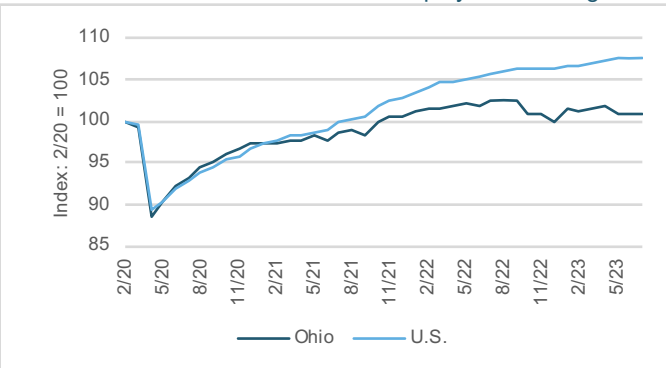
Leisure and Hospitality Employment Change



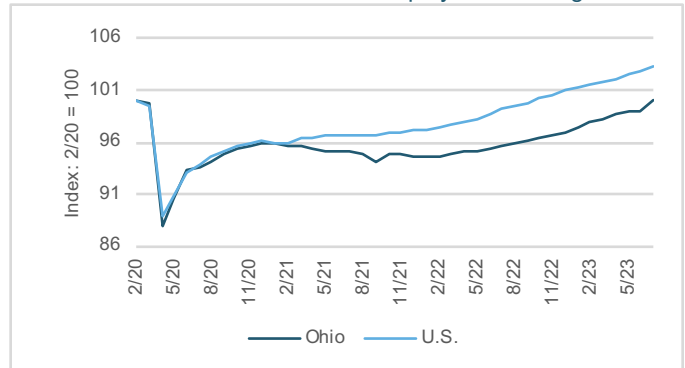
Manufacturing Employment Change



Professional & Business Services Employment Change

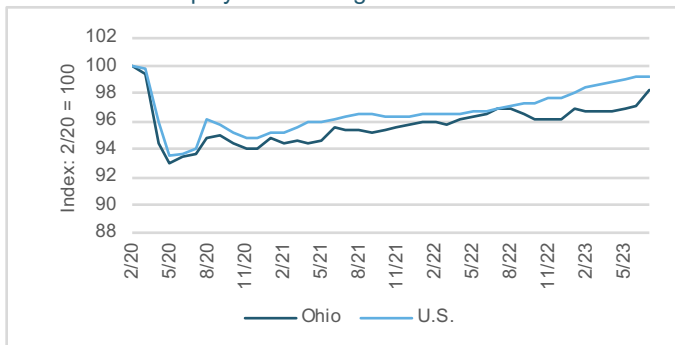


Healthcare & Social Assistance Employment Change

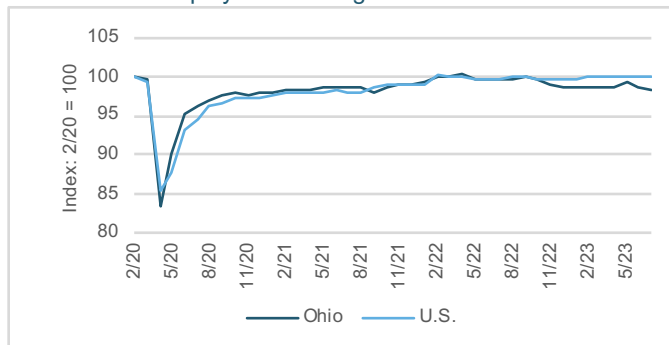


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

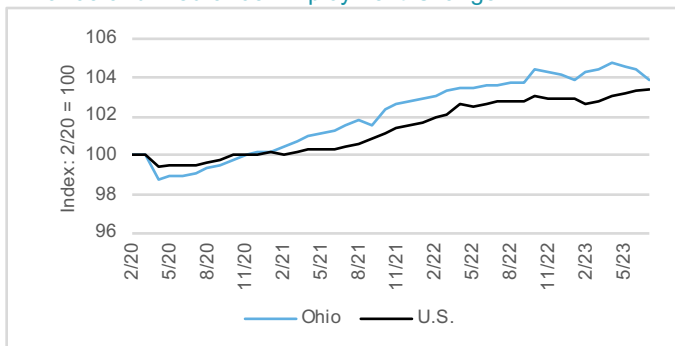
### Government Employment Change



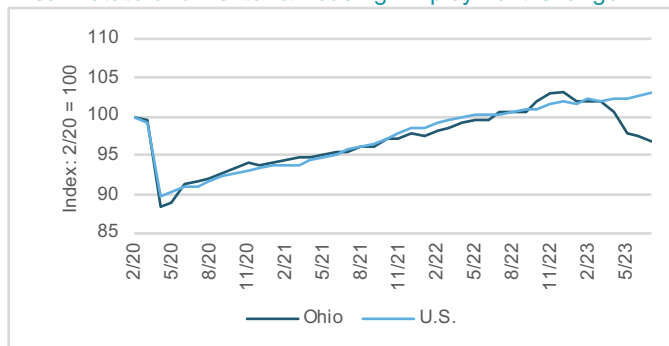
### Retail Trade Employment Change



### Finance and Insurance Employment Change



### Real Estate and Rental & Leasing Employment Change

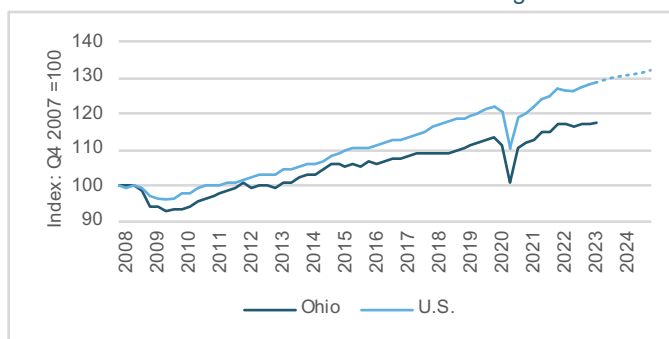


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

## Broad Economic Indicators

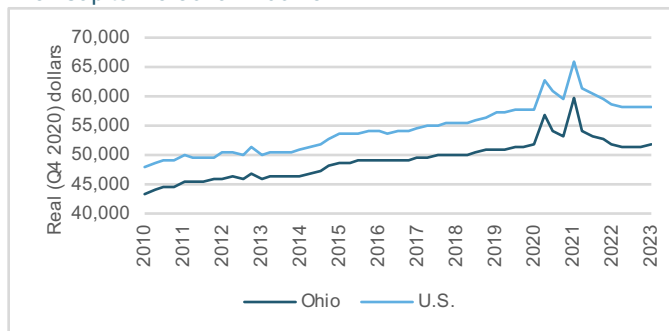
- **U.S. inflation-adjusted gross domestic product (GDP) grew at an annualized 2.1% rate in the second quarter**, compared to the first quarter's 2%. The Philadelphia Fed consensus is for 2.1% net GDP growth in 2023 versus 1.3% in the May forecast.
- **Ohio GDP rose 1.3% in the first quarter**, compared to that quarter's 2% U.S. gain and Ohio's 0.4% fourth quarter growth.
- **Inflation-adjusted per-capita personal income (PCPI) grew strongly in the first quarter**. Ohio PCPI increased 0.6% from Q4. U.S. inflation-adjusted PCPI increased 0.2%. Both remain below their year-ago levels.
- **Second quarter inflation improved to 4.1% year-over-year**. The economists in the August Philadelphia Fed survey expect inflation to cool to 3.1% year-over-year by the end of the year, compared to an expectation of 3.4% in the May survey.
- **U.S. consumer sentiment has rebounded from its May trough amid easing inflation concerns**. The July reading of 71.6 was the best since October 2021. The change in August was negative but not significantly so. Consumers remain tentative about economic prospects, however. Sentiment in the Midwest has recently been slightly stronger than average.

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



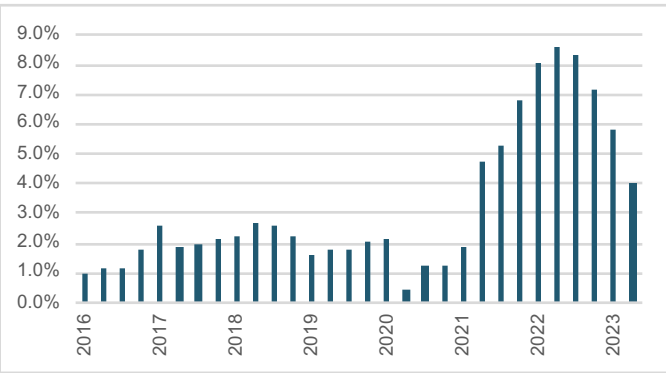
Source: U.S. Bureau of Economic Analysis; Philadelphia Federal Reserve.

### Per-Capita Personal Income



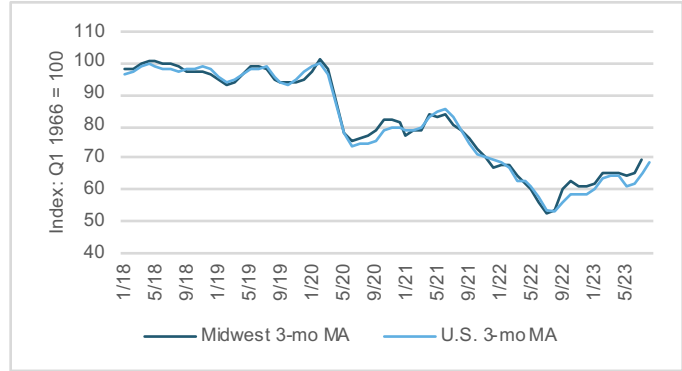
Source: U.S. Bureau of Economic Analysis.

### Year-over-Year Consumer Price Inflation



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

### Consumer Sentiment Index

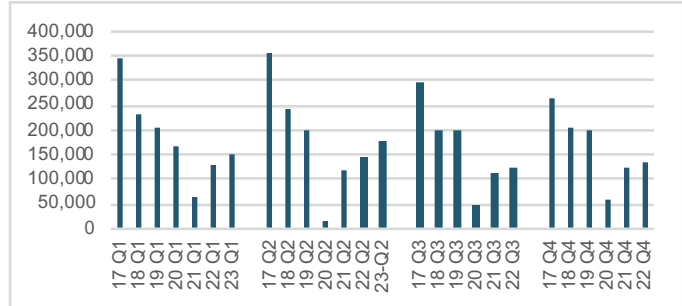


Source: Survey Research Center, University of Michigan.

## Passengers at Primary Regional Airports

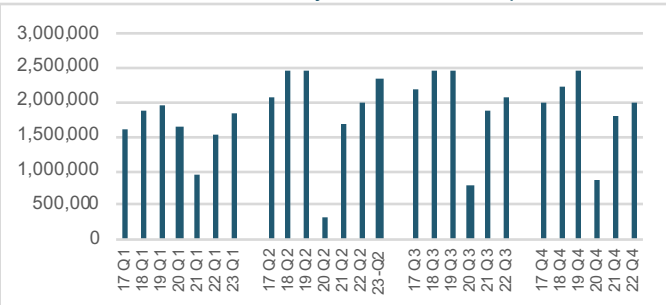
- Ohio-serving airport traffic was up 5.8% year-over-year in Q2, but some airports suffered large declines. Akron-Canton was up 22% from Q2 2022, Cincinnati was up 17%, and Cleveland was up 9.7%. However, estimated Dayton traffic was off 4%, Columbus was off 8%, and Toledo was off 28%.
- The net decline from the pre-pandemic peak in Q4 2019 for the six airports fell to 4.6%. Akron-Canton was off 14%, Columbus was off 17%, Dayton was off 28%, and Toledo was off 42%. However, Cincinnati was 4% higher and Cleveland was 4.5% higher.

### Akron-Canton Airport



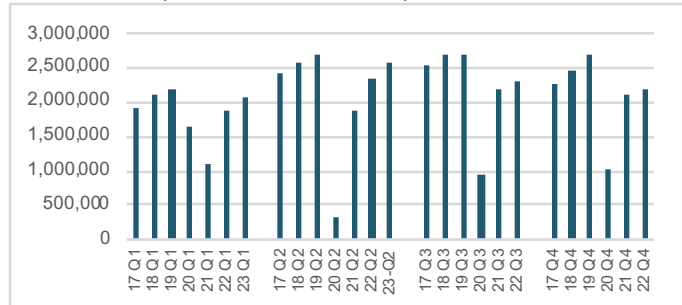
Source: Akron-Canton Airport.

### Cincinnati-Northern Kentucky International Airport



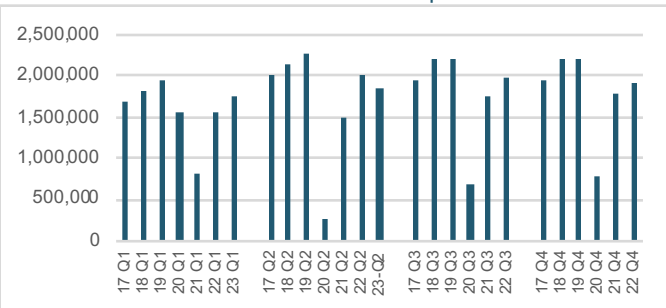
Source: Cincinnati-Northern Kentucky International Airport.

### Cleveland Hopkins International Airport



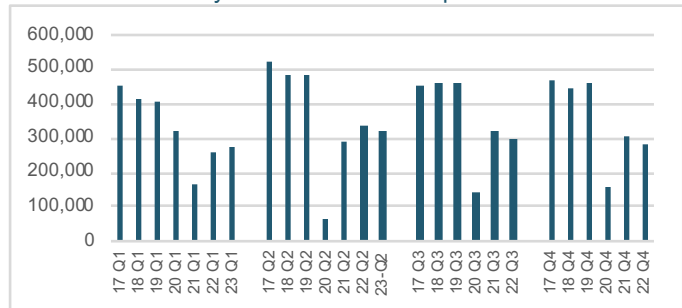
Source: Cleveland Airport System.

### John Glenn Columbus International Airport



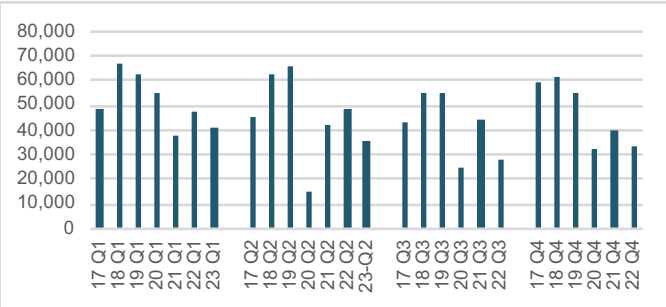
Source: Columbus Regional Airport Authority.

### James M. Cox Dayton International Airport



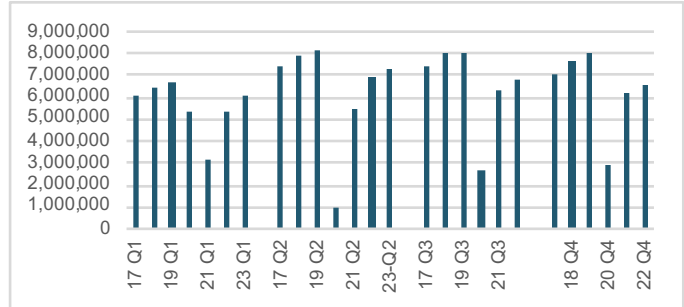
Source: Dayton International Airport (November and December 2022 traffic estimated).

### Eugene F. Kranz Toledo Express Airport



Source: Toledo-Lucas County Port Authority.

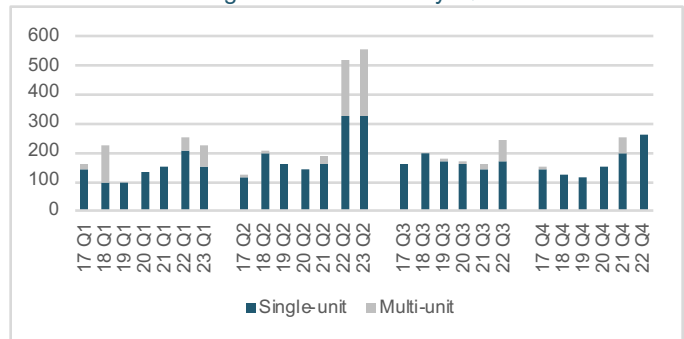
### Six Airport Total



## Residential Real Estate

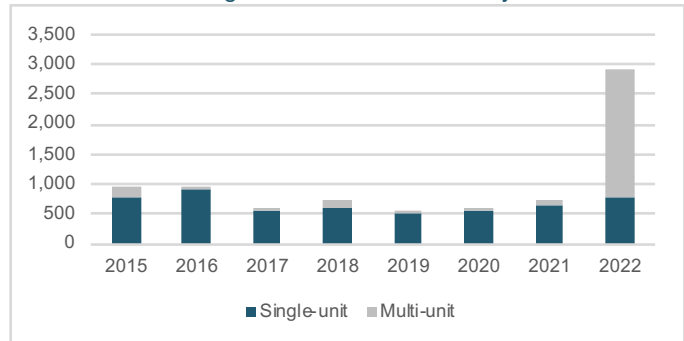
- **Second-quarter residential building permits matched last year's torrid pace and multi-unit focus.** Statewide, 11,823 units were permitted in Q2, down only 2.3% from Q2 2022. This included 7,224 single-unit structures and 4,599 units in multi-unit projects. U.S. permits were down 7.8% from Q2 2022.
- **Ohio's strength extended to most large metros, but year-over-year changes were mixed.** Akron was up 7.6%, with single-unit permits down 1.5%. Cincinnati permits overall were down 14.1%; single-unit permits were down 13%. Total permits in Cleveland were up 0.7% with single-unit permits up 3%. Columbus single-unit permits were up 1.5%, but total permits were off 3.9%. Dayton single-unit and total permits were both up 0.4%. Toledo single-unit permits rose 51%, with total permits up 64%.
- **The Federal Housing Finance Authority's House Price Index showed Ohio price growth above average again.** Ohio prices were up 4.4% to a new high. U.S. prices were up 3.1%. Metro prices were also higher. Akron was up 5%, Cincinnati was up 3.7%, Cleveland was up 4.1%, Columbus was up 5.6%, Dayton was up 5%, and Toledo was up 2.4%.

### Akron MSA Housing Units Permitted by Quarter



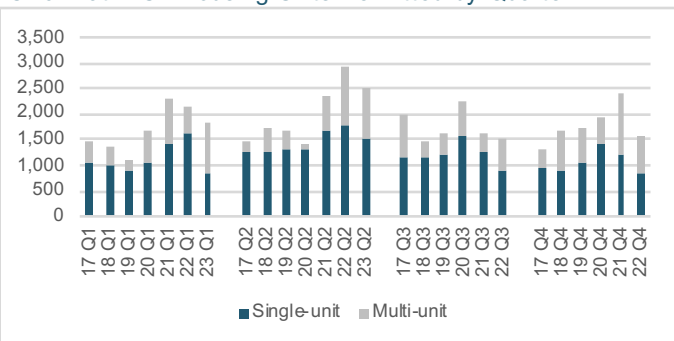
Source: U.S. Census Bureau

### Akron MSA Housing Units Permitted Annually



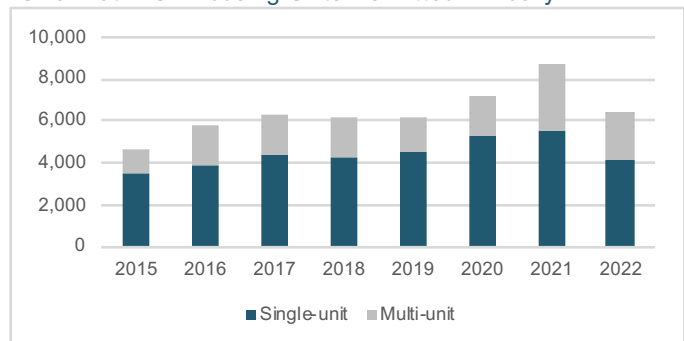
Source: U.S. Census Bureau

### Cincinnati MSA Housing Units Permitted by Quarter



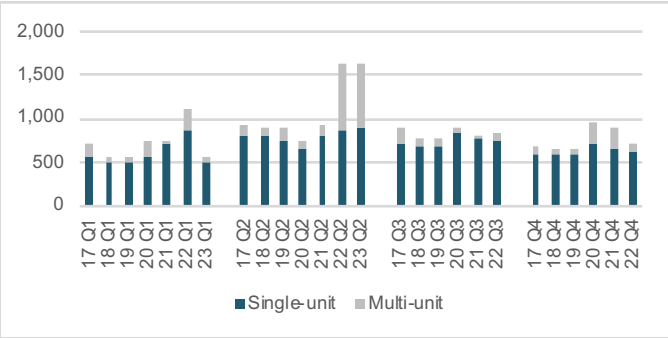
Source: U.S. Census Bureau

### Cincinnati MSA Housing Units Permitted Annually



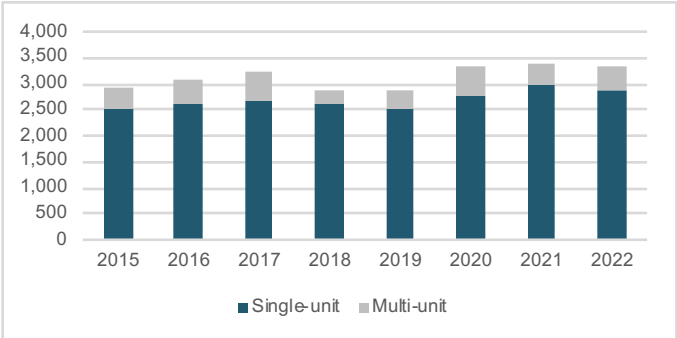
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted by Quarter



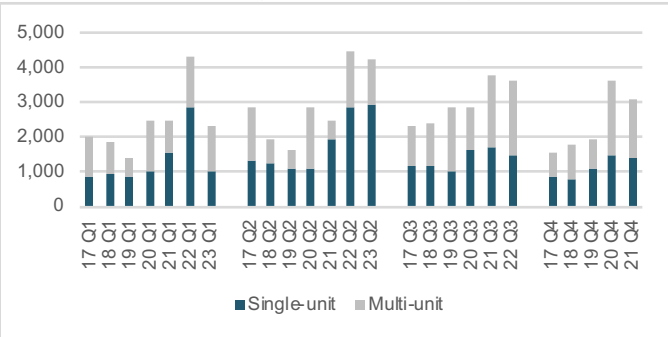
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted Annually



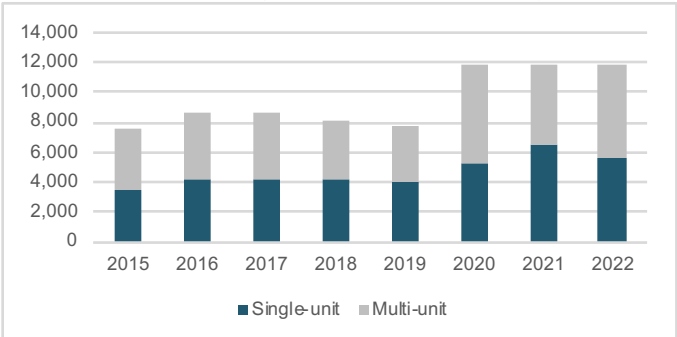
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted by Quarter



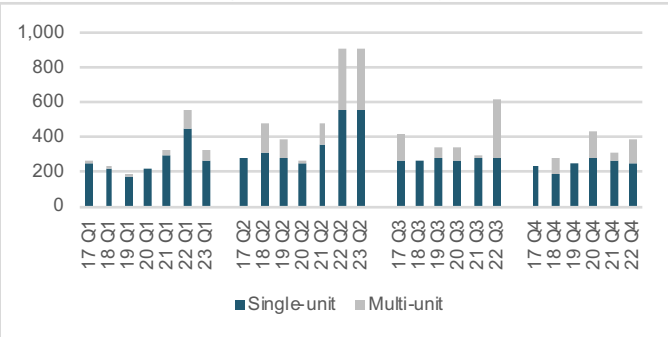
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted Annually



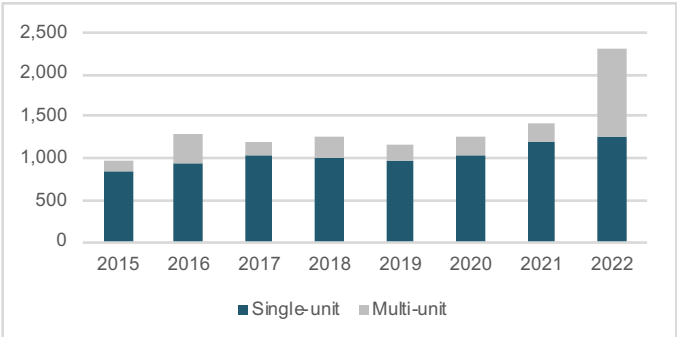
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted by Quarter



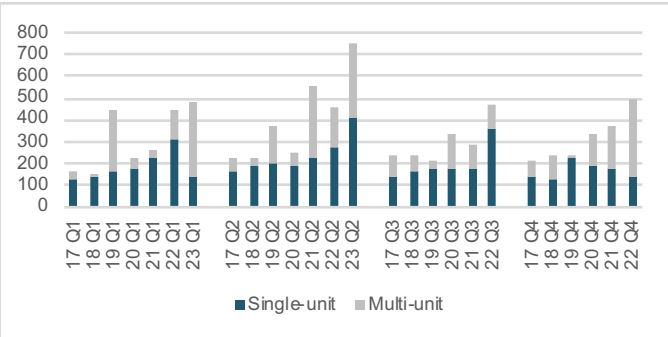
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted Annually



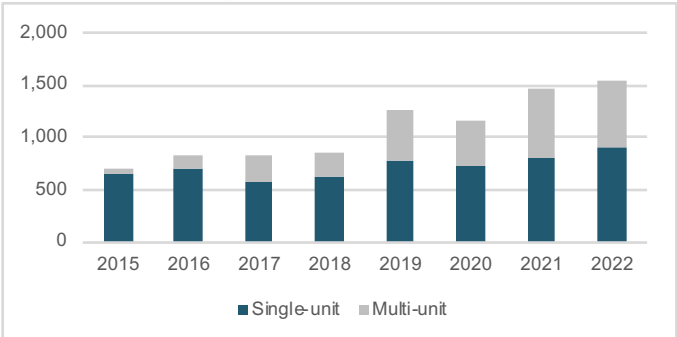
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted by Quarter



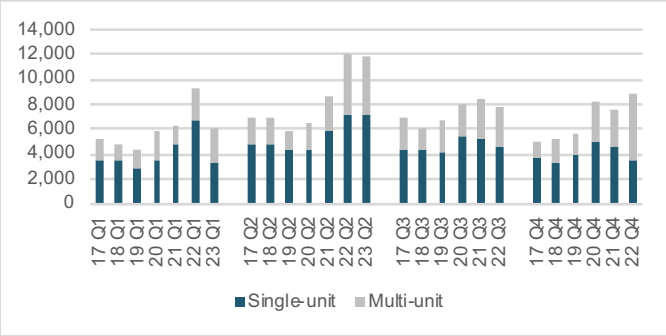
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted Annually



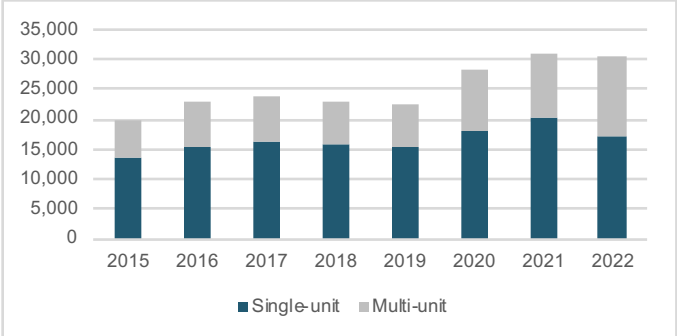
Source: U.S. Census Bureau

Ohio Housing Units Permitted by Quarter



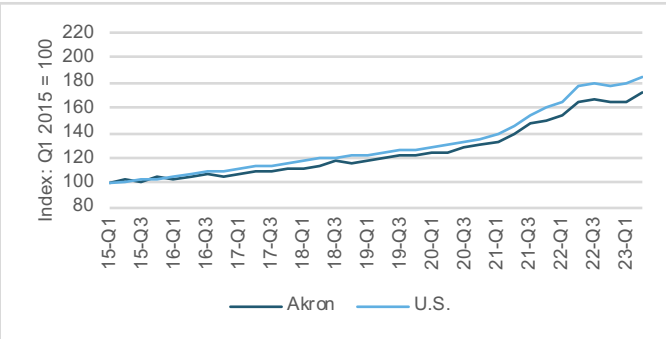
Source: U.S. Census Bureau

Ohio Housing Units Permitted Annually



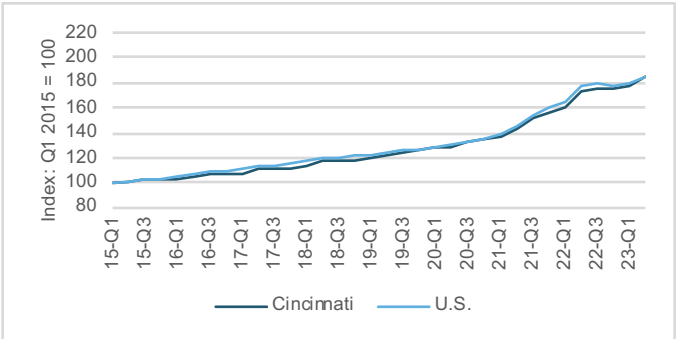
Source: U.S. Census Bureau

Akron MSA and U.S. FHFA House Price Index



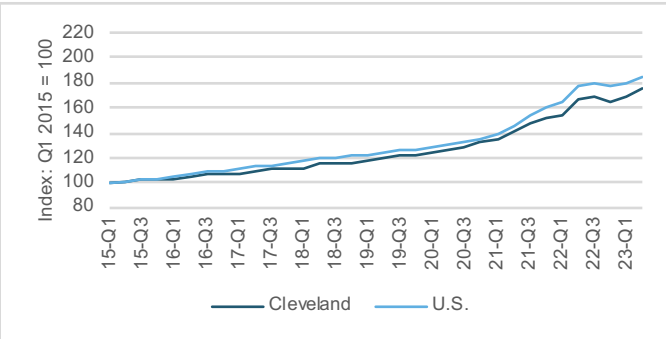
Source: Federal Housing Finance Agency.

Cincinnati MSA and U.S. FHFA House Price Index



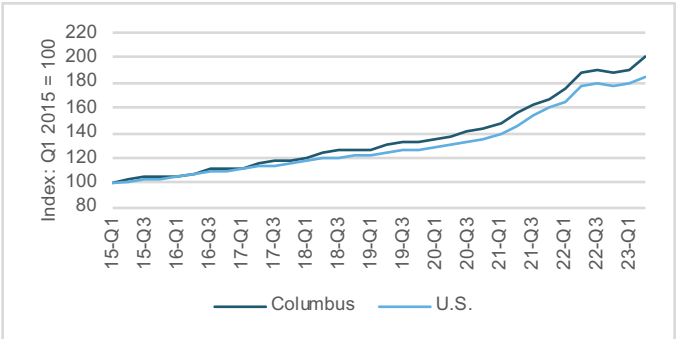
Source: Federal Housing Finance Agency.

Cleveland MSA and U.S. FHFA House Price Index



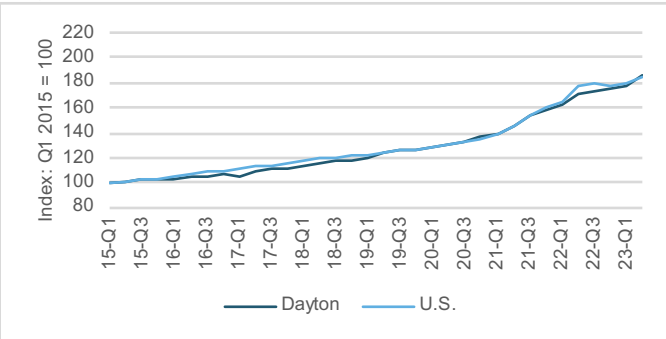
Source: Federal Housing Finance Agency.

Columbus MSA and U.S. FHFA House Price Index



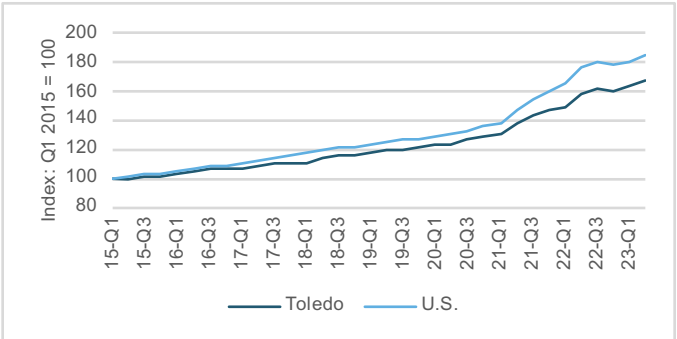
Source: Federal Housing Finance Agency.

Dayton MSA and U.S. FHFA House Price Index



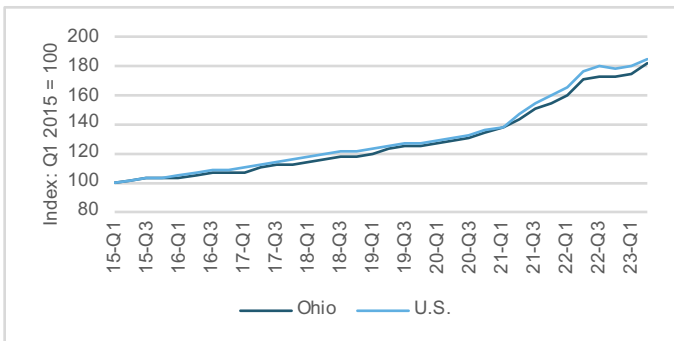
Source: Federal Housing Finance Agency.

Toledo MSA and U.S. FHFA House Price Index



Source: Federal Housing Finance Agency.

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

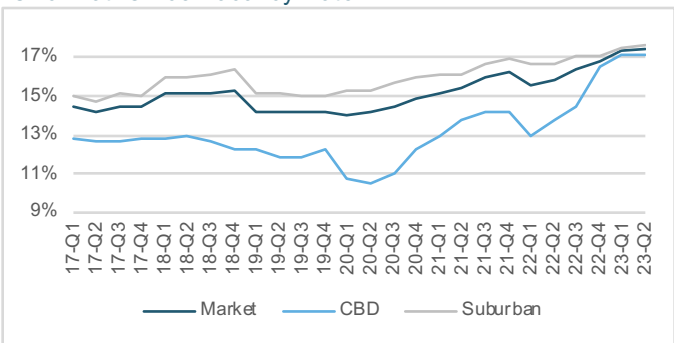


Source: Federal Housing Finance Agency.

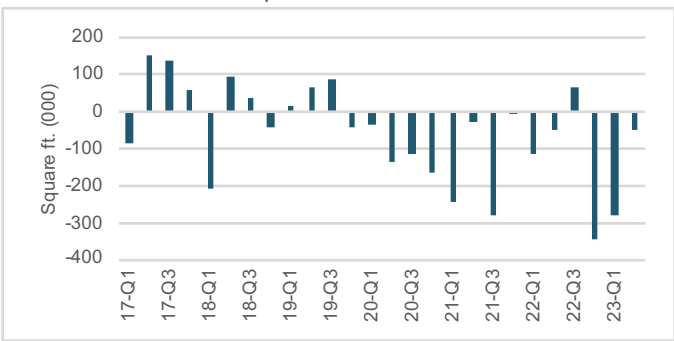
### Ohio Office Real Estate Markets

- **Statistics for Akron-Canton have been unavailable since Q4 2022 and Jones Lang LaSalle data are now used for Columbus, with Colliers no longer reporting.** A layout error in the Cleveland Colliers report resulted in some statistics being unavailable.
- **Absorption was mostly negative.** Downtown markets worsened except in Cincinnati, where absorption approached parity. Suburban absorption improved, with Columbus and Dayton enjoying small positive net values.
- **Office vacancy rates mostly experienced only small changes.** However, downtown Dayton hit a new high of 33%, while suburban Cleveland was far below all other areas at 11.6%.
- **Rents were mixed after adjusting for inflation.** Market rents after inflation were down 0.4% in Cincinnati and 1.3% in Cleveland. They were up 0.6% in Columbus and unchanged in Dayton. Class A rents were off 1.2% in Cincinnati, 0.2% in Columbus, and 0.7% in Dayton. Because of the layout error in the Cleveland report, those class A rents were unavailable.

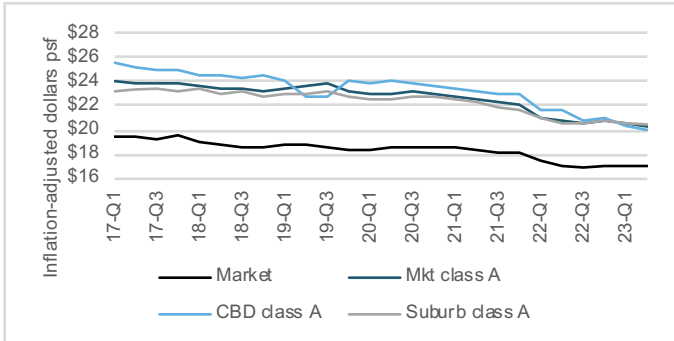
### Cincinnati Office Vacancy Rate



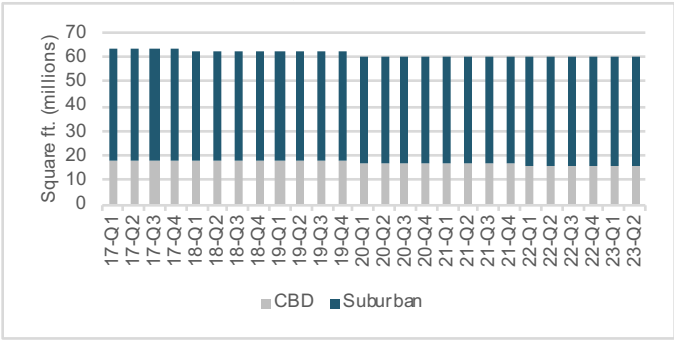
### Cincinnati Office Absorption



### Cincinnati Inflation-Adjusted Office Rent



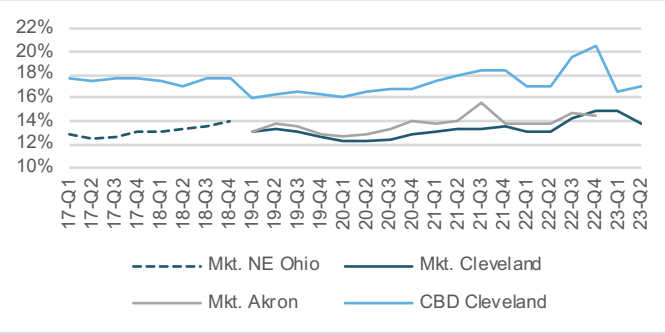
### Cincinnati Office Inventory



Source: Colliers International

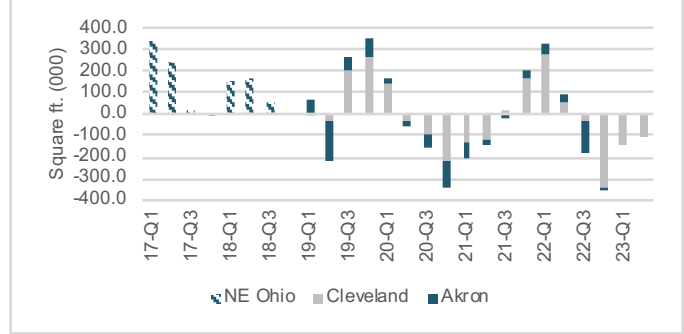


### Cleveland/Northeast Ohio Office Vacancy Rate



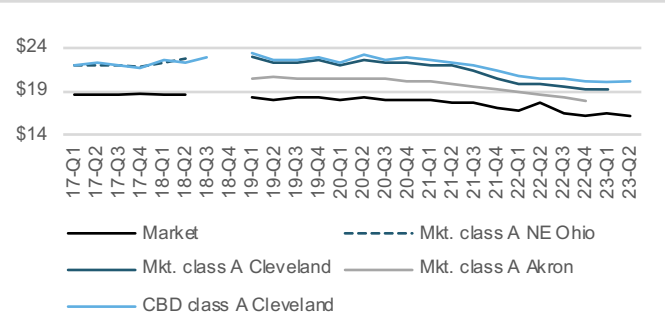
Source: Colliers International

### Cleveland/Northeast Ohio Office Absorption



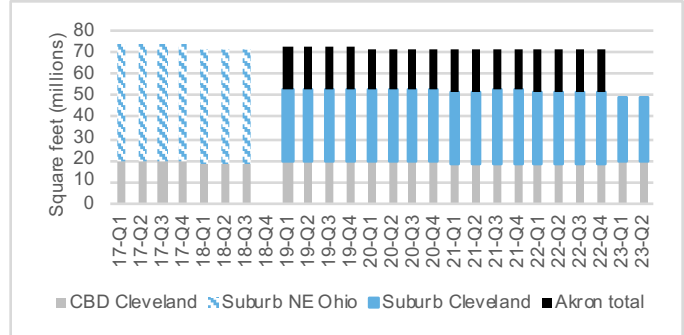
Source: Colliers International

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



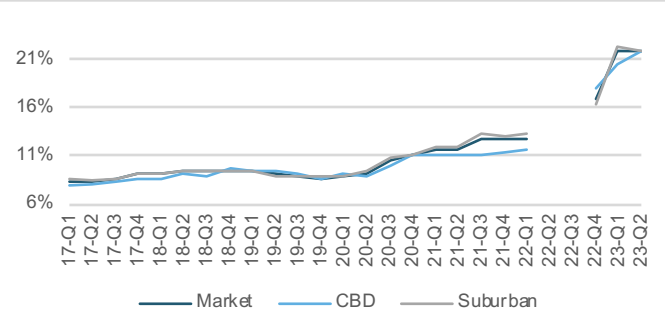
Source: Colliers International

### Cleveland/Northeast Ohio Office Inventory



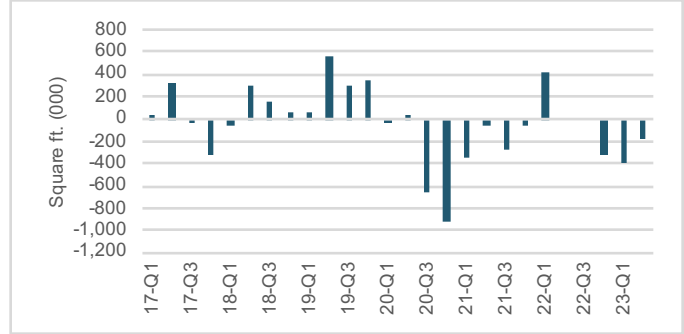
Source: Colliers International

### Columbus Office Vacancy Rate



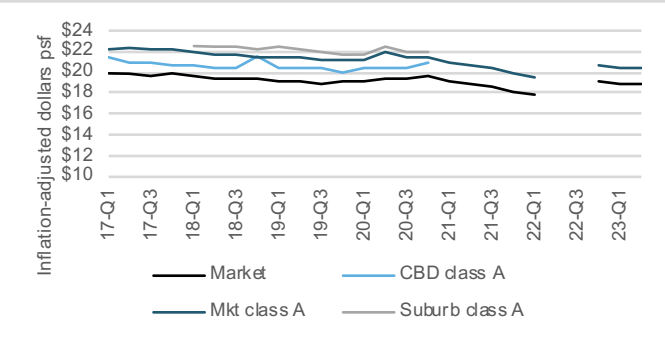
Source: Colliers International, Jones Lang LaSalle

### Columbus Office Absorption



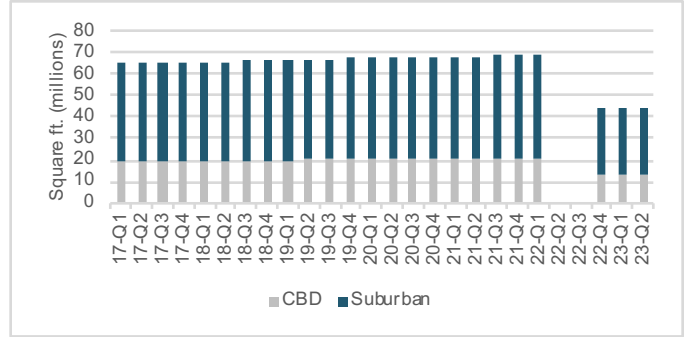
Source: Colliers International, Jones Lang LaSalle

### Columbus Inflation-Adjusted Office Rent



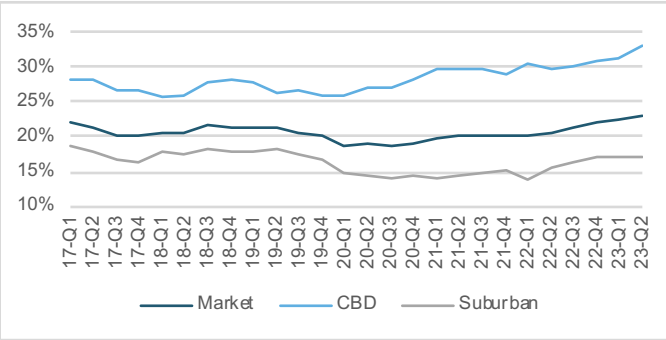
Source: Colliers International, Jones Lang LaSalle

### Columbus Office Inventory



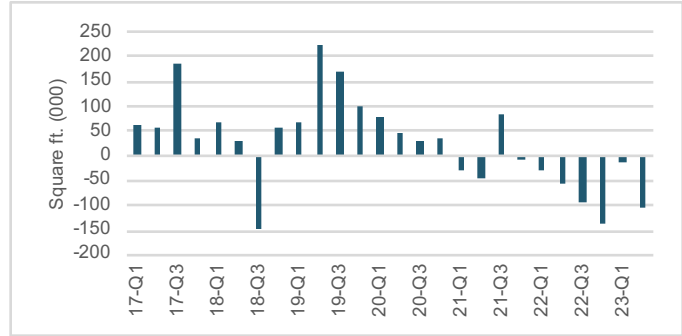
Source: Colliers International, Jones Lang LaSalle

### Dayton Office Vacancy Rate



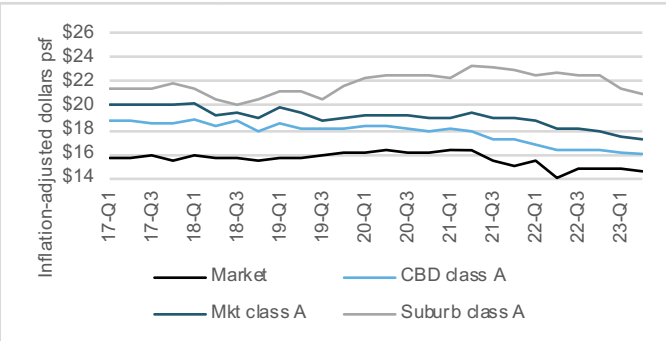
Source: Colliers International

### Dayton Office Absorption



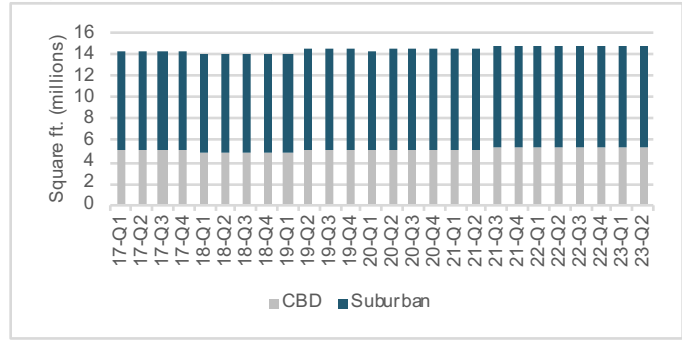
Source: Colliers International

### Dayton Inflation-Adjusted Office Rent



Source: Colliers International

### Dayton Office Inventory



Source: Colliers International

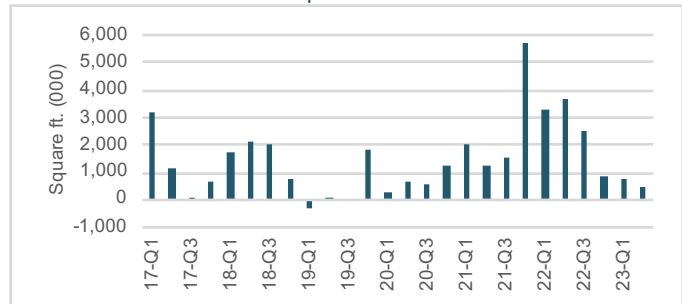
## Ohio Industrial Real Estate Markets

- o **Industrial vacancy rates were mostly higher.** Cincinnati's vacancy rate rose a full percentage point to 4%. Vacancy in Northeast Ohio continued to trend downward, falling to 3.7%. Vacancy rose to 5.2% in Columbus and 5% in Dayton. (Note: Dayton vacancy was incorrectly stated in last quarter's report. The correct total was 4.3%.)
- o **Absorption remained positive in all markets.** Absorption fell to 481,200 square feet in Cincinnati, 505,700 in Cleveland, and 323,200 in Dayton. Meanwhile, absorption rose 2.5 times in Columbus to 3.58 million square feet.
- o **Inflation-adjusted rent was mostly higher.** Rents adjusted for inflation increased 4.8% in Cincinnati, 7.3% in Northeast Ohio, and 9.1% in Dayton. However, rents fell 1.2% in Columbus.

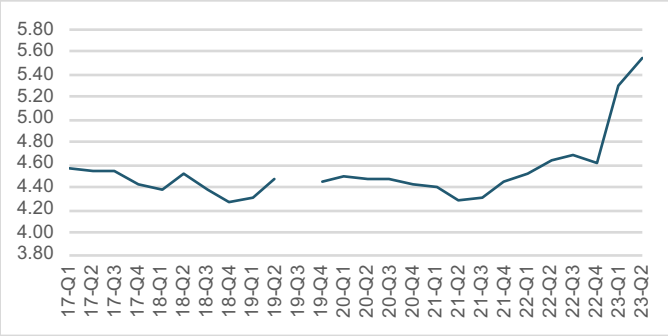
### Cincinnati Industrial Vacancy Rate



### Cincinnati Industrial Absorption

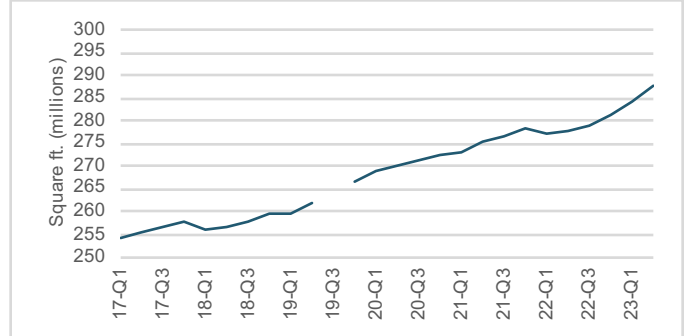


Cincinnati Inflation-Adjusted Industrial Rent



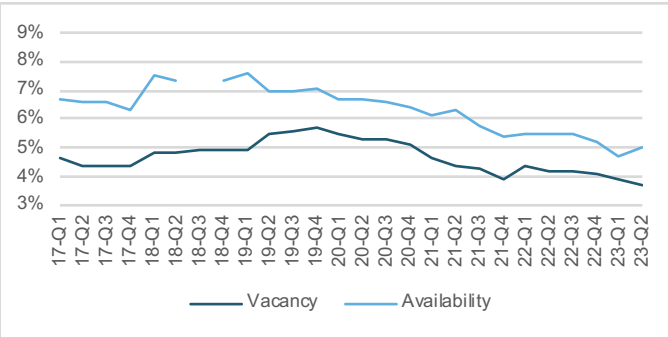
Source: Colliers International

Cincinnati Industrial Inventory



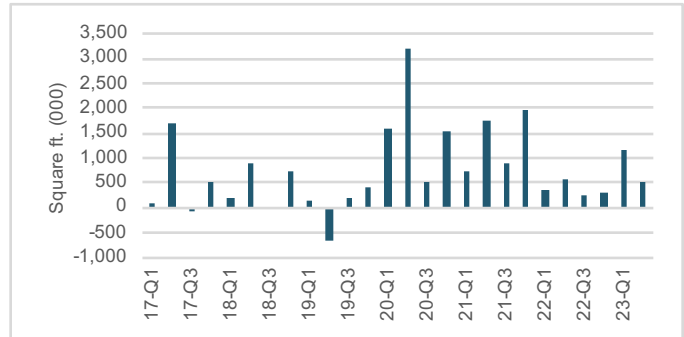
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Northeast Ohio Industrial Vacancy Rate



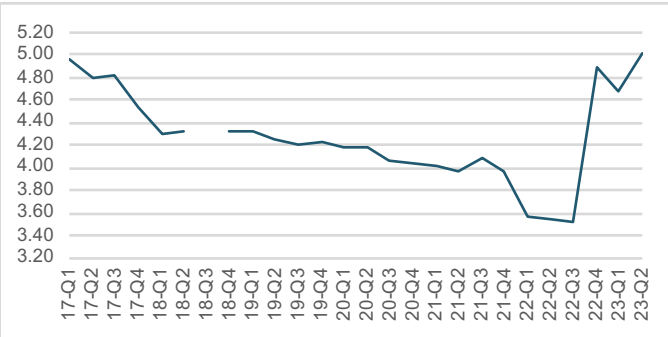
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Northeast Ohio Industrial Absorption



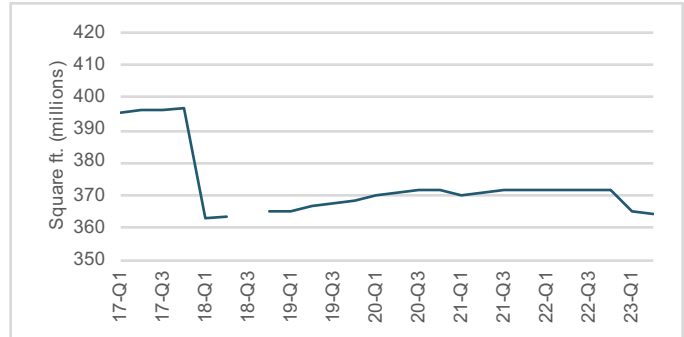
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Northeast Ohio Inflation-Adjusted Industrial Rent



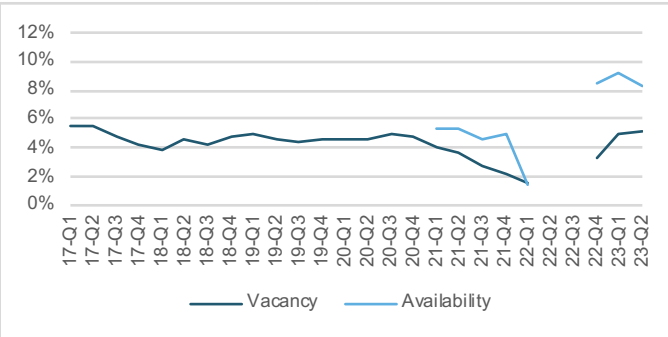
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Northeast Ohio Industrial Inventory



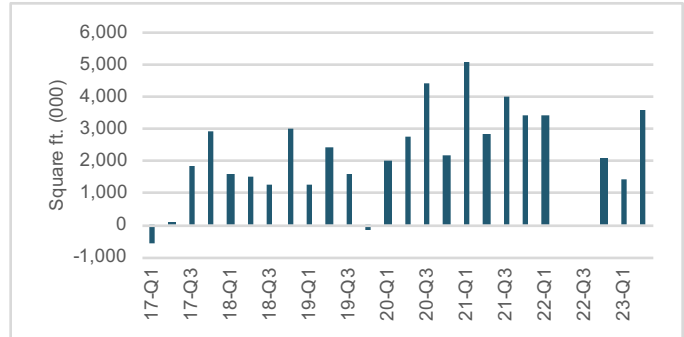
Source: Colliers International

Columbus Industrial Vacancy Rate



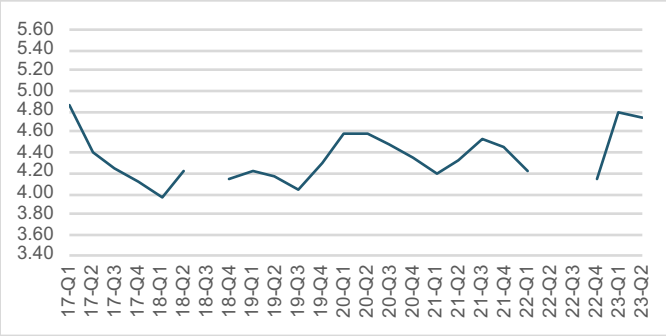
Source: Colliers International, Jones Lang LaSalle

Columbus Industrial Absorption



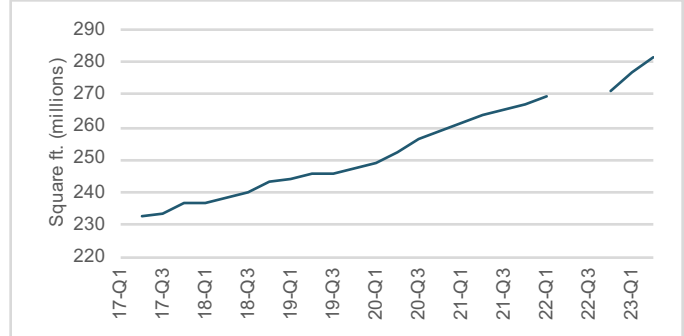
Source: Colliers International, Jones Lang LaSalle

Columbus Inflation-Adjusted Industrial Rent



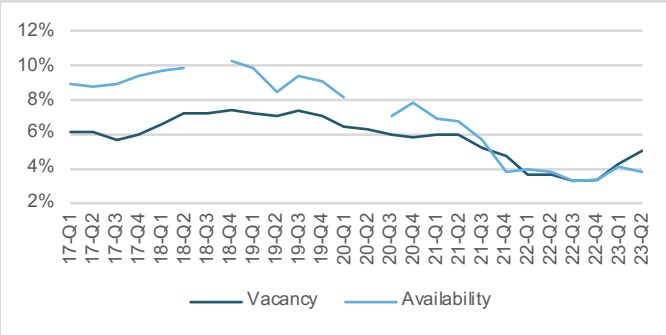
Source: Colliers International, Jones Lang LaSalle

Columbus Industrial Inventory



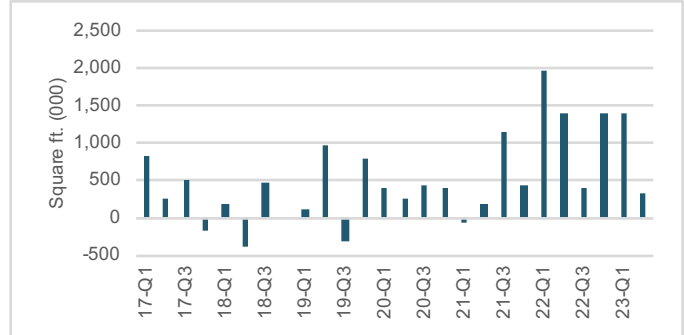
Source: Colliers International, Jones Lang LaSalle

Dayton Industrial Vacancy Rate



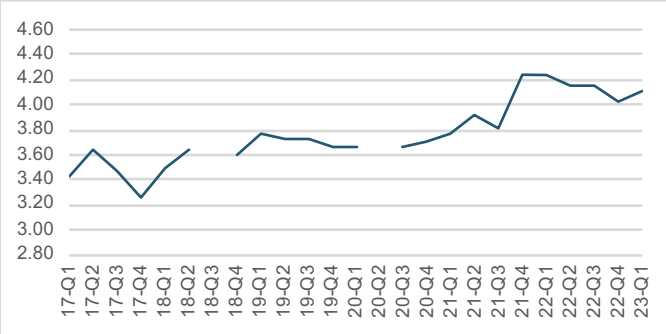
Source: Colliers International

Dayton Industrial Absorption



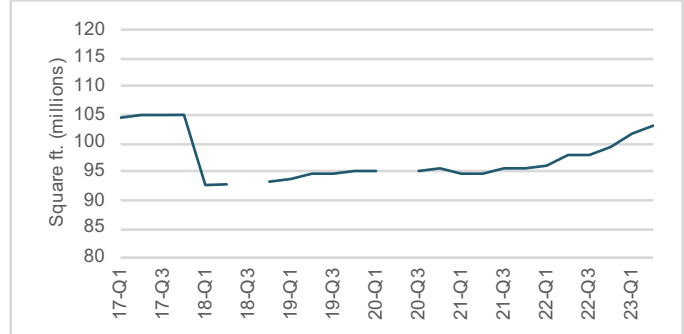
Source: Colliers International

Dayton Inflation-Adjusted Industrial Rent



Source: Colliers International

Dayton Industrial Inventory



Source: Colliers International