

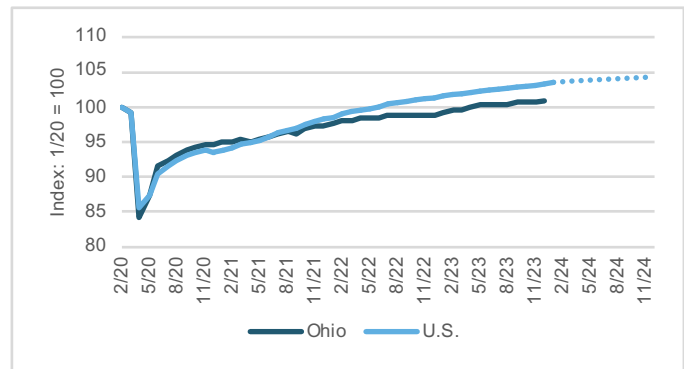
Employment and Unemployment

- **Ohio employment growth from October through December 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 peak in February 2020. Ohio employment increased 2,500 (less than 0.1%) between October and December. U.S. employment increased 0.3%. Ohio payroll employment is up 1.9% since December 2022, compared to U.S. growth of 2%.
- **Economic forecasts are much more optimistic.** The dashed line in the employment chart is the consensus employment forecast of 41 economists from the National Association for Business Economics (NABE) February forecast survey. The consensus is for monthly job growth to average 129,000 during 2024, more than twice the 55,000 per month forecast in the December survey.
- **The Ohio unemployment rate matched the U.S. rate in December.** Ohio's 3.7% in December was up from October's 3.6%. The 3.7% U.S. rate was down from 3.8% in October.

The charts below compare the trends in labor force (the unemployment rate denominator) and employment. Ohio labor force fell 0.1% between October and December, less than the 0.2% U.S. decline. The number of employed Ohioans fell by a larger 0.2%, causing the unemployment rate to rise.

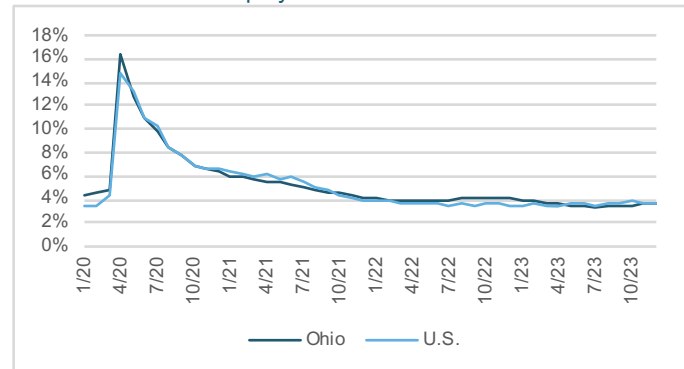
The 0.2% drop in the U.S. labor force was accompanied by an smaller 0.1% resident employment decline, resulting in the decline in the U.S. unemployment rate.

Payroll Employment Change, Including U.S. Forecast



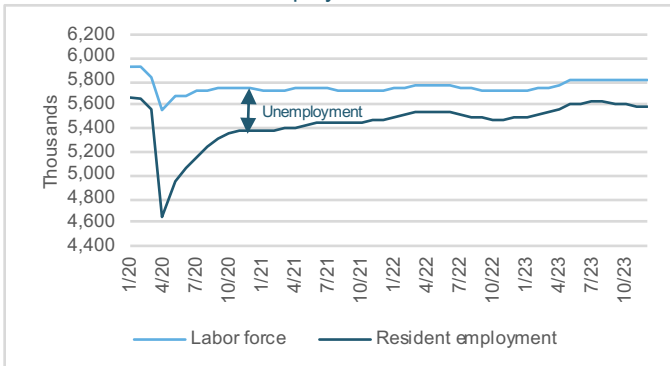
Source: U.S. Bureau of Labor Statistics, National Assn. for Business Economics.

Ohio and U.S. Unemployment Rates



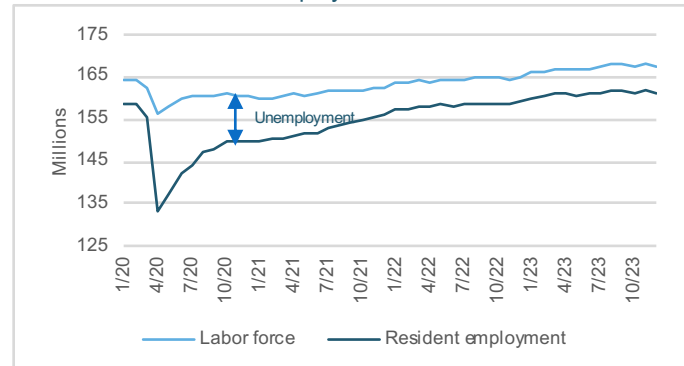
Source: Labor Force Statistics, U.S. Bureau of Labor Statistics.

Ohio Labor Force and Employment



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

U.S. Labor Force and Employment

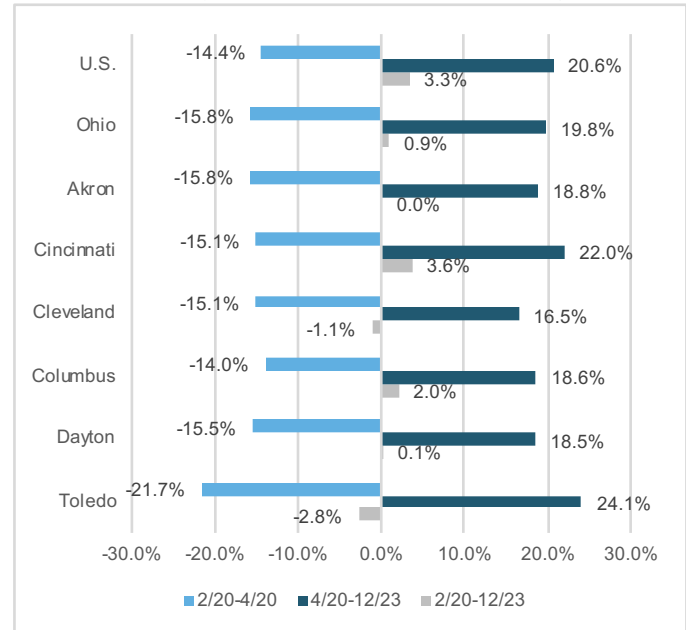


Source: Current Population Statistics, U.S. Bureau of Labor Statistics.

Employment Changes by Region and Sector

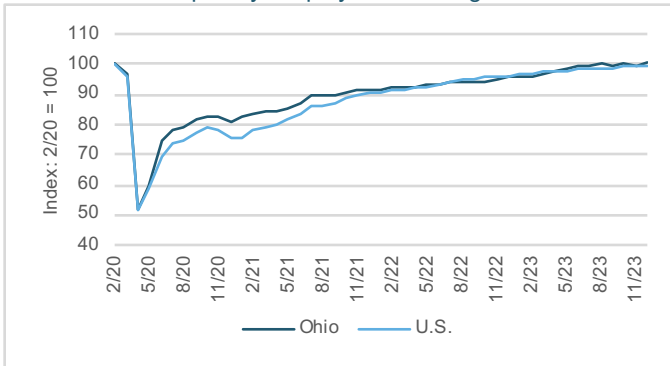
- Payroll employment increased in some of Ohio's large metros and declined in others. Akron and Cleveland both gained 0.5% between October and December, and Toledo gained 0.1%. Losses occurred in Cincinnati (0.2%), Columbus (0.1%), and Dayton (0.3%).
- Four of the six large MSAs have recovered their 2020 employment losses. These include Akron, Cincinnati, Columbus, and Dayton. Toledo's December employment was 2.8% less and Cleveland's was 1.1% less than in February 2020.
- Ohio leisure and hospitality employment gained 0.7%, compared to a 0.3% U.S. gain. Ohio's leisure employment is up 0.6% from February 2020. U.S. employment is 0.5% less.
- Office-using sectors were mixed. Business services lost 0.2% in Ohio versus a 0.2% U.S. gain. Finance and insurance lost 1.1% in Ohio and were flat nationwide. Healthcare gained 0.9% both in Ohio and nationally.
- Ohio real estate's employment decline continued. Employment fell 1,100 (1.1%) between October and December. U.S. employment increased 0.6%.

Pandemic Employment Loss, Gain and Net Change

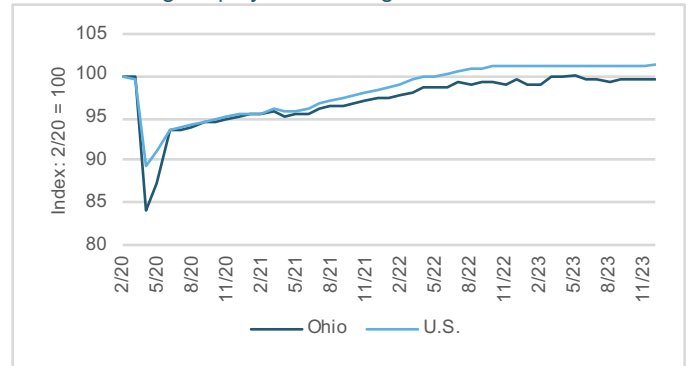


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

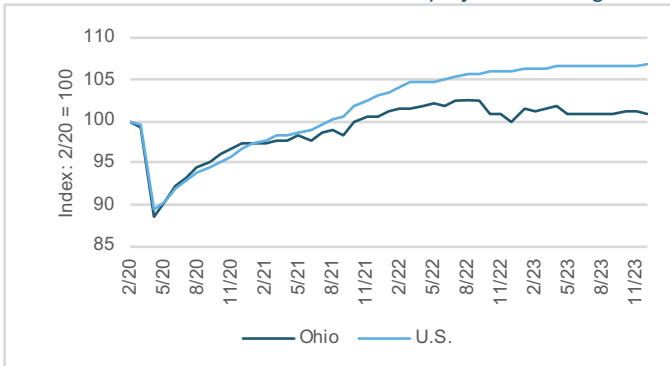
Leisure and Hospitality Employment Change



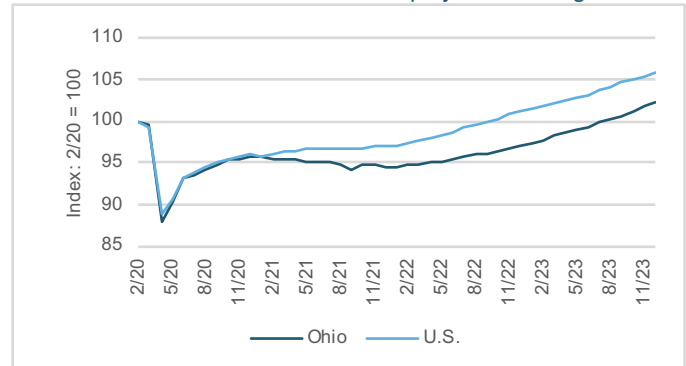
Manufacturing Employment Change



Professional & Business Services Employment Change

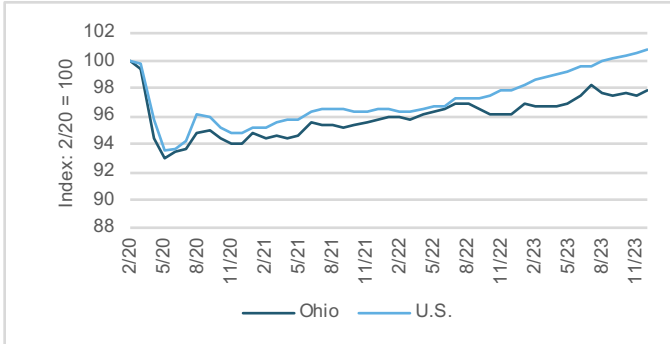


Healthcare & Social Assistance Employment Change

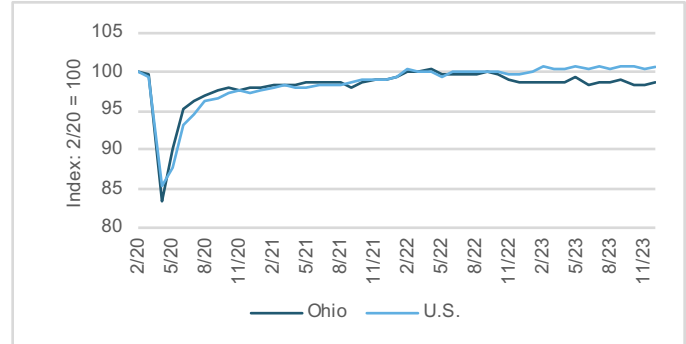


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

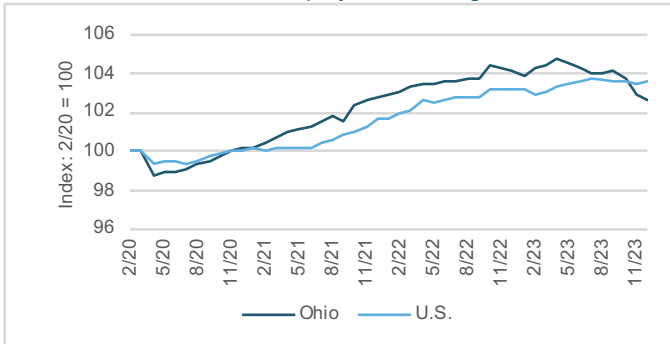
Government Employment Change



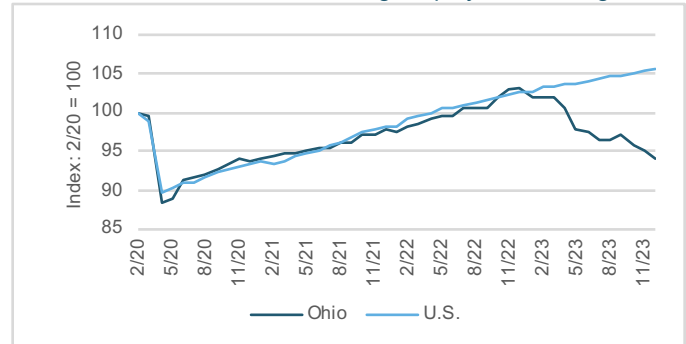
Retail Trade Employment Change



Finance and Insurance Employment Change



Real Estate and Rental & Leasing Employment Change

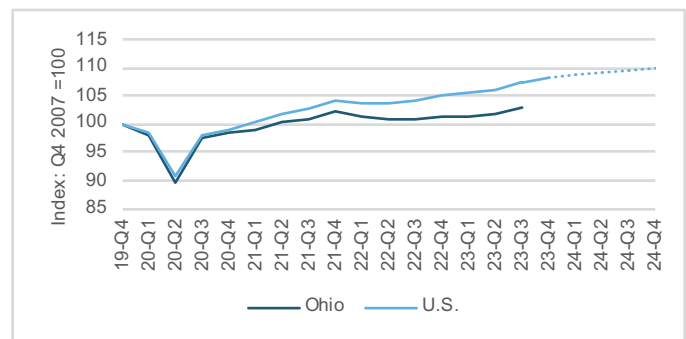


Source: Current Employment Statistics, U.S. Bureau of Labor Statistics.

Broad Economic Indicators

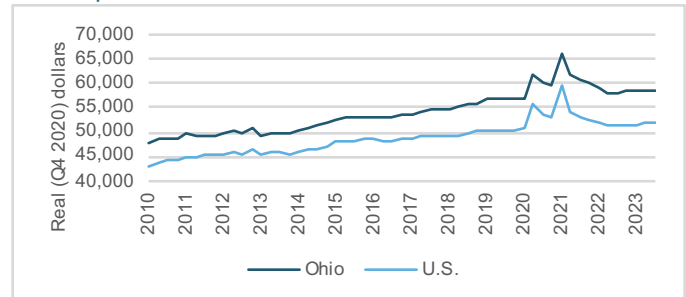
- **U.S. inflation-adjusted gross domestic product (GDP) grew at a 3.3% annualized rate in the fourth quarter.** NABE panelists have revised upward their growth predictions for 2024. They now expect 2.2% versus 1.3% in the December survey.
- **Ohio GDP grew at a 4.6% rate in the third quarter.** This was only slightly below the U.S. third quarter rate of 4.9%.
- **Ohio's inflation-adjusted per-capita personal income (PCPI) fell 0.1% in the third quarter,** only marginally worse than the flat nationwide growth. Year over year, Ohio PCPI is up 0.6%; U.S. PCPI is up 0.7%.
- **Fourth quarter inflation fell to 3.2% year-over-year.** The economists in the February NABE survey expect inflation to cool to 2.4% year-over-year by the end of 2024.
- **U.S. consumer sentiment soared to a 2.5-year high in January and fell only modestly in February.** Consumers are relatively optimistic about the inflation trend, the state of the economy, and their own finances.

U.S. and Ohio Gross Domestic Product



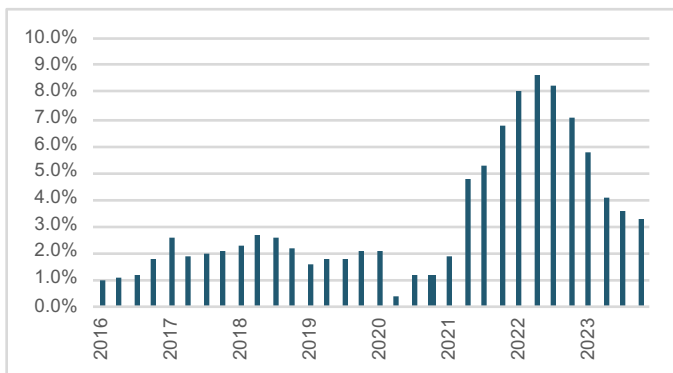
Source: U.S. Bureau of Economic Analysis; Natl. Assn. for Business Economics.

Per-Capita Personal Income



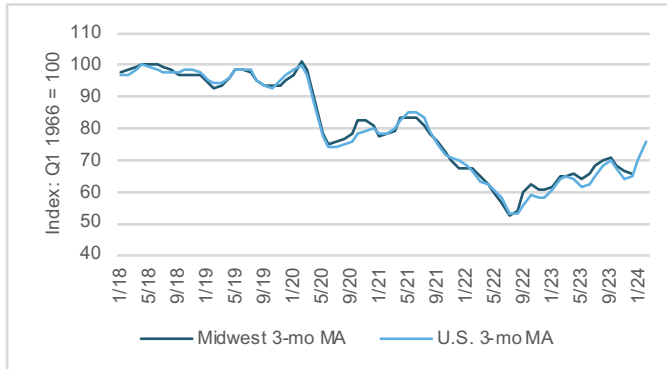
Source: U.S. Bureau of Economic Analysis.

Year-over-Year Consumer Price Inflation



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

Consumer Sentiment Index

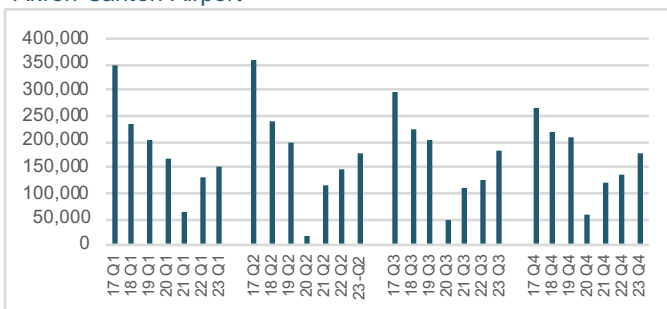


Source: Survey Research Center, University of Michigan.

Passengers at Primary Regional Airports

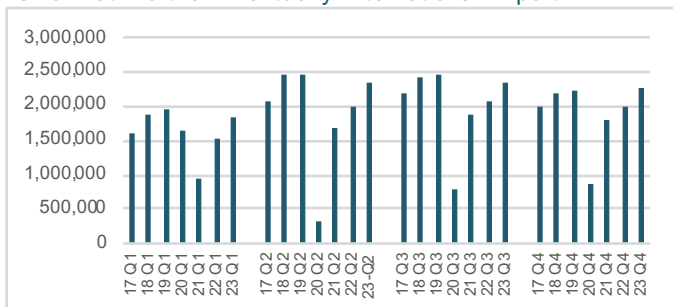
- Ohio-serving airport traffic was up 15% year-over-year in Q4, with most airports enjoying large gains. Akron-Canton was up 32% from Q4 2022, Cincinnati and Dayton were up 14%, Cleveland was up 17%, and Toledo was off 3.7%. (Dayton is estimated from enplanements.)
- The six airports' traffic is now only 1.6% less than the Q2 2019 pre-pandemic peak. Cincinnati is 0.5% above the peak and Cleveland is 3.9% above. But Akron-Canton remains 14% below, Columbus is 2.3% below, Dayton is 27% below, and Toledo is 44% below.

Akron-Canton Airport



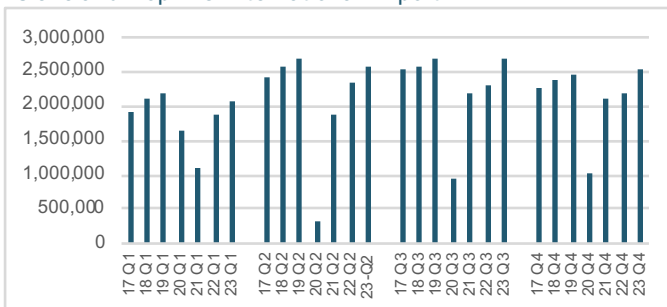
Source: Akron-Canton Airport.

Cincinnati-Northern Kentucky International Airport



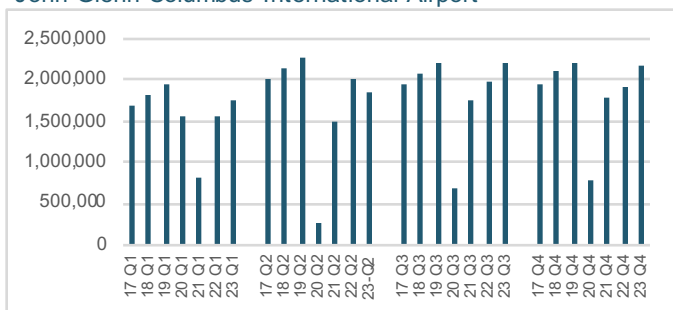
Source: Cincinnati-Northern Kentucky International Airport.

Cleveland Hopkins International Airport



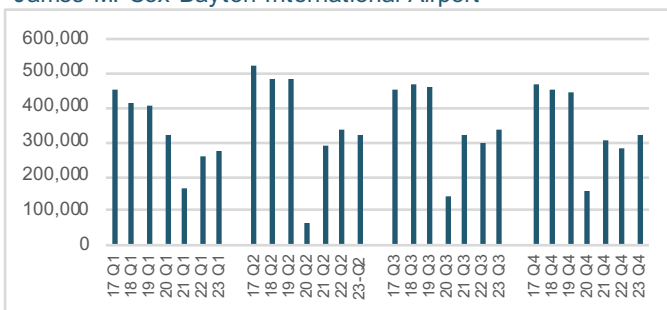
Source: Cleveland Airport System.

John Glenn Columbus International Airport



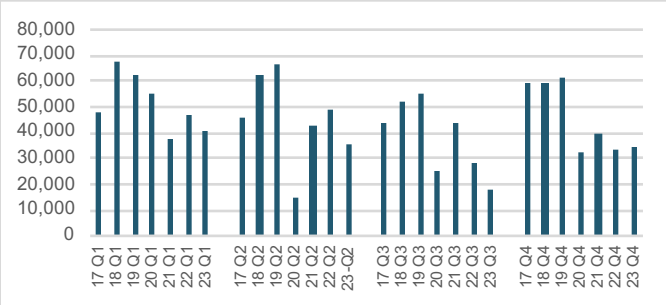
Source: Columbus Regional Airport Authority.

James M. Cox Dayton International Airport



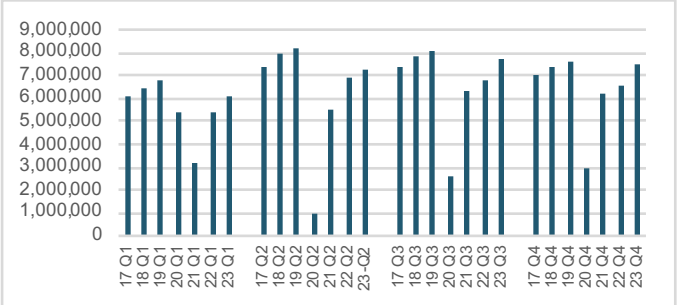
Source: Dayton International Airport (November and December 2022 traffic estimated).

Eugene F. Kranz Toledo Express Airport



Source: Toledo-Lucas County Port Authority.

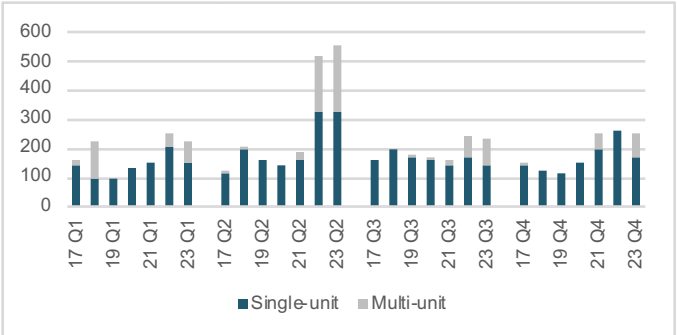
Six Airport Total



Residential Real Estate

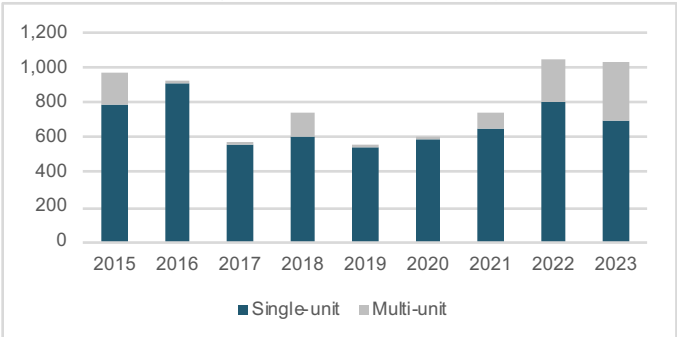
- Q4 Ohio residential building permits were down one-third from last year.** The loss was driven by a 62% decline in the volatile multi-unit segment. Single-unit structures were 7.2% higher. U.S. permits were up 3.5% from Q4 2022 – a 25% gain in single-unit and a 20% loss in multi-unit.
- MSA-level permit changes were mixed.** The total Akron change Q4 to Q4 (-88%) was misleading. Multi-unit permits totaling more than 2.5 times the typical quarterly volume were filed in Q4 2022. Single-unit permits were down 36%. Cincinnati permits overall were down 23%; single-unit permits were up 7.4%. Total permits in Cleveland were up 15% with single-unit permits down 0.8%. Columbus permits were down 17%, but single-unit permits were up 26.5%. Dayton single-unit permits were up 15%, and total permits were up 5.9%. Toledo single-unit permits were down 1.4% and total permits fell 52%.
- The Federal Housing Finance Authority's House Price Index showed mixed Q4 results.** Market prices have generally stabilized. Ohio prices were flat from Q3, as were U.S. prices. Akron was up 0.4%, Cincinnati was up 0.6%, Cleveland was up 0.8%, Columbus was off 0.3%, Dayton was off 1.8%, and Toledo was off 1.3%.

Akron MSA Housing Units Permitted by Quarter



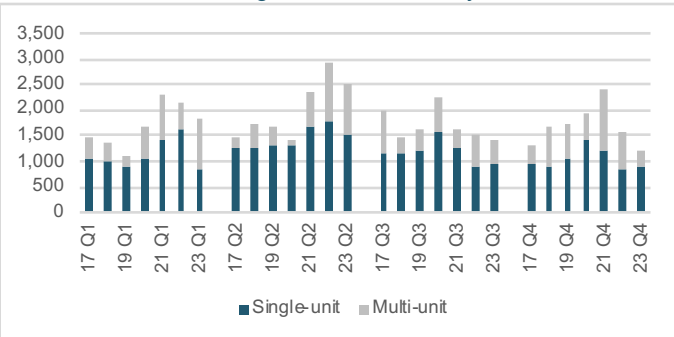
Q4 2022 multi-unit permits of 1,845 omitted. Source: U.S. Census Bureau

Akron MSA Housing Units Permitted Annually



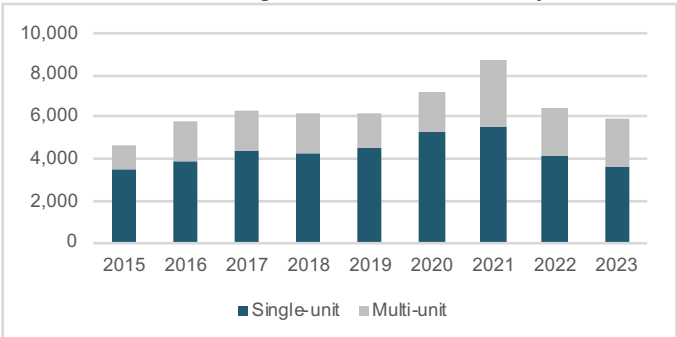
2022 total annualized omitting Oct. and Nov. 1,835. Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted by Quarter



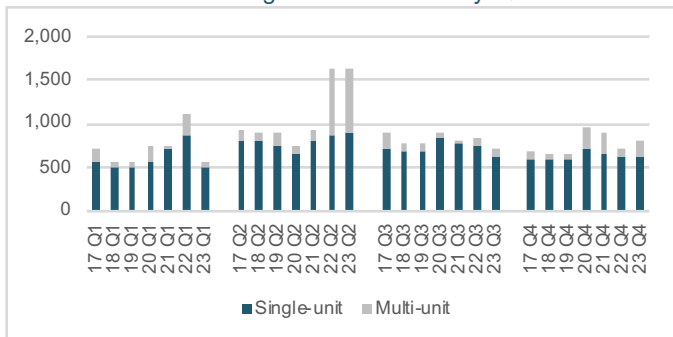
Source: U.S. Census Bureau

Cincinnati MSA Housing Units Permitted Annually



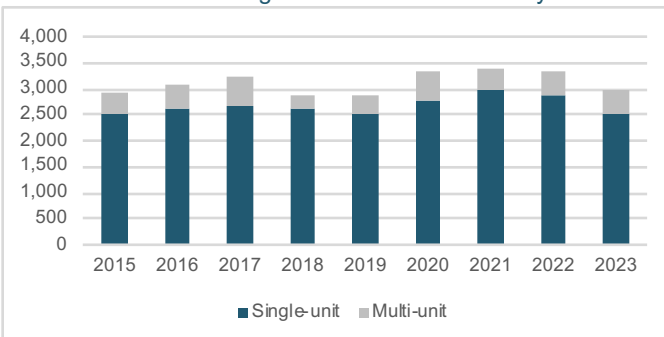
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted by Quarter



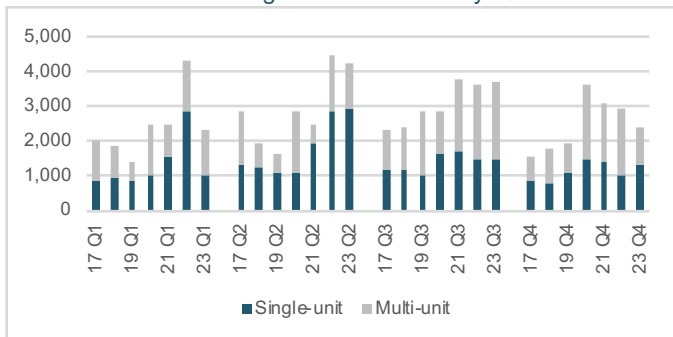
Source: U.S. Census Bureau

Cleveland MSA Housing Units Permitted Annually



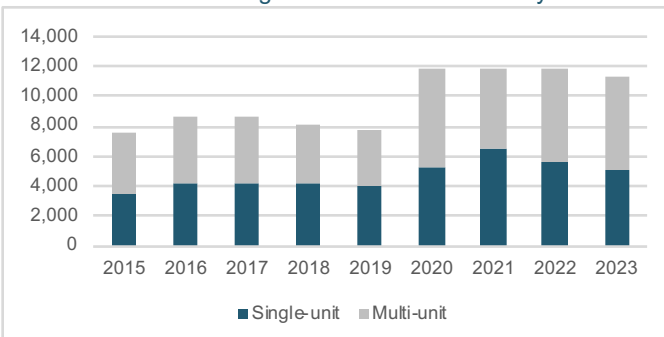
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted by Quarter



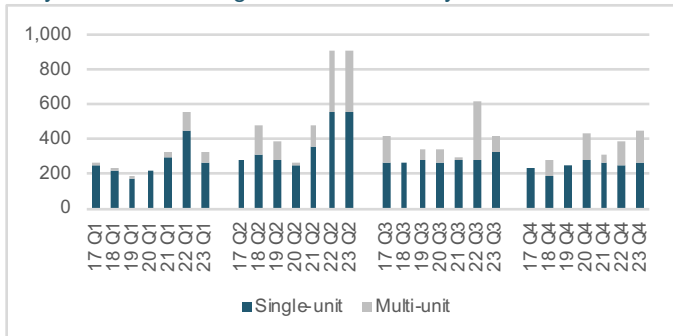
Source: U.S. Census Bureau

Columbus MSA Housing Units Permitted Annually



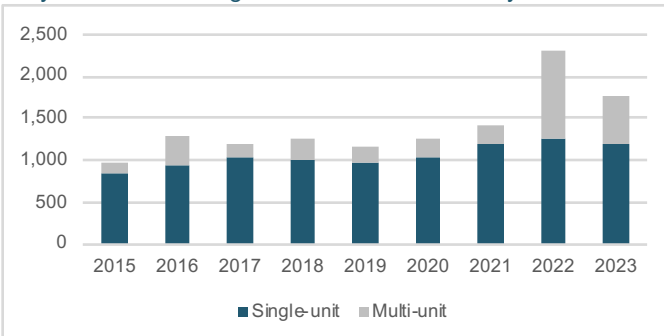
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted by Quarter



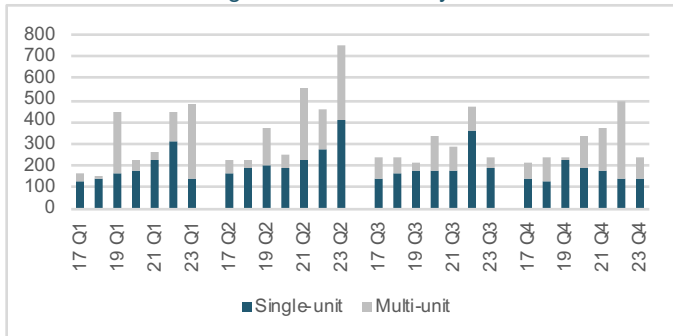
Source: U.S. Census Bureau

Dayton MSA Housing Units Permitted Annually



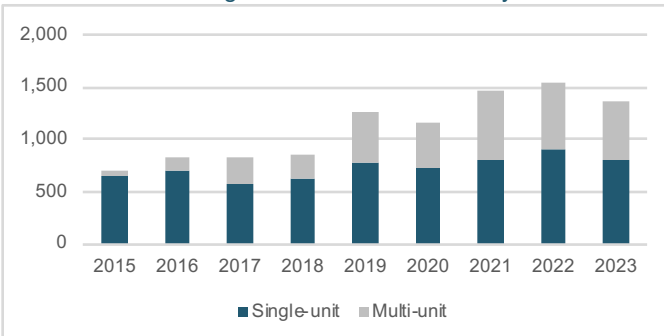
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted by Quarter



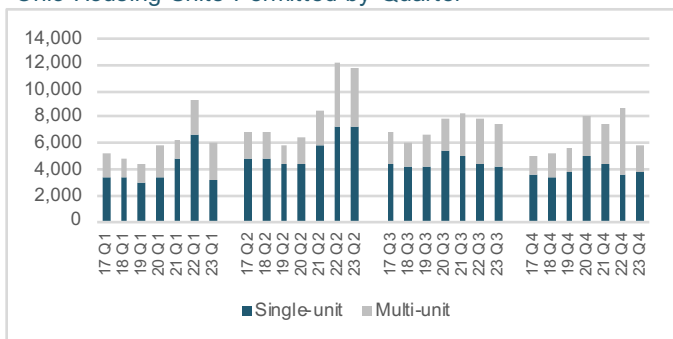
Source: U.S. Census Bureau

Toledo MSA Housing Units Permitted Annually



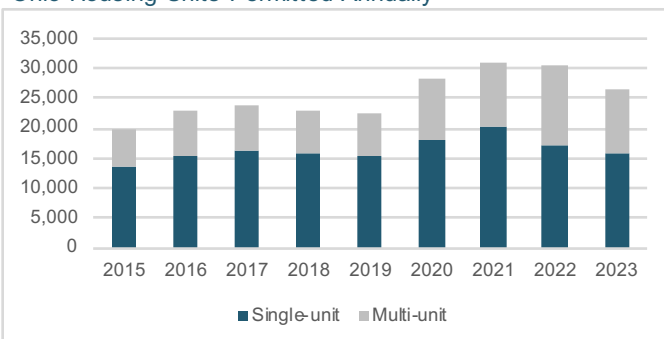
Source: U.S. Census Bureau

Ohio Housing Units Permitted by Quarter



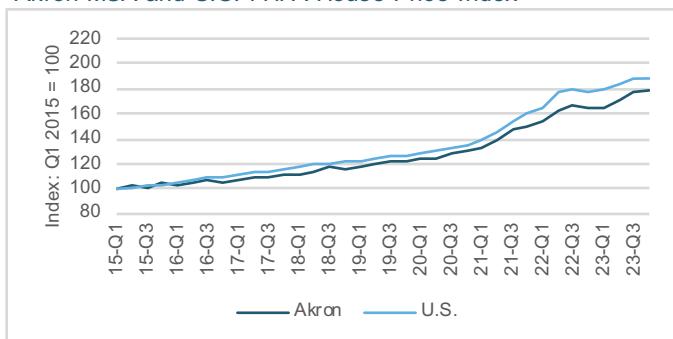
Source: U.S. Census Bureau

Ohio Housing Units Permitted Annually



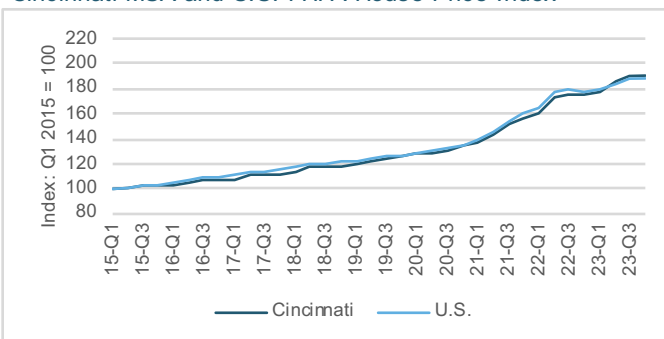
Source: U.S. Census Bureau

Akron MSA and U.S. FHFA House Price Index



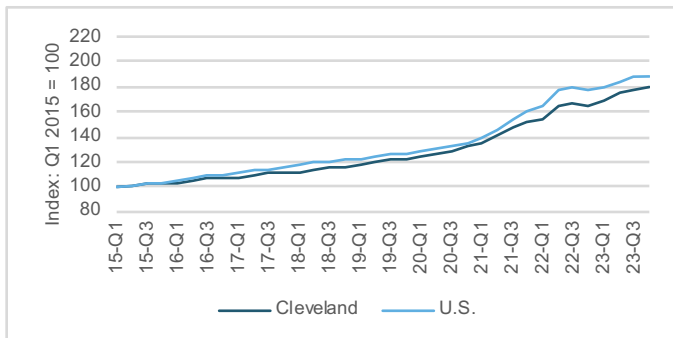
Source: Federal Housing Finance Agency.

Cincinnati MSA and U.S. FHFA House Price Index



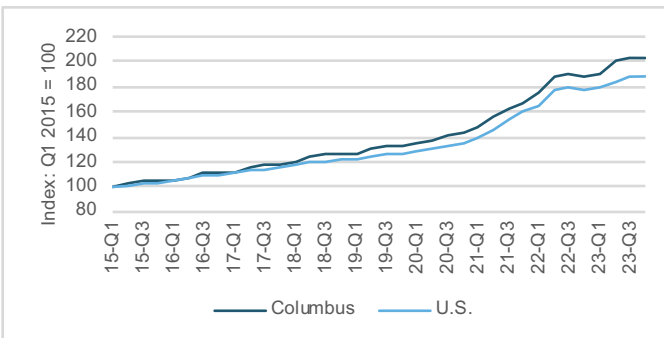
Source: Federal Housing Finance Agency.

Cleveland MSA and U.S. FHFA House Price Index



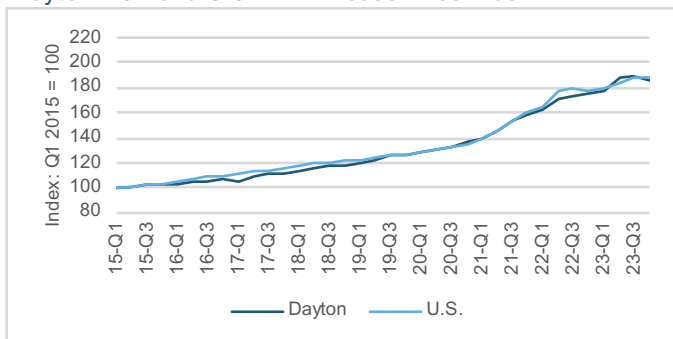
Source: Federal Housing Finance Agency.

Columbus MSA and U.S. FHFA House Price Index



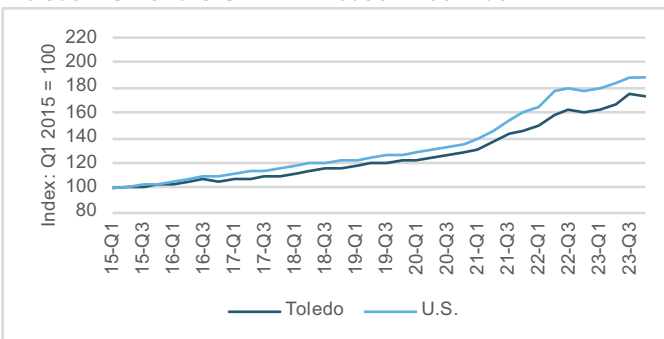
Source: Federal Housing Finance Agency.

Dayton MSA and U.S. FHFA House Price Index



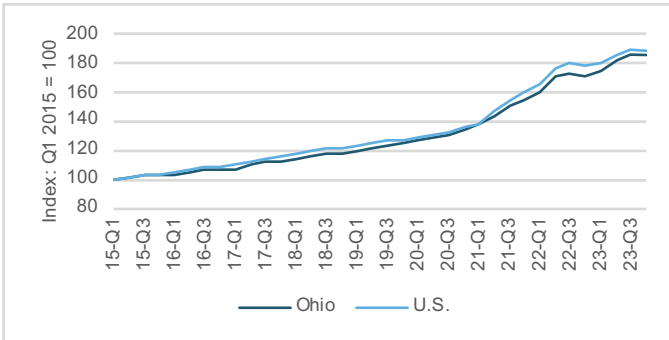
Source: Federal Housing Finance Agency.

Toledo MSA and U.S. FHFA House Price Index



Source: Federal Housing Finance Agency.

Ohio and U.S. FHFA House Price Index

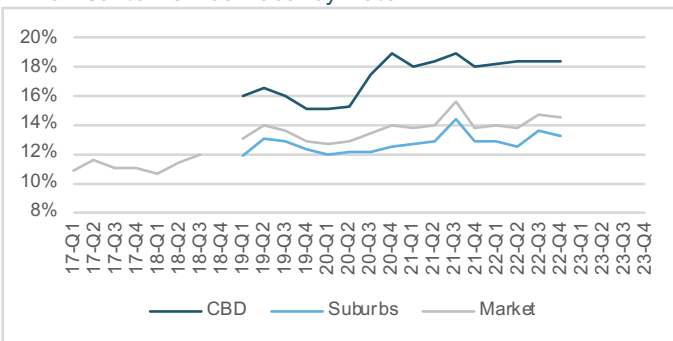


Source: Federal Housing Finance Agency.

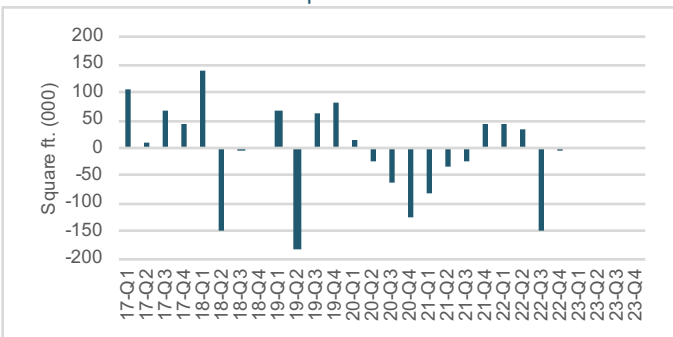
Ohio Office Real Estate Markets

- **Akron-Canton office statistics remain unavailable and Dayton was unavailable at press time.**
- **Absorption continued to improve in all available markets.** Cleveland and Columbus absorption was positive for the first time since Q2 2022 and Q4 2021, respectively. Cincinnati absorption remained negative but only by 33,400 square feet.
- **Office vacancy rates stabilized.** Cincinnati rose only 0.1 percentage point to 17.6% Cleveland was unchanged at 13.7%, and Columbus fell to 18.2%.
- **Inflation-adjusted rents fell.** Cincinnati was off 1.1%, Cleveland was off 0.8%, and Columbus was off 0.4%.

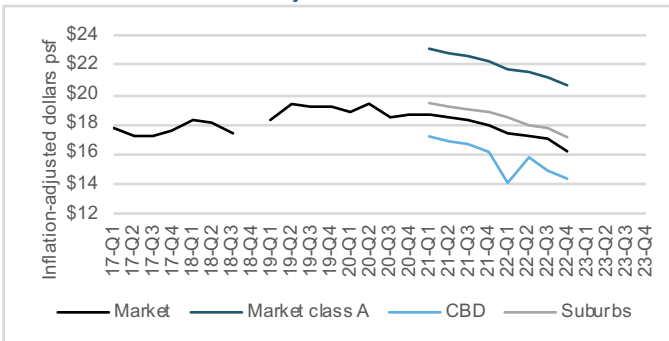
Akron-Canton Office Vacancy Rate



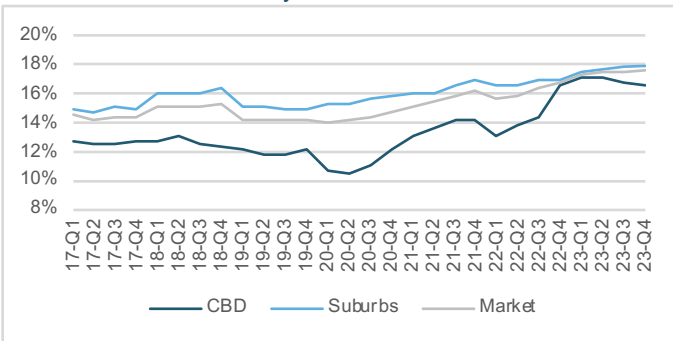
Akron-Canton Office Absorption



Akron-Canton Inflation-Adjusted Office Rent

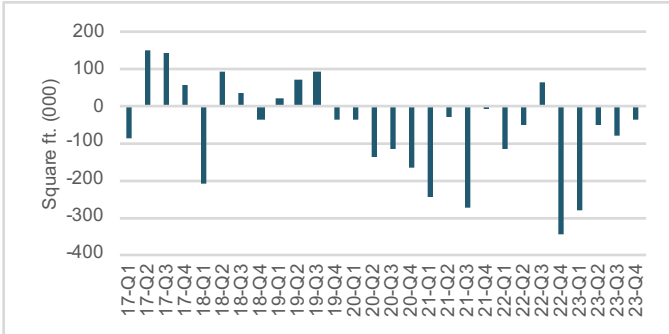


Cincinnati Office Vacancy Rate

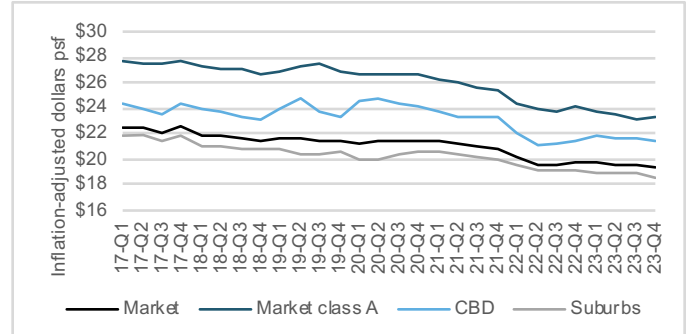


Source: Colliers International

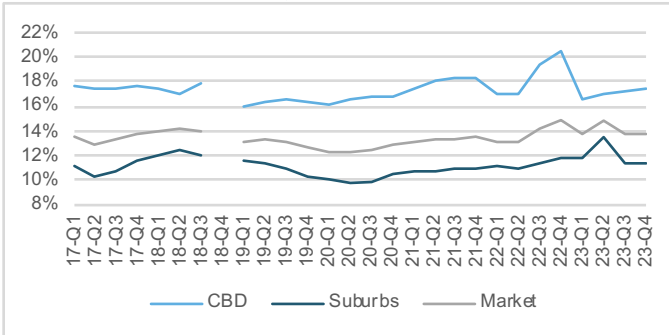
Cincinnati Office Absorption



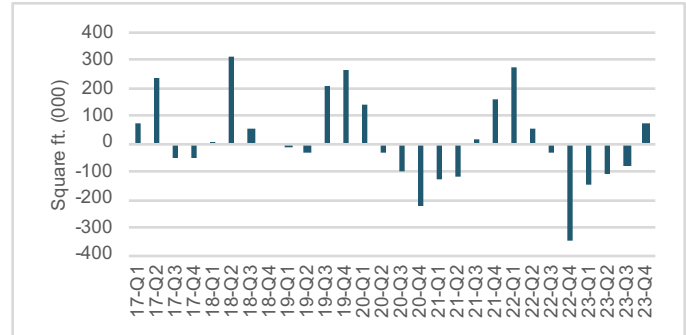
Cincinnati Inflation-Adjusted Office Rent



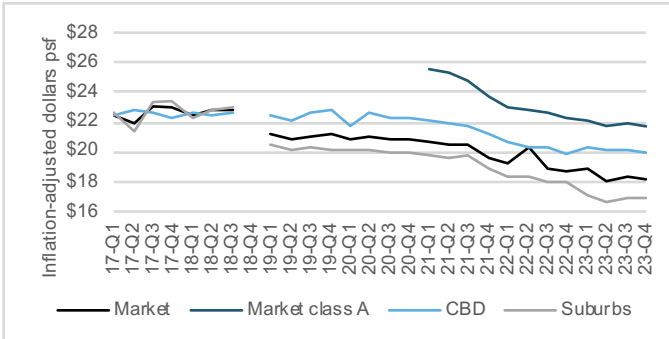
Cleveland Office Vacancy Rate



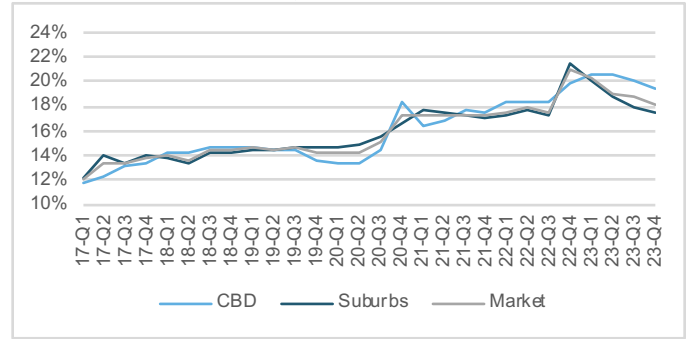
Cleveland Office Absorption



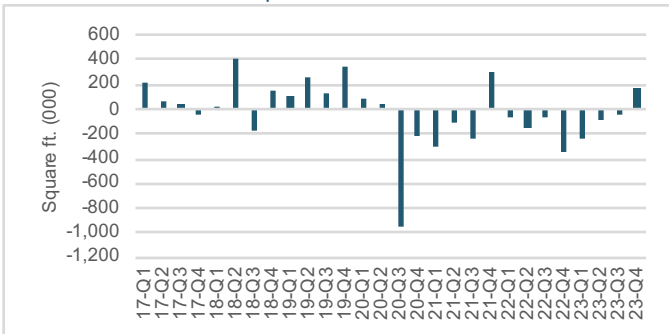
Cleveland Inflation-Adjusted Office Rent



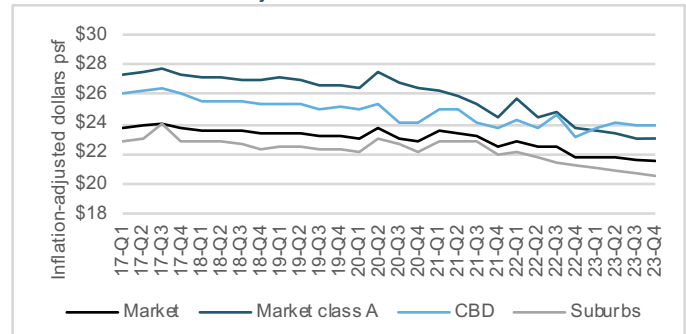
Columbus Office Vacancy Rate



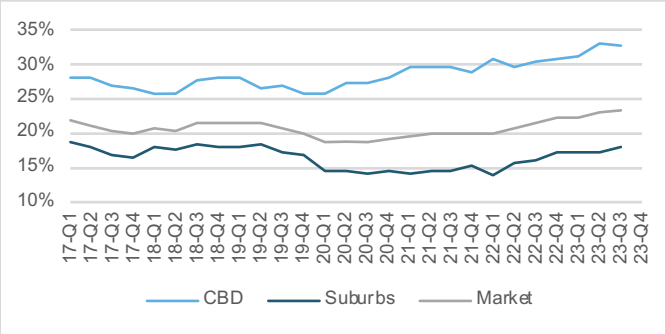
Columbus Office Absorption



Columbus Inflation-Adjusted Office Rent

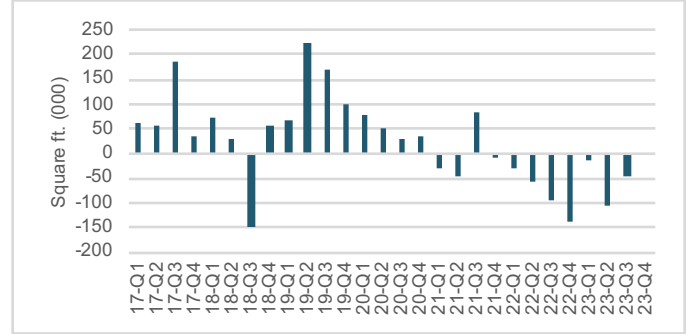


Dayton Office Vacancy Rate



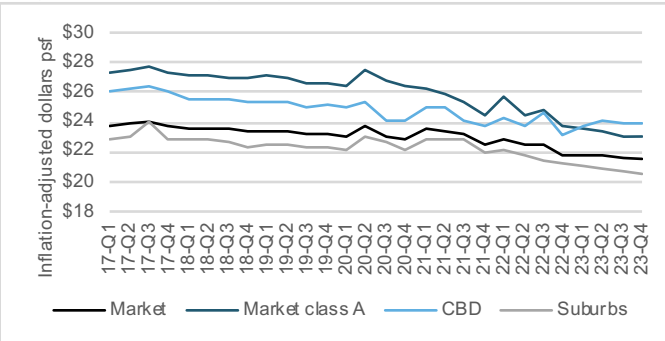
Source: Colliers International

Dayton Office Absorption



Source: Colliers International

Dayton Inflation-Adjusted Office Rent

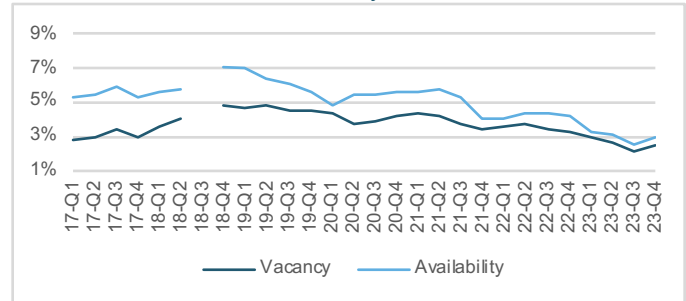


Source: Colliers International

Ohio Industrial Real Estate Markets

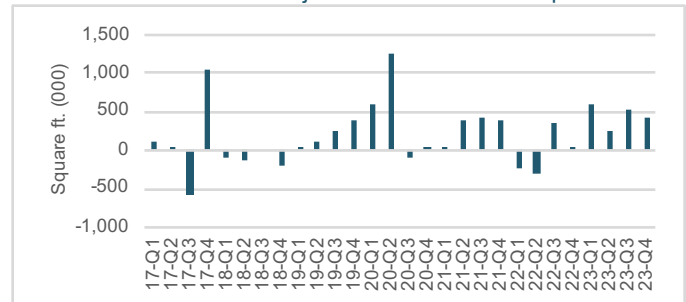
- Industrial vacancy rates were higher in some markets, lower in others. Akron-Canton rose to a still low 2.5%, Cincinnati rose to 5.9%, Cleveland fell to 3.2% (down a full percentage point), Columbus rose to 6.3%, and Dayton fell to 4.3% (down more than a percentage point).
- Absorption has improved in all markets except Akron-Canton. Absorption there backed off a bit to 415,000 s.f. Cincinnati's 1.5-year decline reversed to a negative 268,000 s.f. Absorption in Cleveland, Columbus, and Dayton improved markedly. Cleveland rose to 973,000 s.f., Columbus rose to 1.9 million s.f., and Dayton rose to nearly 1.3 million s.f.
- Inflation-adjusted rent fell in all markets except Dayton, where it was unchanged. Akron-Canton rent fell 24% from its Q3 spike. Rents fell 0.9% in Cincinnati, 17% in Cleveland, and 1.5% in Columbus.

Akron-Canton Industrial Vacancy Rate



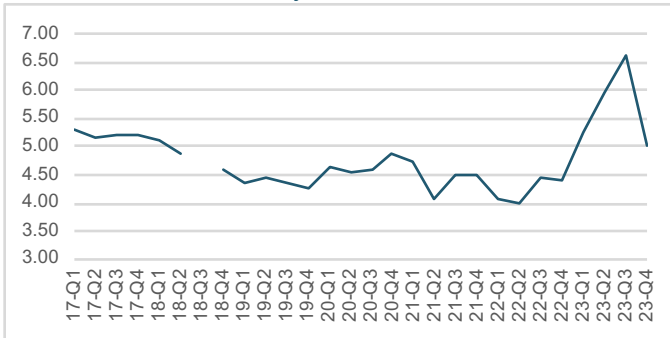
Source: Colliers International

Akron-Canton Inflation-Adjusted Industrial Absorption



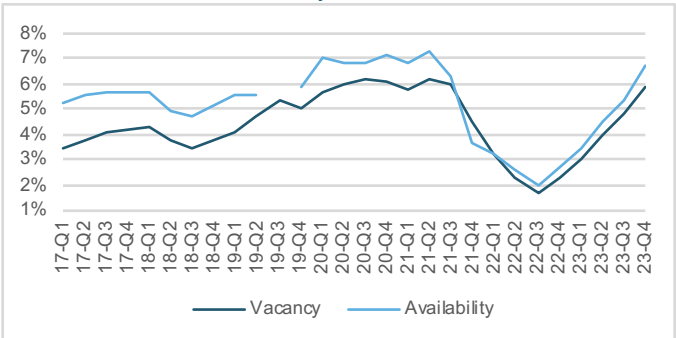
Source: Colliers International

Akron-Canton Inflation-Adjusted Industrial Rent



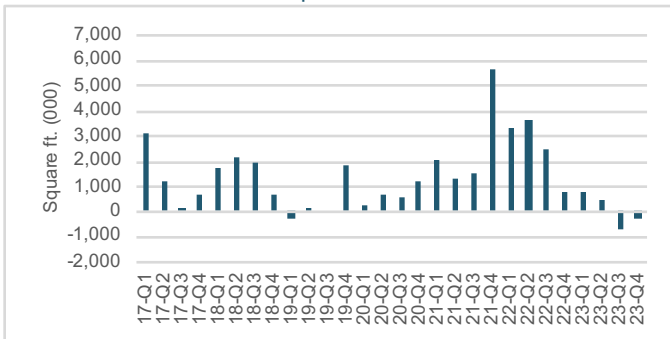
Source: Colliers International

Cincinnati Industrial Vacancy Rate



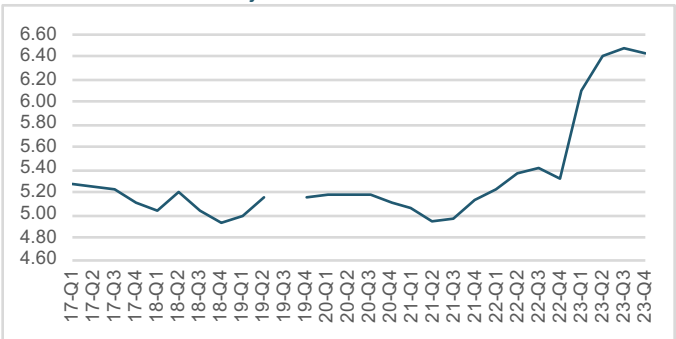
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Cincinnati Industrial Absorption



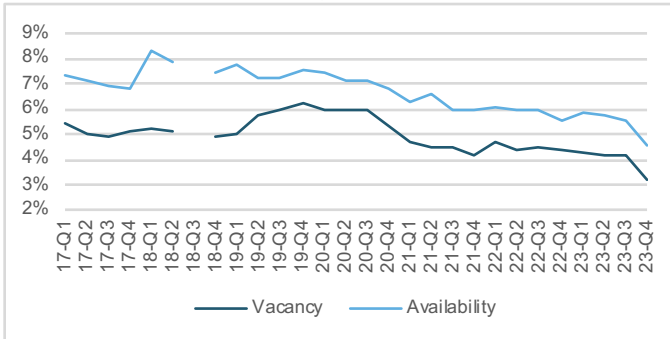
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Cincinnati Inflation-Adjusted Industrial Rent



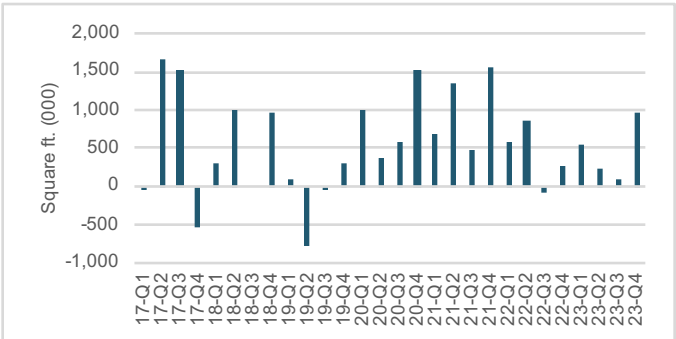
Source: Colliers International

Cleveland Industrial Vacancy Rate



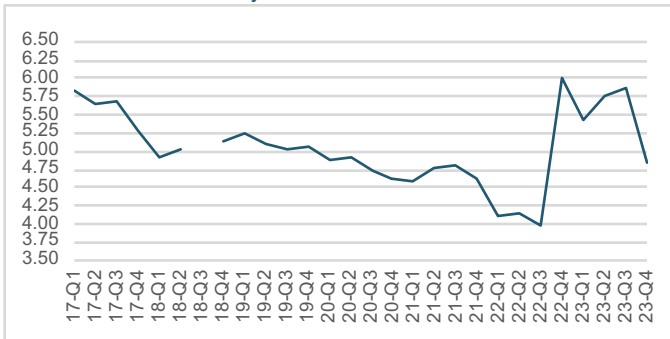
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Cleveland Industrial Absorption



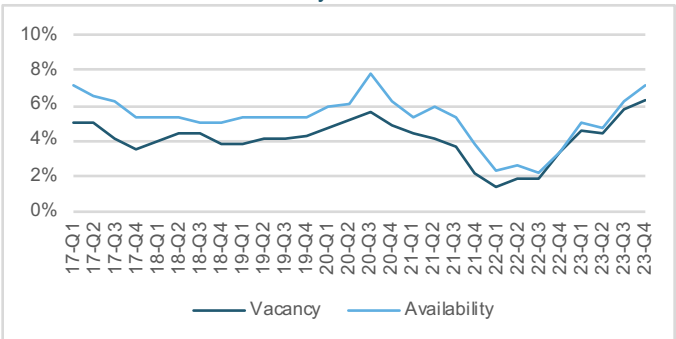
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Cleveland Inflation-Adjusted Industrial Rent



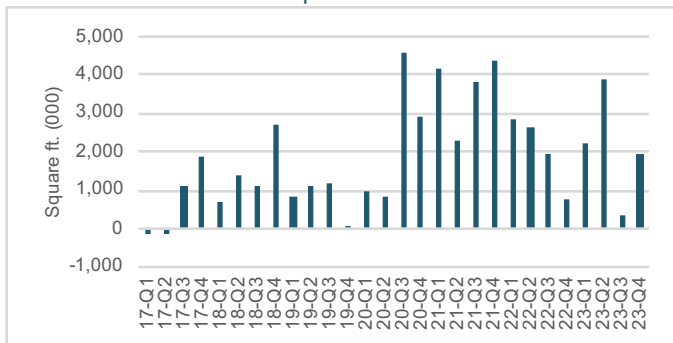
Source: Colliers International

Columbus Industrial Vacancy Rate



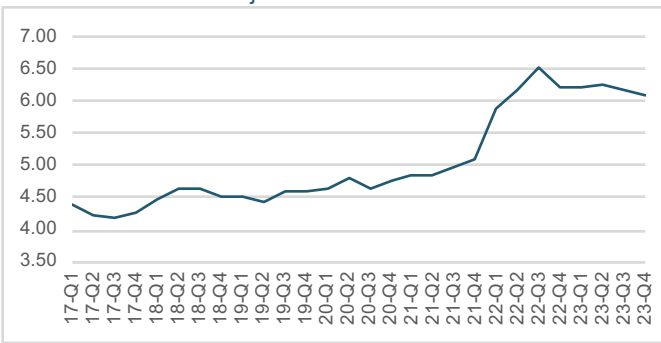
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Columbus Industrial Absorption



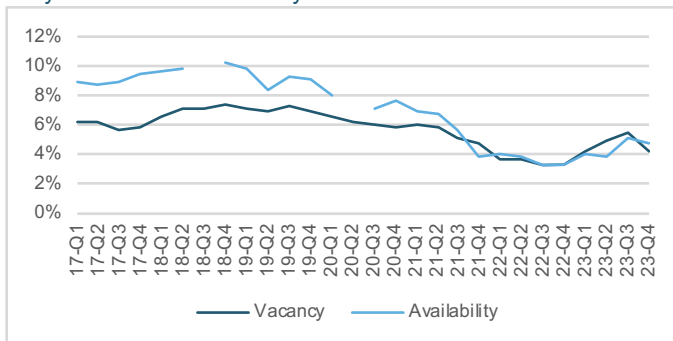
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Columbus Inflation-Adjusted Industrial Rent



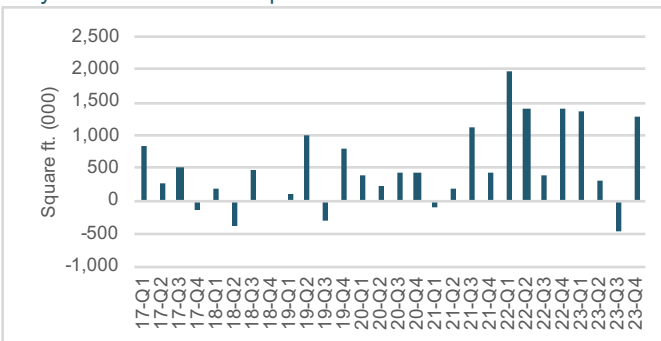
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Dayton Industrial Vacancy Rate



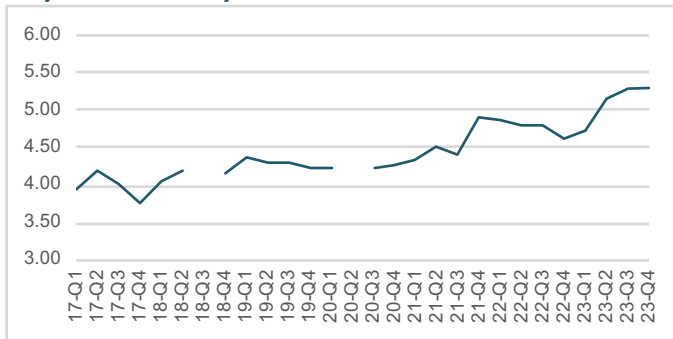
Source: Colliers International

Dayton Industrial Absorption



Source: Colliers International

Dayton Inflation-Adjusted Industrial Rent



Source: Colliers International