

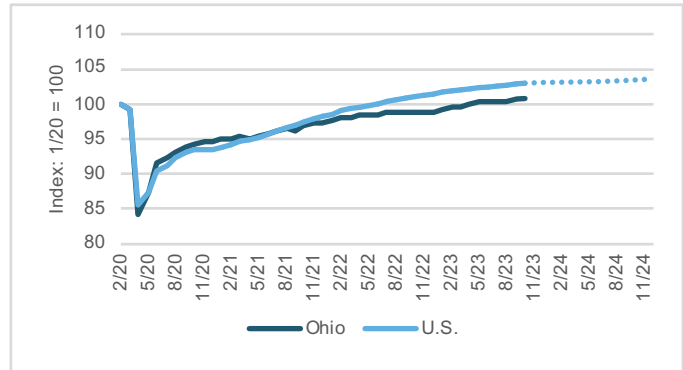
Employment and Unemployment

- **Ohio employment growth from July through October slightly lagged the U.S. 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. Ohio employment increased 19,700 (0.3%) between April and July. U.S. employment increased 0.4%. Ohio payroll employment is up 2% since October 2022, compared to U.S. growth of 1.9%.
- **Economic forecasts see minimal growth but less than 50% odds on a recession in 2024.** The dashed line in the employment chart is the consensus employment forecast of 40 economists from the National Association for Business Economics (NABE) October forecast survey. The consensus is for monthly job growth to average only 37,000 during 2024.
- **The Ohio unemployment rate remained below average.** The 3.6% rate in October was up from July's 3.3% record low. The U.S. rate was 3.9%, up from 3.5% in July.

The charts below compare the trends in labor force (the unemployment rate denominator) and employment. Ohio labor force fell 0.2% between July and October, compared to a 0.4% U.S. increase. The number of employed Ohioans fell by a larger 0.4%, causing the unemployment rate to rise.

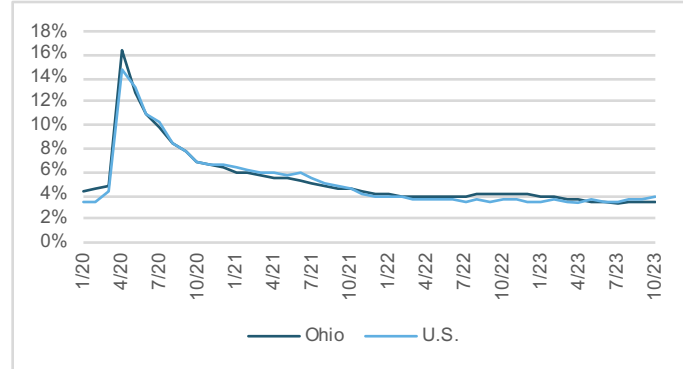
The 0.4% increase in the U.S. labor force was accompanied by an unchanged resident employment level, resulting in the increase in the U.S. unemployment rate.

Payroll Employment Change, Including U.S. Forecast



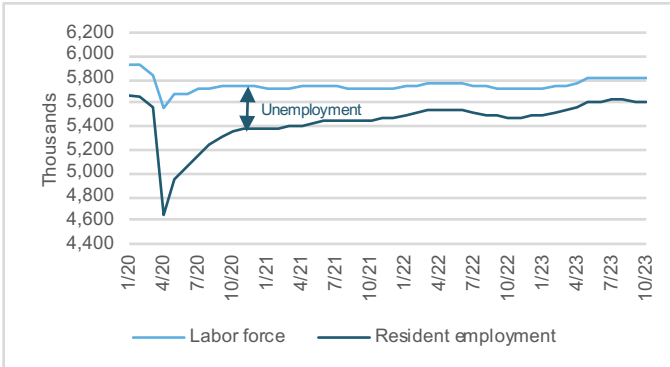
Source: U.S. Bureau of Labor Statistics, National Assn. for Business Economics.

Ohio and U.S. Unemployment Rates



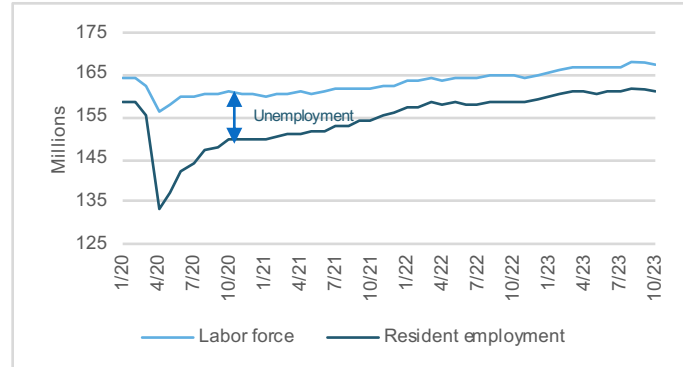
Source: Labor Force Statistics, U.S. Bureau of Labor Statistics.

Ohio Labor Force and Employment



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

U.S. Labor Force and Employment

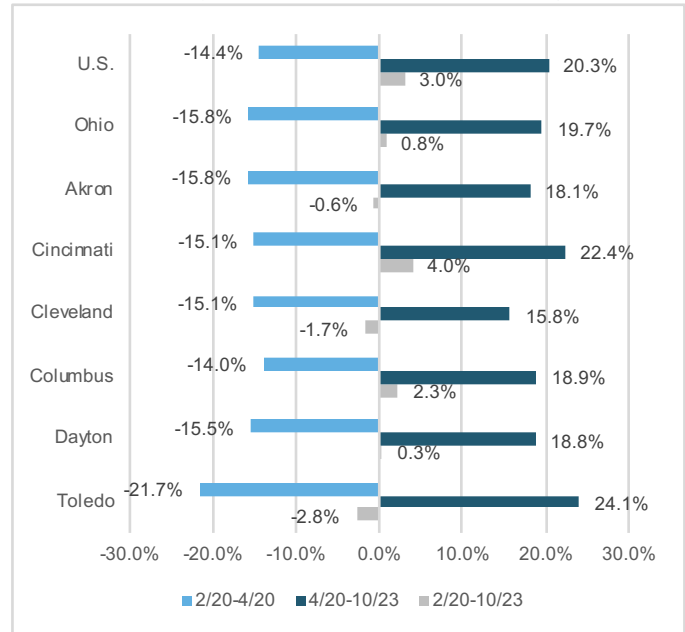


Source: Current Population Statistics, U.S. Bureau of Labor Statistics.

Employment Changes by Region and Sector

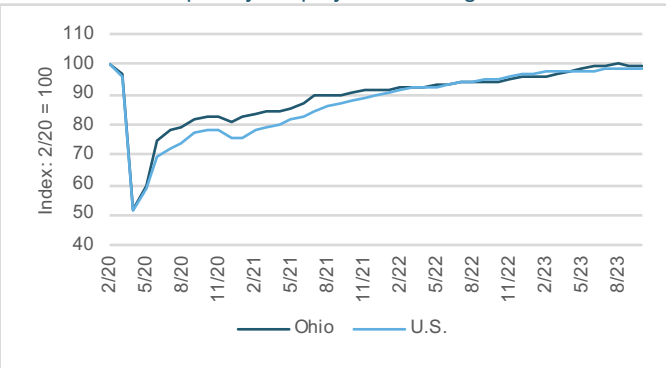
- **Payroll employment changes varied in Ohio's large metros between July and October.** Akron employment grew 1%. Cleveland (0.5%) and Cincinnati (0.4%) also exceeded the Ohio average. Dayton gained 0.1%, Toledo was unchanged, and Columbus lost 0.3%
- **Three of the six large MSAs have recovered their 2020 losses.** These include Cincinnati, Columbus, and Dayton. Toledo is 2.8% less, Cleveland is 1.7% less, and Akron is 0.6% less than in February 2020.
- **Ohio leisure and hospitality employment fell 0.1%, compared to a 0.6% U.S. gain.** Ohio's leisure employment remains 0.8% less than in February 2020. U.S. employment is 1.3% less.
- **Office-using sectors generally improved.** Business services gained 0.3% in Ohio versus a 0.2% U.S. gain. Finance and insurance lost 0.1% in Ohio, but 0.2% nationwide. Healthcare gained 1.4% in Ohio, 1.1% nationally.
- **Ohio real estate's employment decline continued.** Employment fell 600 (0.9%) between April and July. U.S. employment increased 0.6%.

Pandemic Employment Loss, Gain and Net Change

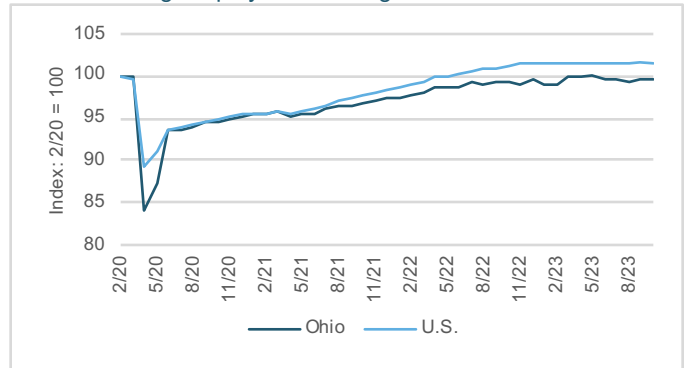


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

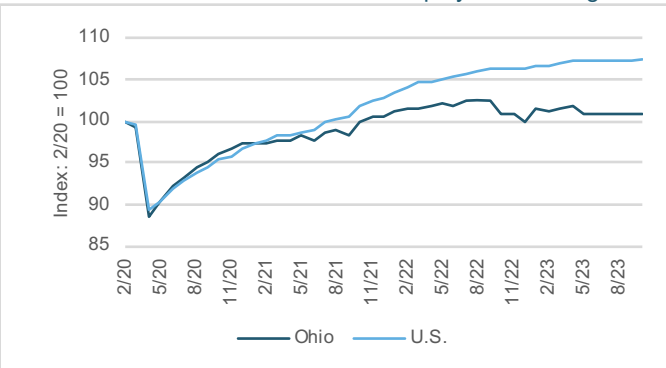
Leisure and Hospitality Employment Change



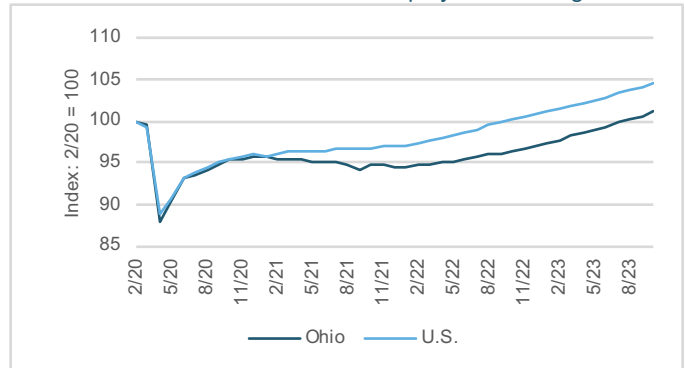
Manufacturing Employment Change



Professional & Business Services Employment Change

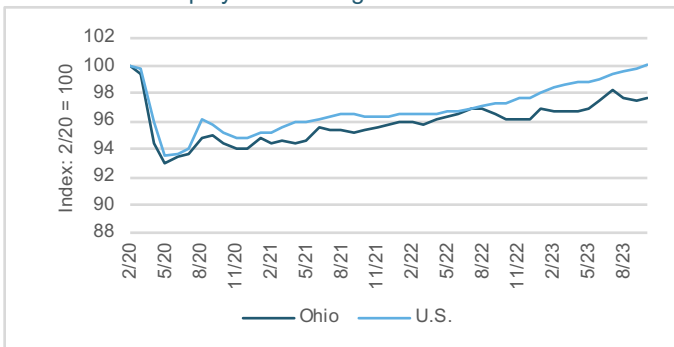


Healthcare & Social Assistance Employment Change

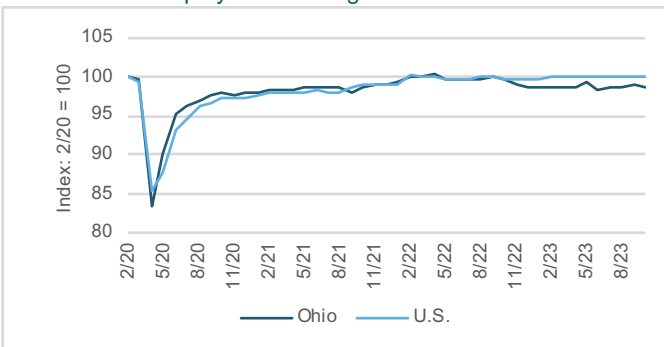


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

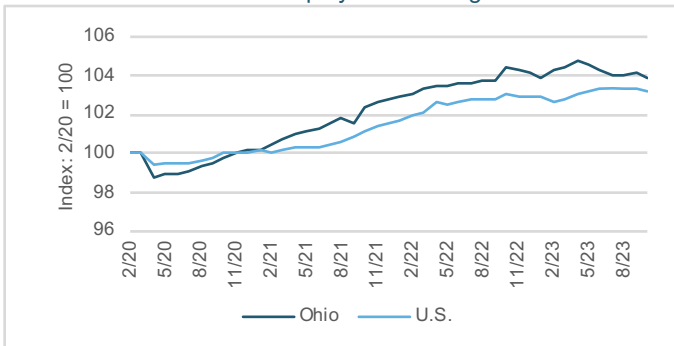
Government Employment Change



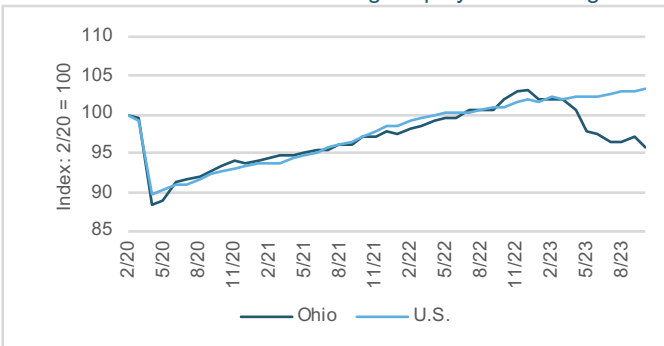
Retail Trade Employment Change



Finance and Insurance Employment Change



Real Estate and Rental & Leasing Employment Change

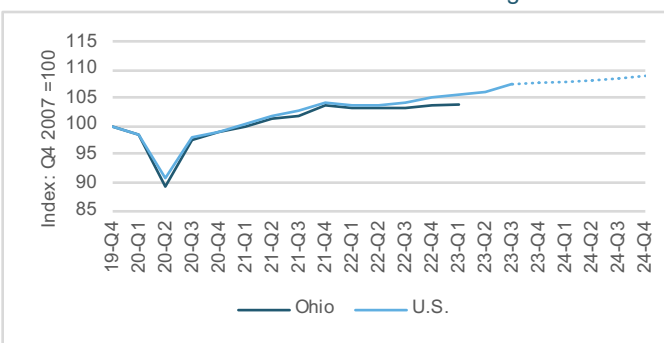


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

Broad Economic Indicators

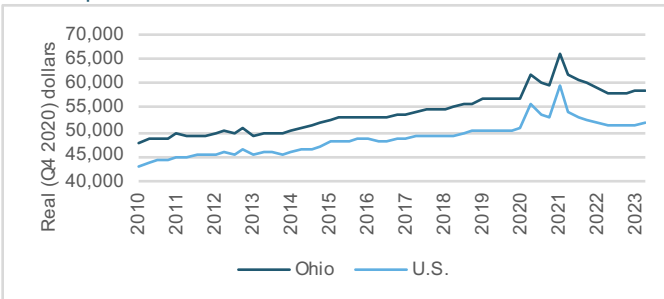
- **U.S. inflation-adjusted gross domestic product (GDP) grew at a surprisingly strong 5.2% annualized rate in the third quarter.** The NABE median forecast for Q3 was only 2.7%. The prediction is for a 1.1% gain from Q4 2023 to Q4 2024.
- **Ohio GDP is unavailable for now.** The Bureau of Economic Analysis is comprehensively revising its state-level estimates.
- **Inflation-adjusted per-capita personal income (PCPI) grew again in the second quarter.** Ohio PCPI increased 0.2% from Q1. U.S. inflation-adjusted PCPI increased 0.3%. Year over year, Ohio PCPI is up 1%; U.S. PCPI is up 0.8%.
- **Third quarter inflation eased to 3.6% year-over-year.** The economists in the October NABE survey expect inflation to cool to 2.3% year-over-year by the end of 2024, nearing the Federal Reserve's 2% target.
- **U.S. consumer sentiment has declined since August.** The November reading of 61.3 is the second lowest of the year. Consumers are concerned about long-run business conditions. Although inflation has eased, concerns about the future course of prices continue.

U.S. and Ohio Gross Domestic Product Change



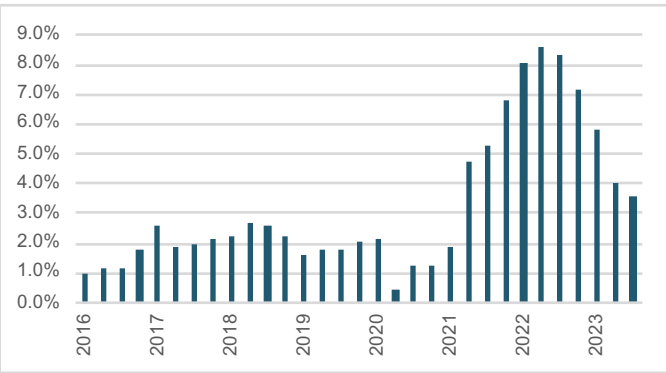
Source: U.S. Bureau of Economic Analysis; Natl. Assn. for Business Economics.

Per-Capita Personal Income



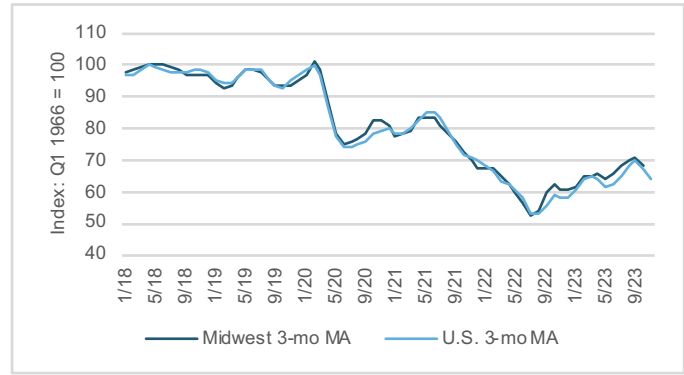
Source: U.S. Bureau of Economic Analysis.

Year-over-Year Consumer Price Inflation



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

Consumer Sentiment Index

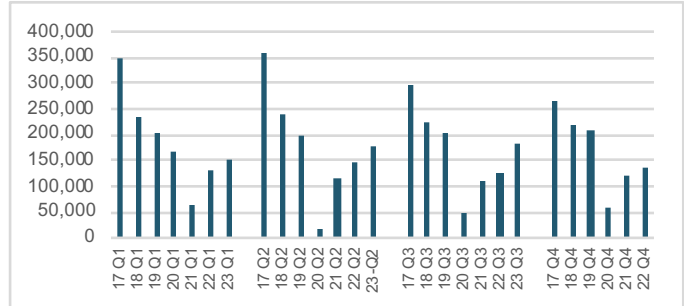


Source: Survey Research Center, University of Michigan.

Passengers at Primary Regional Airports

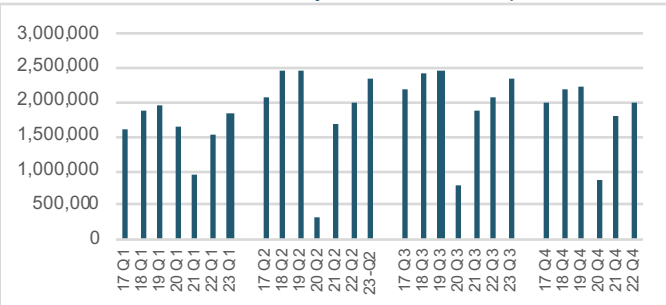
- Ohio-serving airport traffic was up 14% year-over-year in Q3, with most airports enjoying large gains. Akron-Canton was up 47% from Q3 2022, Cleveland was up 17%, Cincinnati and Columbus were up 12%, and estimated Dayton traffic was up 11%. Toledo was off 34%.
- The six airports' traffic is now only 5.5% less than their Q2 2019 pre-pandemic peak. Cleveland is off 0.6%, Columbus is off 2.9%, Cincinnati is off 6.1%, Akron-Canton is off 9.1%, Dayton is off 31% and Toledo is off 72%.

Akron-Canton Airport



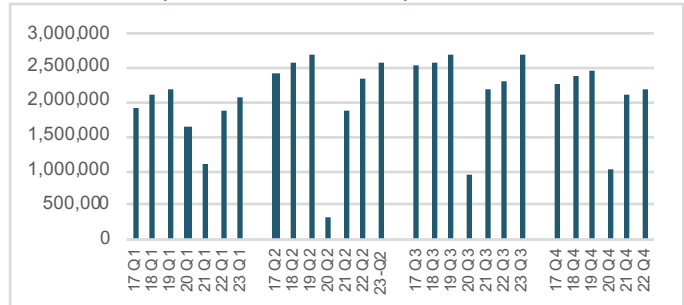
Source: Akron-Canton Airport.

Cincinnati-Northern Kentucky International Airport



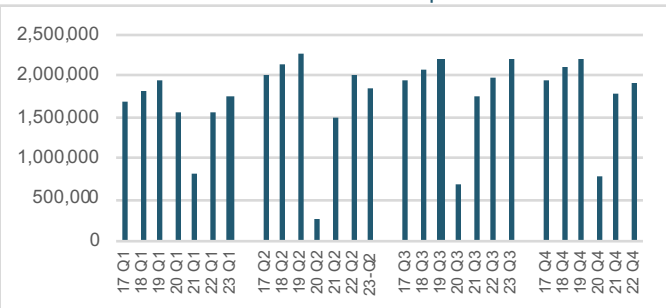
Source: Cincinnati-Northern Kentucky International Airport.

Cleveland Hopkins International Airport



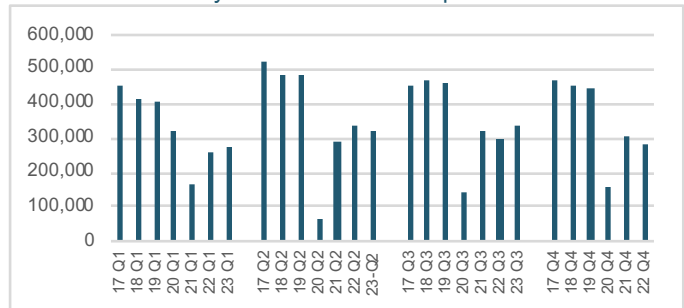
Source: Cleveland Airport System.

John Glenn Columbus International Airport



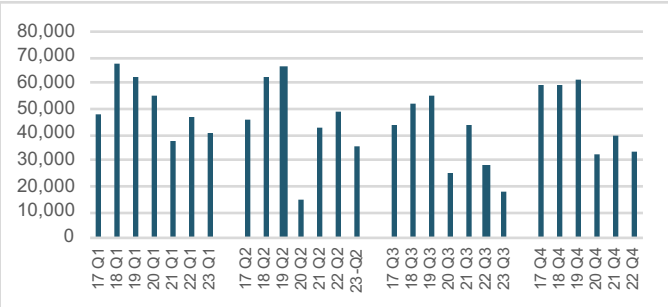
Source: Columbus Regional Airport Authority.

James M. Cox Dayton International Airport



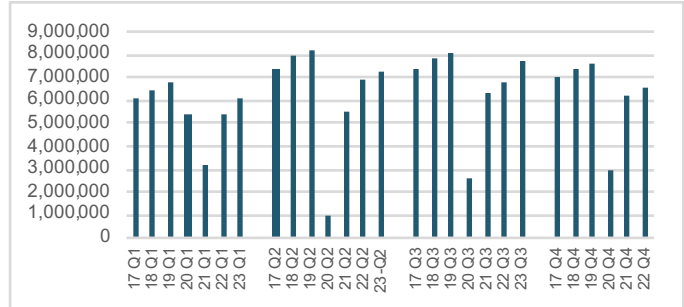
Source: Dayton International Airport (November and December 2022 traffic estimated).

Eugene F. Kranz Toledo Express Airport



Source: Toledo-Lucas County Port Authority.

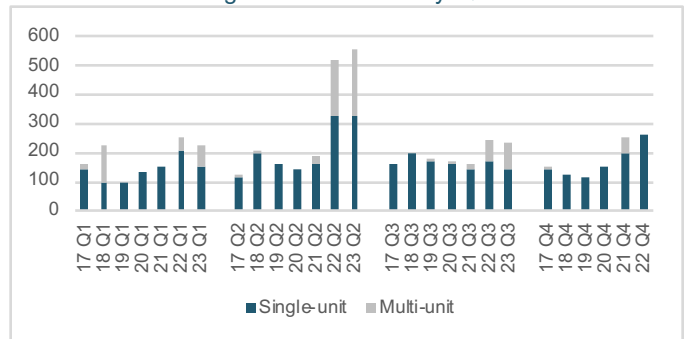
Six Airport Total



Residential Real Estate

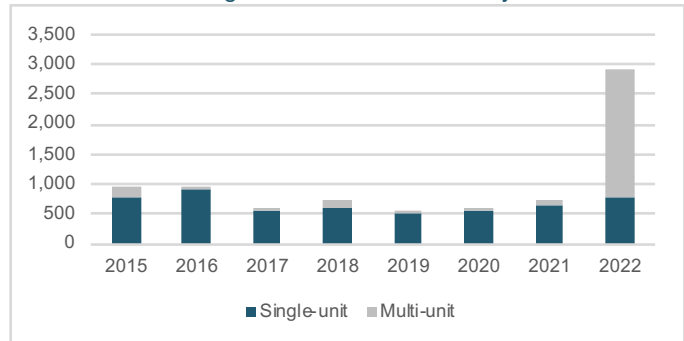
- **Third quarter residential building permits were off slightly from last year.** Statewide, 7,574 units were permitted in Q3, down 3.1% from Q3 2022. This included 4,290 single-unit structures and 3,284 units in multi-unit projects. U.S. permits were down 6.4% from Q2 2022.
- **Permits were down in all large metros except Columbus.** Akron was up 6.1%, with single-unit permits down 15.3%. Cincinnati permits overall were down 8.5%; single-unit permits were up 6.1%. Total permits in Cleveland were down 13% with single-unit permits down 15%. Columbus permits were up 2.1%, but single-unit permits were off 2.2%. Dayton single-unit permits were up 13%, but total permits were down 33%. Toledo single-unit and total permits both fell 49%.
- **The Federal Housing Finance Authority's House Price Index revealed slower price increases in Q3.** Ohio prices were up 2%, while U.S. prices were up 1.9%. Metro prices were also higher. Akron was up 4%, Cincinnati was up 2%, Cleveland was up 1.4%, Columbus and Dayton were up 1.1%, and Toledo was up 5%.

Akron MSA Housing Units Permitted by Quarter



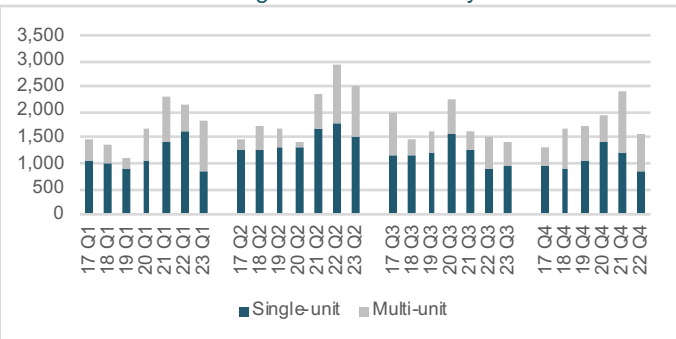
Q4 multi-unit permits of 2,100 omitted. Source: U.S. Census Bureau

Akron MSA Housing Units Permitted Annually



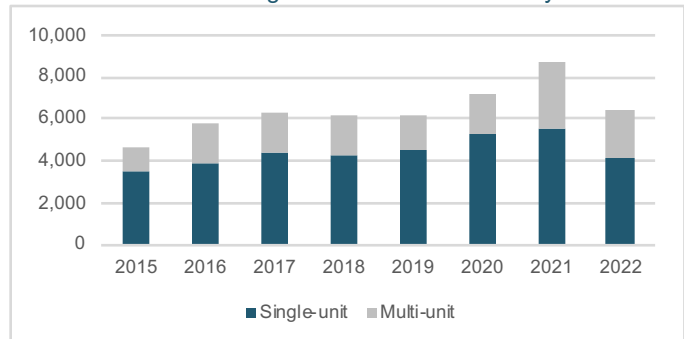
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted by Quarter



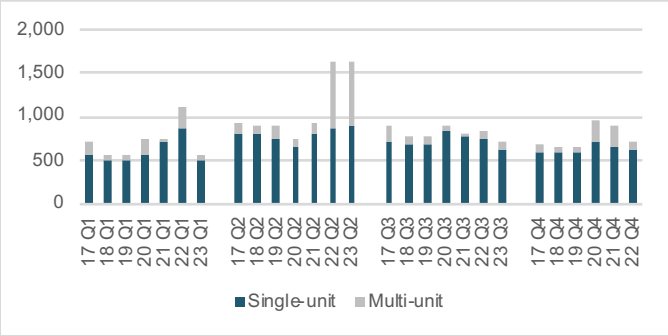
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted Annually



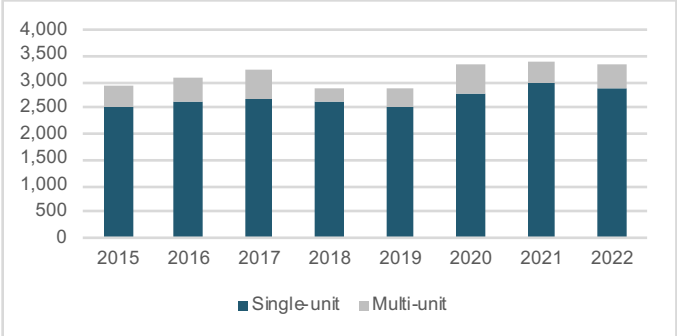
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted by Quarter



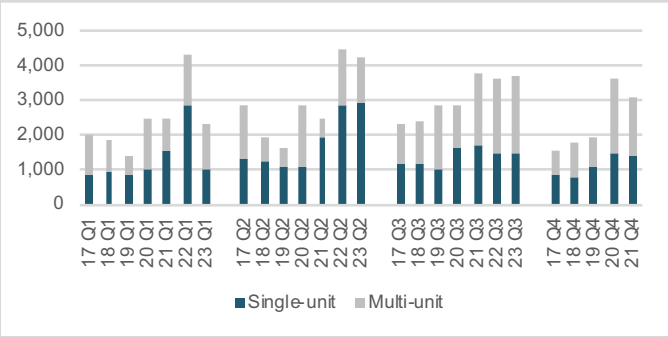
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted Annually



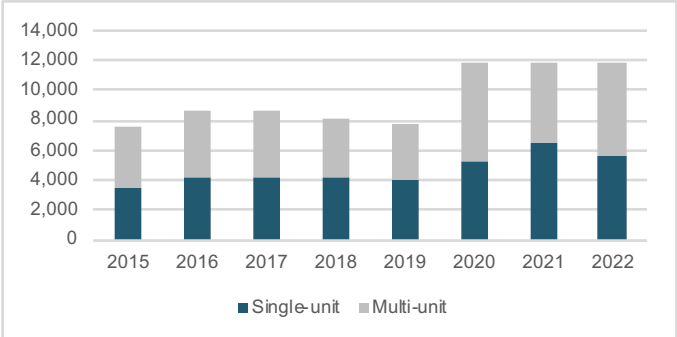
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted by Quarter



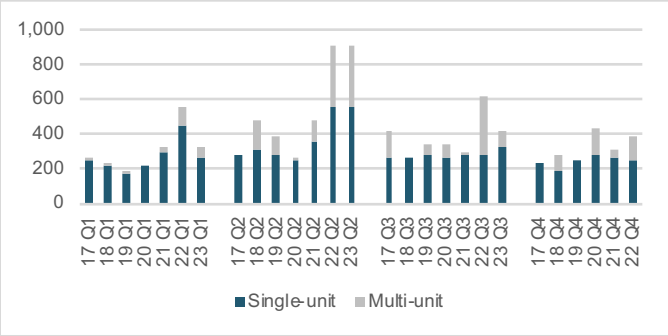
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted Annually



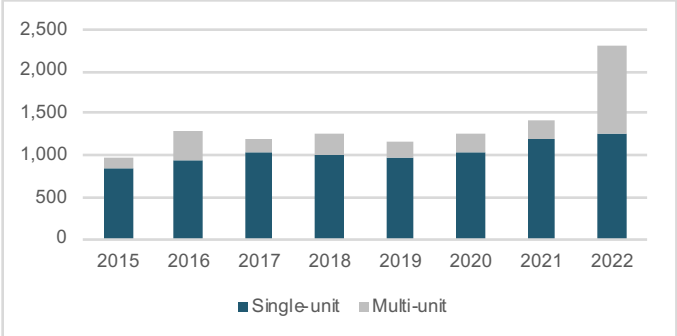
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted by Quarter



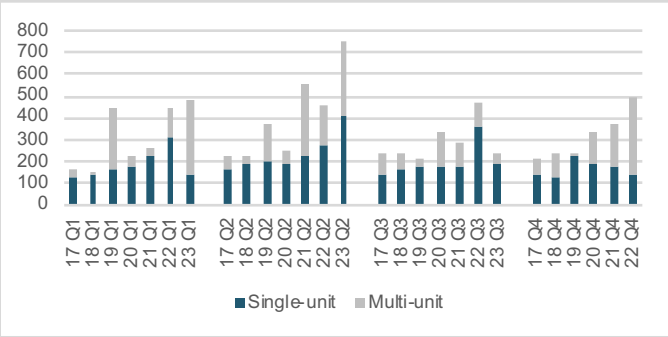
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted Annually



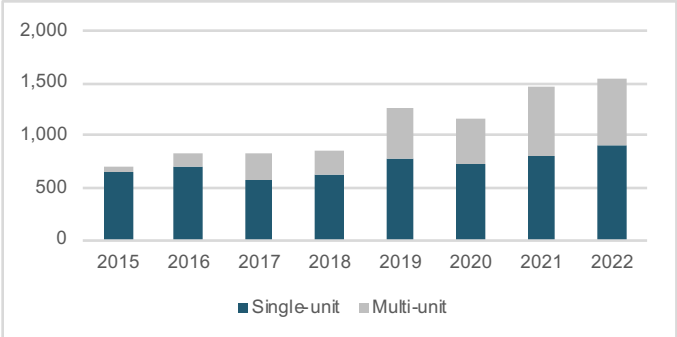
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted by Quarter



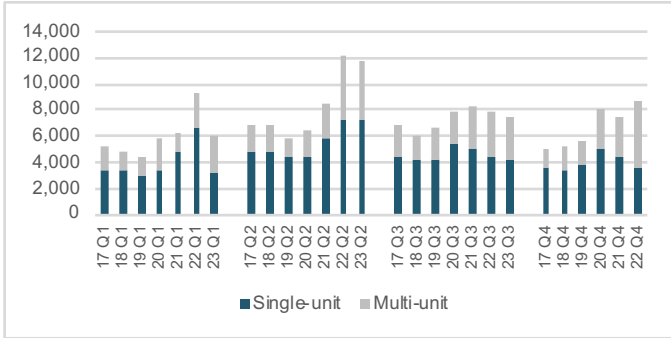
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted Annually



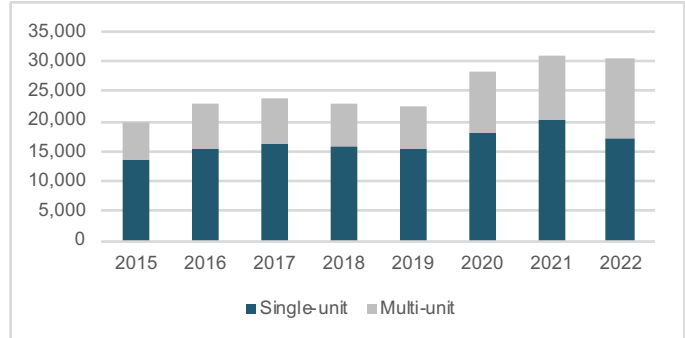
Source: U.S. Census Bureau

Ohio Housing Units Permitted by Quarter



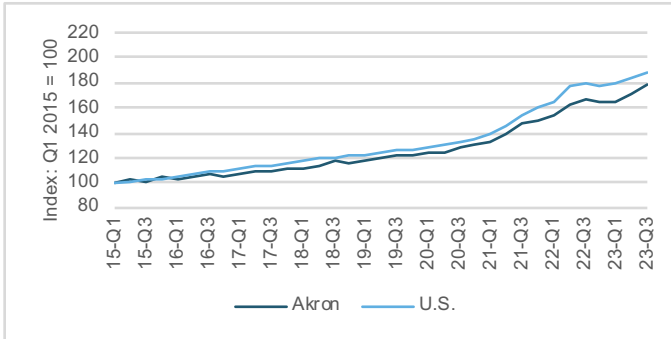
Source: U.S. Census Bureau

Ohio Housing Units Permitted Annually



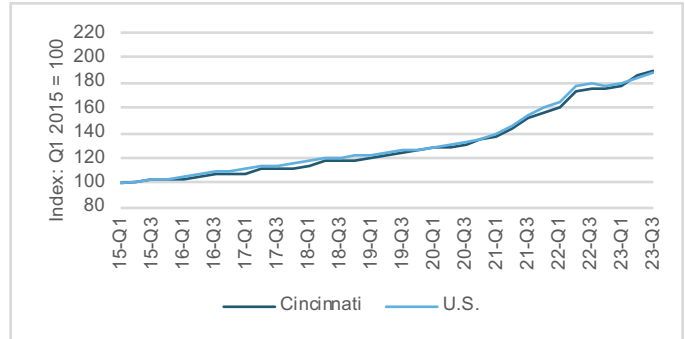
Source: U.S. Census Bureau

Akron MSA and U.S. FHFA House Price Index



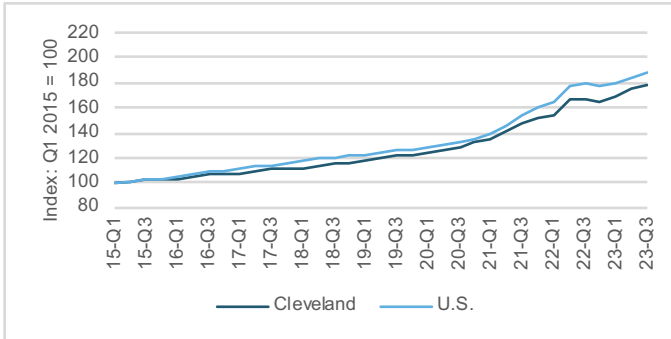
Source: Federal Housing Finance Agency.

Cincinnati MSA and U.S. FHFA House Price Index



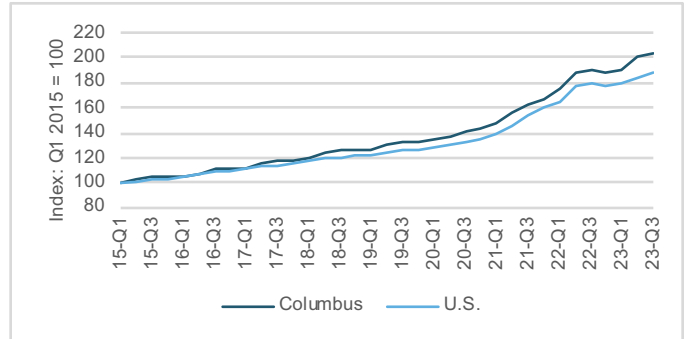
Source: Federal Housing Finance Agency.

Cleveland MSA and U.S. FHFA House Price Index



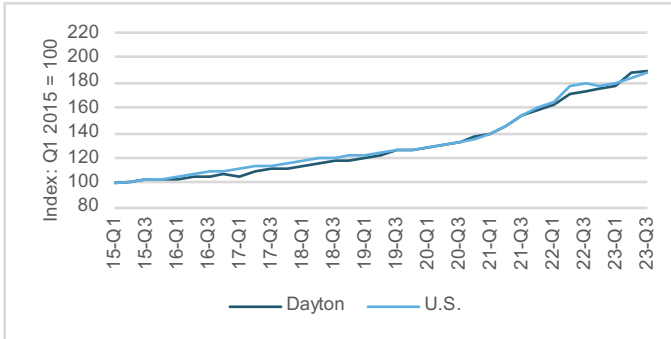
Source: Federal Housing Finance Agency.

Columbus MSA and U.S. FHFA House Price Index



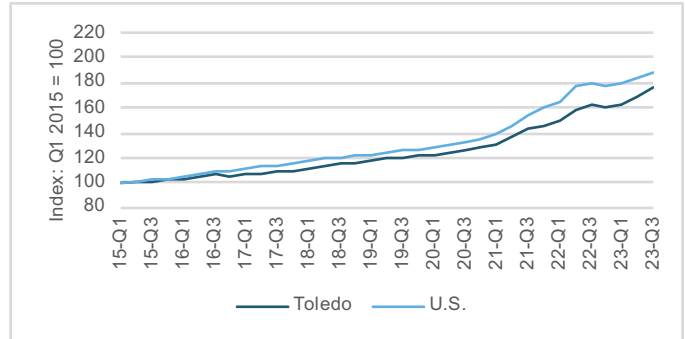
Source: Federal Housing Finance Agency.

Dayton MSA and U.S. FHFA House Price Index



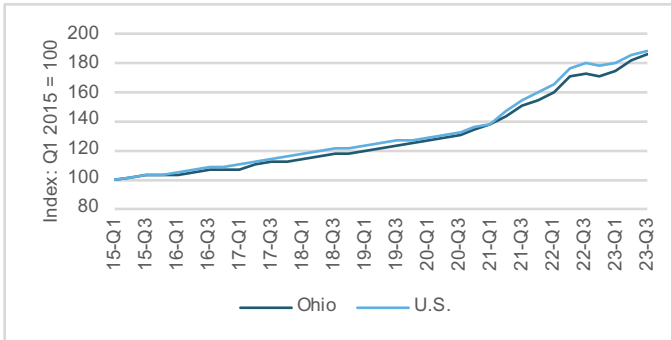
Source: Federal Housing Finance Agency.

Toledo MSA and U.S. FHFA House Price Index



Source: Federal Housing Finance Agency.

Ohio and U.S. FHFA House Price Index

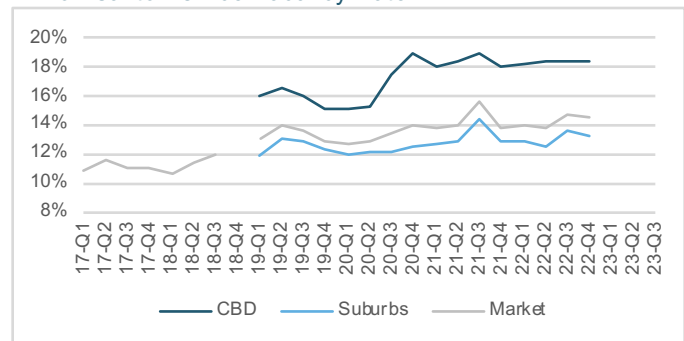


Source: Federal Housing Finance Agency.

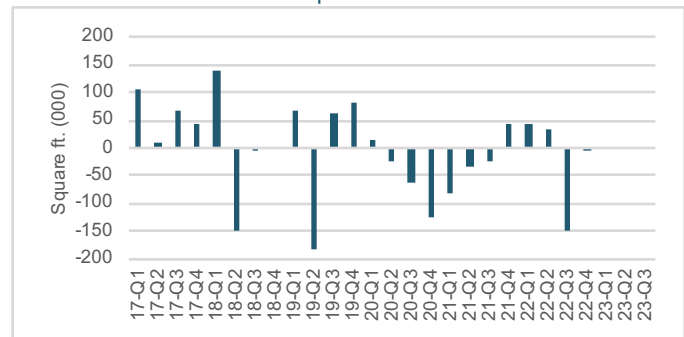
Ohio Office Real Estate Markets

- **The office and industrial sections of the report are revised.** Akron-Canton is now shown separately to the extent available; office figures are not available for 2023. CBRE is now the source for all Columbus statistics. (My thanks to my student intern, Luisa Duarte of Ohio Wesleyan, for her help.)
- **Absorption was still negative, but generally less so.** Cincinnati was the only market in which absorption worsened, but it remained less than a third of its level earlier in the year.
- **Office vacancy rates improved in some markets, but worsened in others.** Cleveland remained the lowest of the available markets at 13.7%. The deterioration of the CBD rate in Cincinnati continued to propel the market higher, reaching 17.5%. Columbus improved slightly to 18.7%. Dayton rose above 23%
- **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.

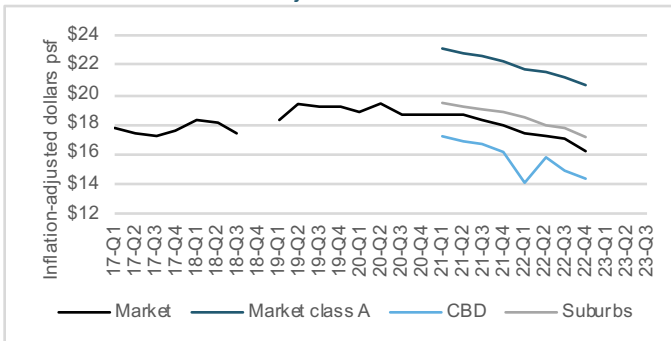
Akron-Canton Office Vacancy Rate



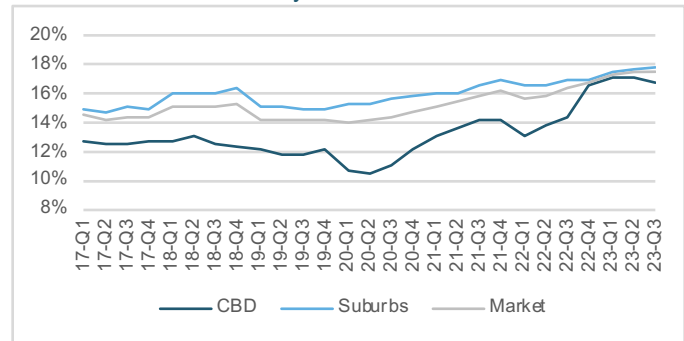
Akron-Canton Office Absorption



Akron-Canton Inflation-Adjusted Office Rent

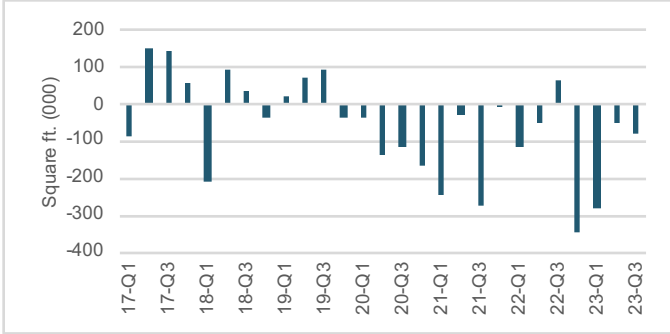


Cincinnati Office Vacancy Rate



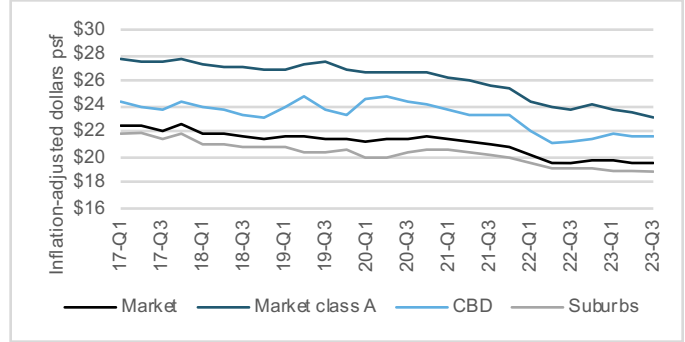
Source: Colliers International

Cincinnati Office Absorption



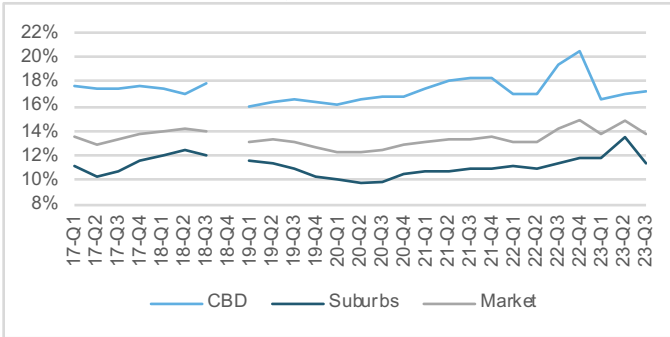
Source: Colliers International

Cincinnati Inflation-Adjusted Office Rent



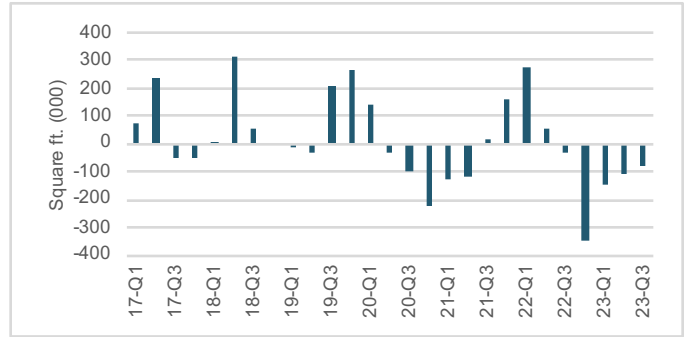
Source: Colliers International

Cleveland Office Vacancy Rate



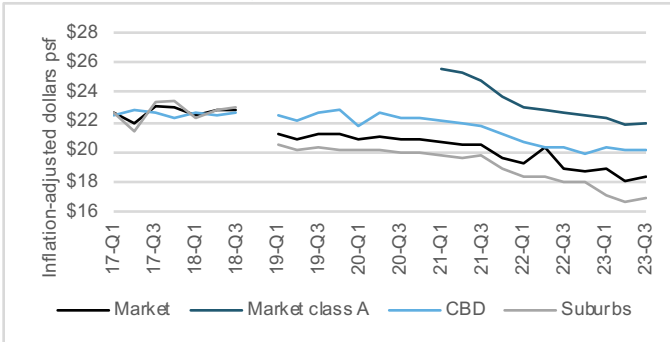
Source: Colliers International

Cleveland Office Absorption



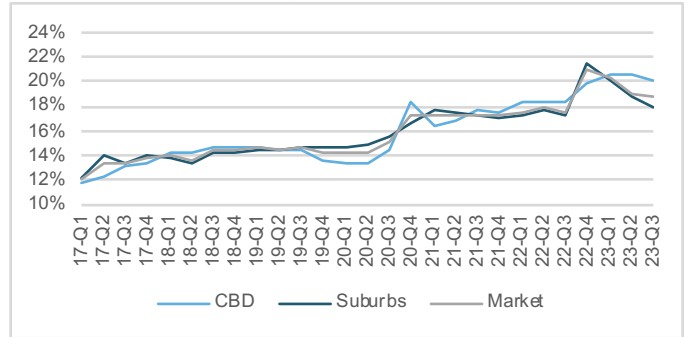
Source: Colliers International

Cleveland Inflation-Adjusted Office Rent



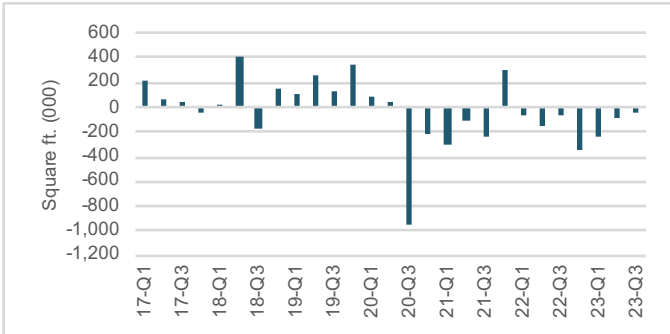
Source: Colliers International, Jones Lang LaSalle.

Columbus Office Vacancy Rate



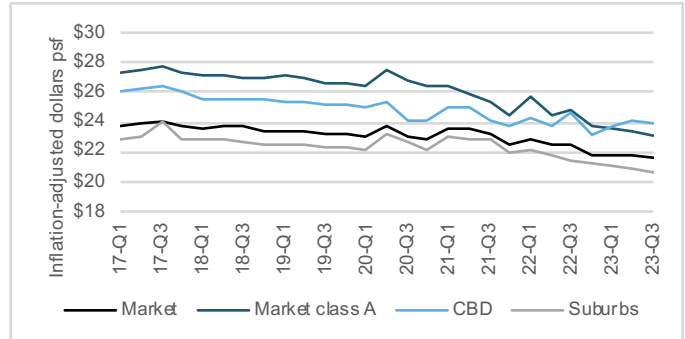
Source: CBRE.

Columbus Office Absorption



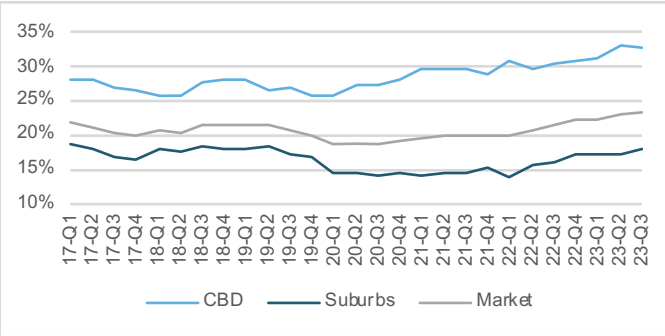
Source: CBRE.

Columbus Inflation-Adjusted Office Rent



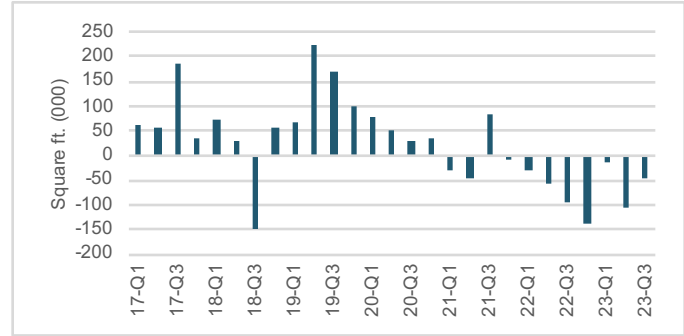
Source: CBRE.

Dayton Office Vacancy Rate



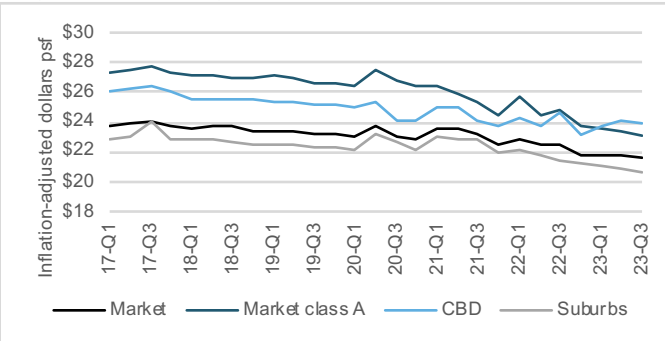
Source: Colliers International

Dayton Office Absorption



Source: Colliers International

Dayton Inflation-Adjusted Office Rent

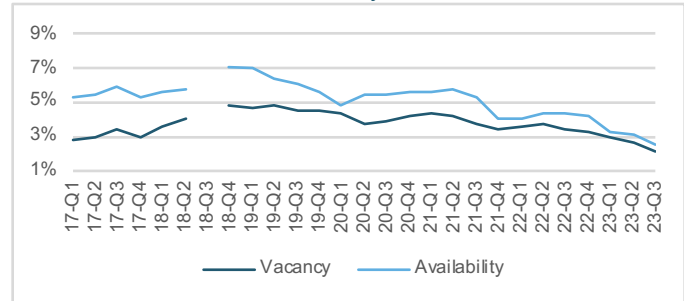


Source: Colliers International

Ohio Industrial Real Estate Markets

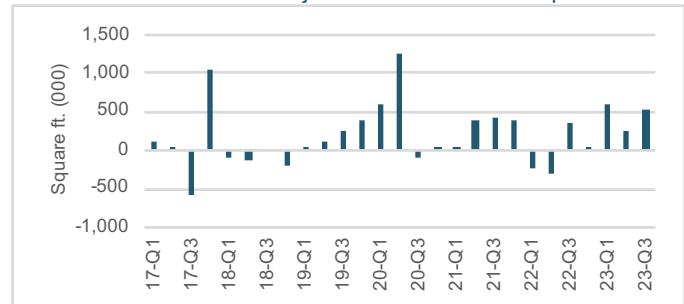
- Industrial vacancy rates were higher in some markets, lower in others.** The first separate view of the Akron-Canton market makes clear that it is the best performing of the five markets. Third quarter vacancy fell to 2.5%. Cleveland ticked up to 4.2% from 4.1%. Vacancy rates in Cincinnati and Columbus have been rising rapidly, and stand at 4.8% and 5.8%, respectively. Dayton has risen to 5.1%
- Absorption has fallen in all markets except Akron-Canton.** Absorption there reached 523,000 s.f. Cincinnati has fallen for more than a year to negative 689,000 s.f. Cleveland eked out a positive 107,000 s.f, Columbus fell to 382,000 after a blistering pace in Q2. Dayton absorption went negative for the first time in 10 quarters -464,000 s.f.
- Inflation-adjusted rent soared in Akron-Canton and moderated in most other markets.** The strength of Akron-Canton caused rents to spike 12% in this thin market. Rents rose 1% Cincinnati, 1.6% in Cleveland, Northeast Ohio, and 9.1% in Dayton. However, rents fell 1% in Columbus. Dayton corrected its Q2 spike with a 9.4% decline, returning rent to its Q1 level.

Akron-Canton Industrial Vacancy Rate



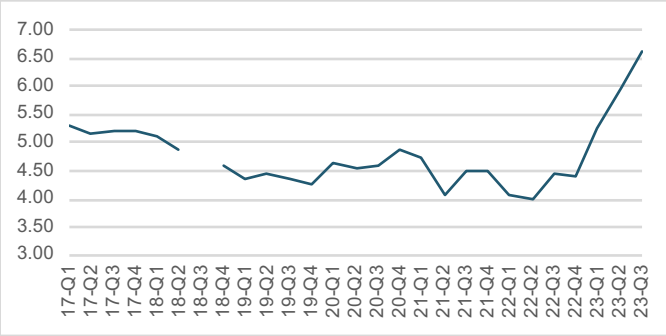
Source: Colliers International

Akron-Canton Inflation-Adjusted Industrial Absorption



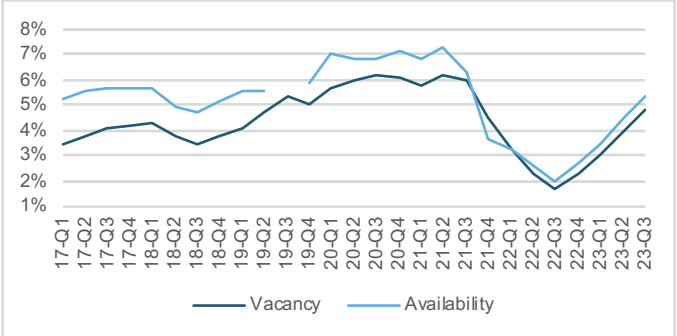
Source: Colliers International

Akron-Canton Inflation-Adjusted Industrial Rent



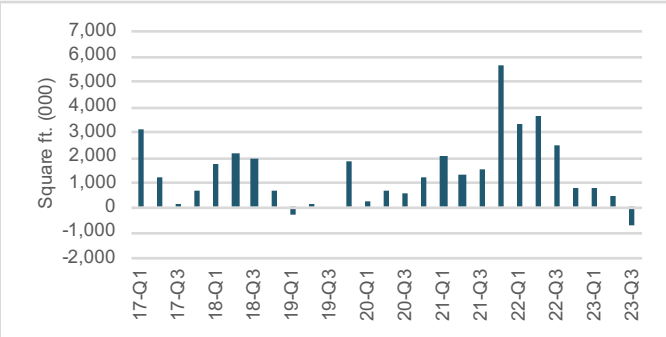
Source: Colliers International

Cincinnati Industrial Vacancy Rate



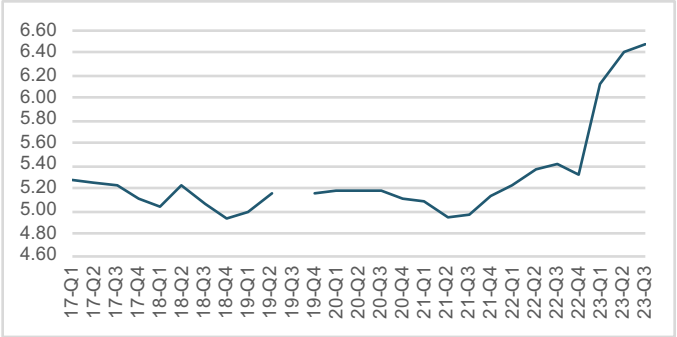
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Cincinnati Industrial Absorption



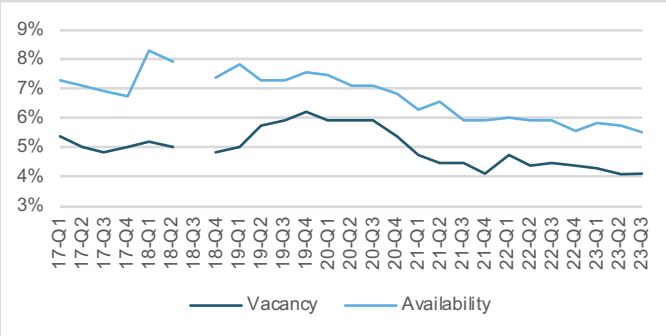
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Cincinnati Inflation-Adjusted Industrial Rent



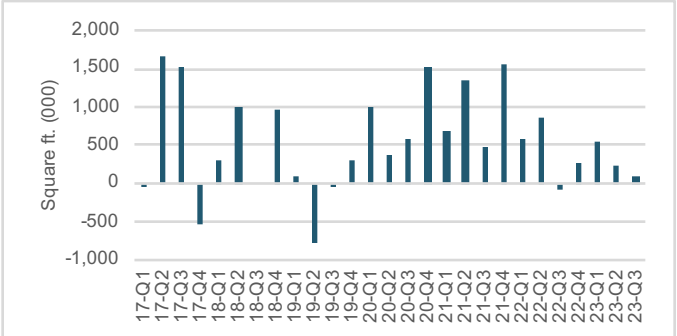
Source: Colliers International

Cleveland Industrial Vacancy Rate



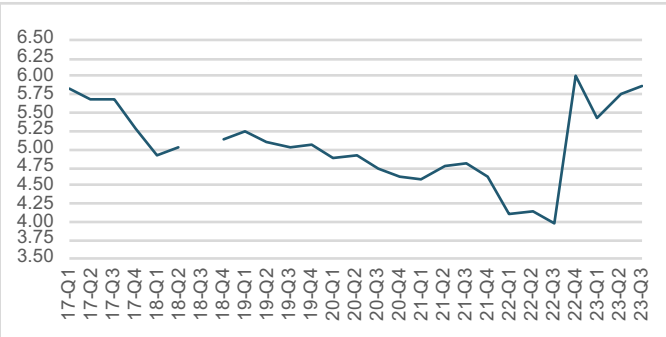
Source: Colliers International

Cleveland Industrial Absorption



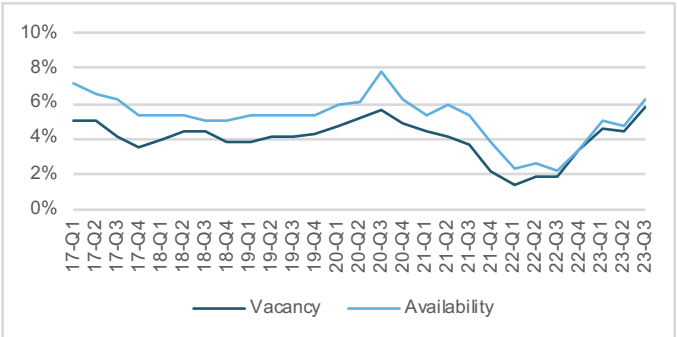
Source: Colliers International

Cleveland Inflation-Adjusted Industrial Rent



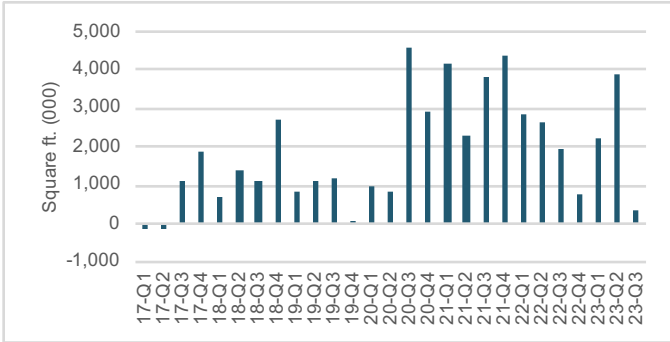
Source: Colliers International

Columbus Industrial Vacancy Rate



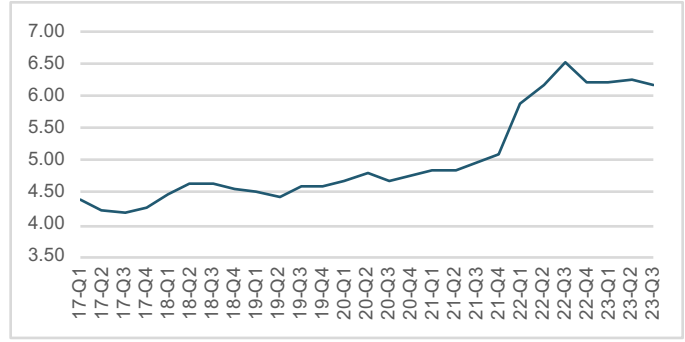
Source: CBRE

Columbus Industrial Absorption



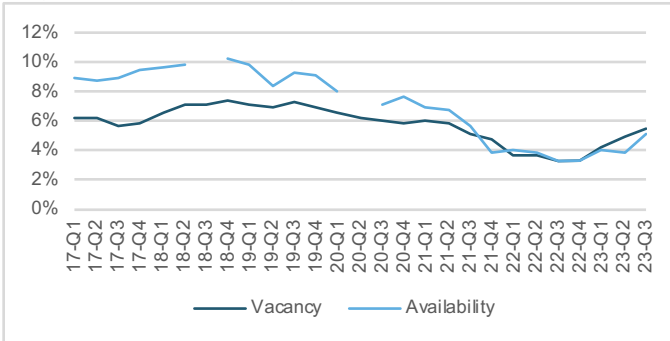
Source: CBRE.

Columbus Inflation-Adjusted Industrial Rent



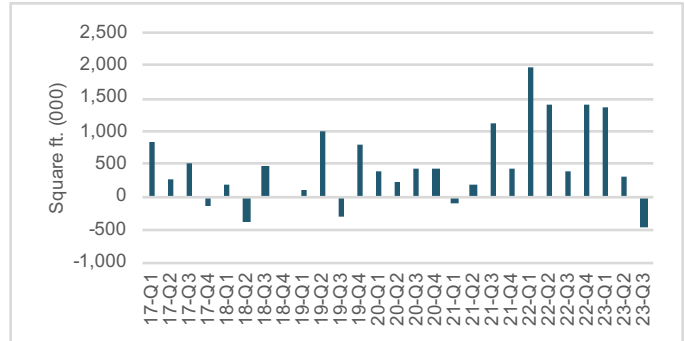
Source: CBRE

Dayton Industrial Vacancy Rate



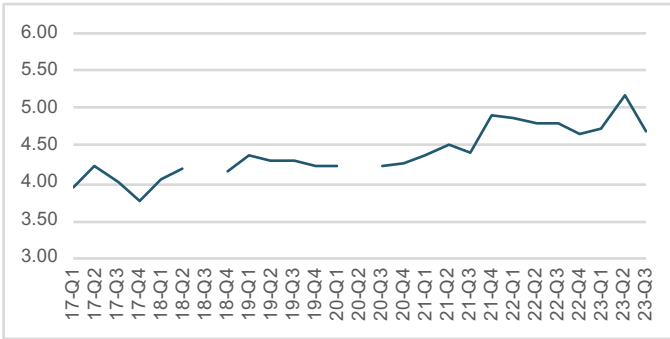
Source: Colliers International

Dayton Industrial Absorption



Source: Colliers International

Dayton Inflation-Adjusted Industrial Rent



Source: Colliers International