

Short North Arts District

# Neighborhood Market and Consumer Study

Executive Summary of Key Findings

January 2024



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# About This Study

The Short North Arts District Neighborhood Market and Consumer Study assesses and communicates key findings about the current market forces and customer base of the Short North Arts District. The purpose of this study is to help inform future decision-making to best position the district for the coming years.



## Business Market

Market characteristics, core positioning, void analysis, and business outlook and forecast.



## Real Estate Market

Retail, office, hospitality, and multifamily market demand, trends, and upcoming development.



## Customer Base

Customer segmentation, demographics, behavior, needs, and perceptions.



## Impact

The economic, fiscal, and cultural impact of the Short North Arts District neighborhood.



## What's Next

Future opportunities for the Short North Arts District.

# Engagement

Findings reflect insights gleaned through a variety of platforms and conversations, including:



## Consumer Survey

A digital Consumer Survey was issued for customers and regional residents to provide insights on current district perceptions and consumer needs and preferences from residents and non-resident visitors. Response rate to the survey was very high with over 500 respondents.



## Business Survey

On-the-ground insights about current business conditions and market opportunities based on knowledge of the local business community. The digital survey provided data from a wide representation of business owners in the district.



## Focus Groups

Virtual focus groups were conducted to understand the future marketplace and the livability and visitability of the Short North Arts District. These focus groups were conducted over Zoom.



## One-on-One Interviews

With community and city leaders, businesses, and key stakeholders in the Short North Arts District to dive into more detail and understand comprehensive perspectives.

# Overview of Findings

The Short North Arts District's positioning is rooted in its historic arts and cultural orientation and has continued to emerge as a destination dining and nightlife hub of Columbus and an incubator for small and local businesses.



**The Short North Arts District is an economic powerhouse for the Columbus region and a defining pillar of the Columbus Experience.**



**The Short North Arts District is an affordable place to open a business, locate an office, and live, with an affordable mix of rents relative to other Central Ohio premium markets.**



**People's lifestyles have changed since the neighborhood's inception, and the Short North needs to adjust its offerings to meet customers where their needs are.**



**Safety remains a core focus area for Short North visitors and will require continued focus to address, particularly in relation to vacant storefronts.**





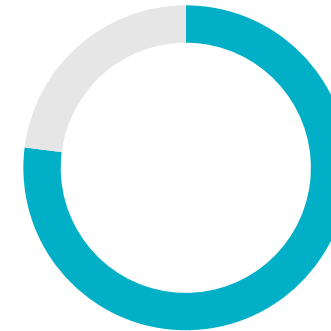
# The Impact of the Short North

## The Short North Arts District is a central image of the City of Columbus.

The district contributes to the region's arts and cultural scene and enhances the overall regional identity of Columbus.



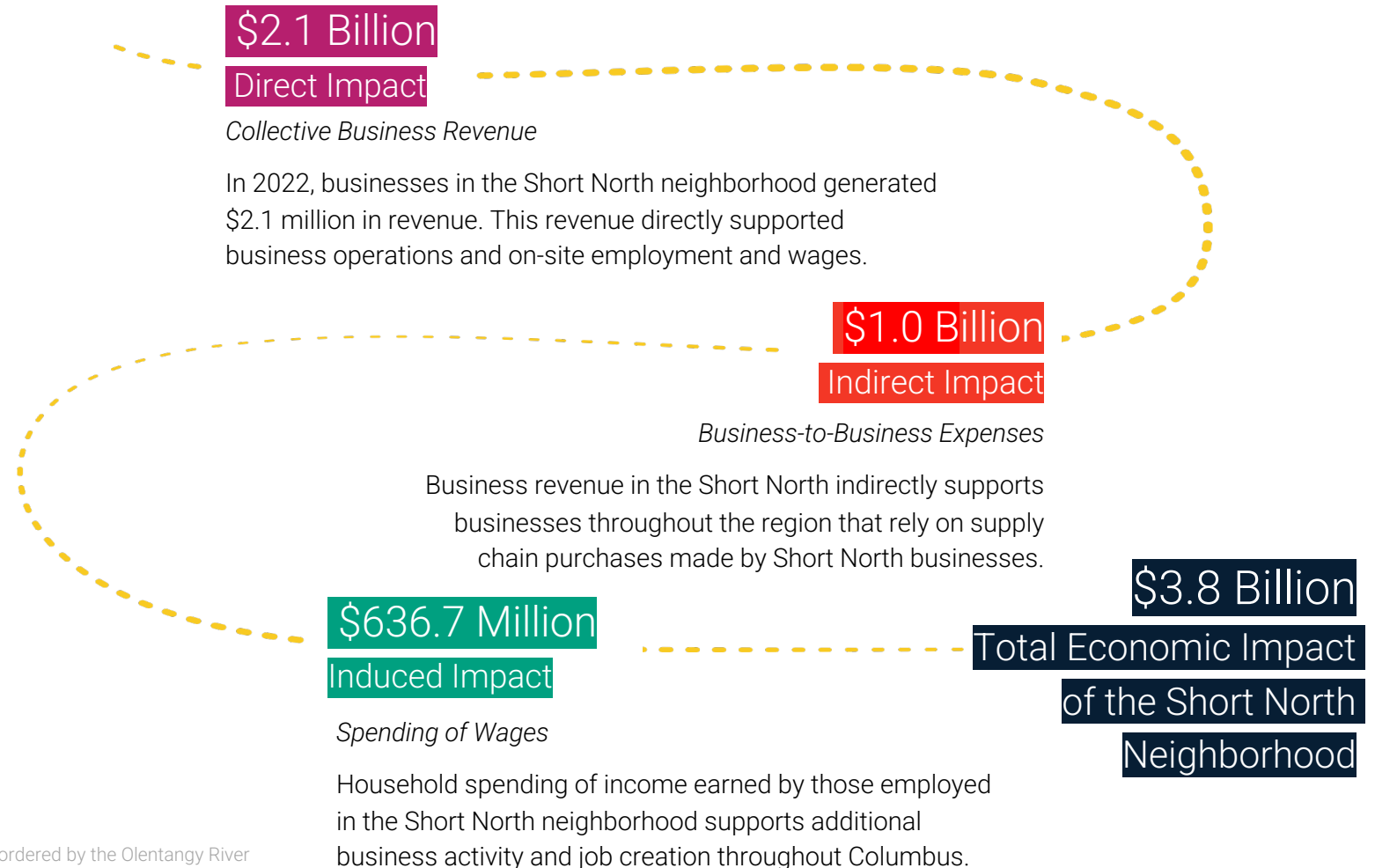
80% Short North customers agree that the **Short North Arts District plays a defining role in Columbus's overall identity and brand.**



77% Short North customers believe that the **Short North Arts District contributes to the overall culture of Columbus.**

## How the Short North Neighborhood Impacts Columbus's Economy:

Beyond the Short North's legacy as a cultural hub and source of pride for Columbus, the neighborhood is a driver of local economic development and employment. With over 850 businesses calling the Short North neighborhood home, an employment base of over 11,200 workers, and continuous visitorship, the Short North neighborhood generates substantial economic activity through its direct, indirect, and induced impacts.



Note: Impact figures reflect the "Greater North Short Neighborhood", defined as the area bordered by the Olentangy River to the west, the rail line between 5th Street and Cleveland Avenue to the east, I-675 to the south, and King Avenue and 7th Avenue to the north. Impact figures reflect the impact of all business types, including retail, office, and industrial uses. Source: IMPLAN, ESRI, JS&A (2023)



**The total \$3.8 billion economic impact of the greater Short North neighborhood supports more than 20,000 jobs and over \$1.2 billion of salaries and wages.**

This economic activity generates direct, indirect, and induced impacts throughout various sectors of the Columbus economy – as visitors spend money at businesses (direct impact), businesses make supply chain transactions at other businesses (indirect impact), and Short North employees spend their income at additional businesses (induced impact). This methodology follows industry best practices for quantifying and telling a complete story about economic impact utilizing Franklin County-specific multipliers provided through IMPLAN.

**The Short North Arts District features a total assessed value of \$954.9 million. This generates nearly \$10.5 million of tax revenue annually.**

This assessed value includes \$812.9 million for commercial properties and nearly \$142.0 million for residential properties.

**Economic Impact of the Greater Short North Neighborhood (2022)**

Impact Type	Total Jobs	Labor Income	Total Revenue
Direct Impact	11,211	\$671,590,901	\$2,124,793,440
Indirect Impact	5,309	\$348,258,638	\$1,044,861,537
Induced Impact	3,556	\$211,161,630	\$636,663,592
<b>Total Impact</b>	<b>20,076</b>	<b>\$1,231,011,169</b>	<b>\$3,806,318,569</b>

Note: Impact figures represent the greater Short North neighborhood.  
Source: IMPLAN, Jon Stover & Associates (2023)

## The Short North neighborhood generated nearly \$191.7 million in total fiscal revenue in 2022 alone.

Beyond being a community for residents and regional destination for visitors, the Short North neighborhood contributes to the fiscal well-being of greater Columbus. Its fiscal impact signifies the value and contribution of the economic activity beyond supporting local businesses and creating jobs. The Short North neighborhood is a partner in supporting the City of Columbus, Franklin County, and the state.

### 2022 Fiscal Impact

**\$159.4 Million**

Sales Tax Revenue of the Short North Neighborhood

**\$3.0 Million**

Lodging Tax Revenue of the Short North Neighborhood

**\$29.3 Million**

Personal Income Tax Revenue of the Short North Neighborhood

**\$10.5 Million**

Property Tax Revenue of the Short North Arts District

### Overall Fiscal Impact of the Greater Short North Neighborhood (2022)

Recipient	Lodging Tax	Sales Tax	Personal Income	Total
State of Ohio	--	\$122,175,623	\$13,110,919	<b>\$135,286,542</b>
Franklin County	--	\$26,559,918	--	<b>\$26,559,918</b>
City of Columbus	\$3,036,090	--	\$16,145,023	<b>\$19,181,113</b>
COTA	--	\$10,623,967	--	<b>\$10,623,967</b>
<b>Total</b>	<b>\$3,036,090</b>	<b>\$159,359,508</b>	<b>\$29,255,942</b>	<b>\$191,651,540</b>

Note: "City of Columbus" revenue figures reflect revenue generated toward the City of Columbus General Fund.  
Source: IMPLAN (2023)

### Lodging Tax Revenue of the Greater Short North Neighborhood (2022)

Recipient	Annual Fiscal Revenue Attributable to the Short North Neighborhood
Columbus Convention & Visitors Bureau	\$1,285,873
Cultural Services / Community Enrichment	\$898,921
Emergency Human Services Fund	\$321,468
Administrative Fee	\$297,656
Affordable Housing Trust	\$232,172
<b>Total</b>	<b>\$3,036,090</b>

Note: Lodging tax revenue based on 5.1% tax rate of estimated annual hotel revenue of \$59,531,179. Annual hotel revenue based on \$93.04 RevPAR and 1,753 total hotel rooms.  
Source: JS&A, Costar (2023)



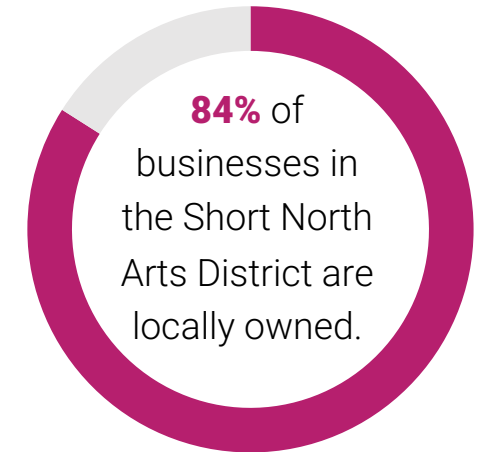
# The Short North Arts District Business Market



## Over 850 businesses call the Short North Arts District and neighborhood home.

### Businesses lining High Street in the Short North Arts District are predominately locally owned and operated.

In many ways, the district serves as an incubator for business growth, with many entrepreneurs and first-to-market businesses launching in the Short North Arts District, including a concentration of fashion-oriented retail and boutiques. This high concentration of local businesses provide an authenticity to the district and appeal to consumer preferences for unique shopping and dining experiences.



### Top Reasons Why Businesses Choose to Locate in the Short North Arts District

**56%**

Urban Location and Character

**42%**

Arts Orientation and History of the District

**39%**

Ideal Mix of Nearby Businesses

**28%**

Visibility on High Street and Vehicle Volume

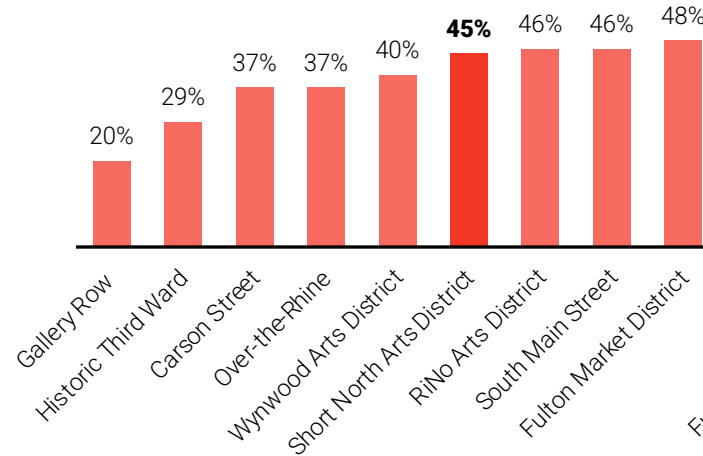
### 42% of business owners choose to locate in the Short North Arts District because of the arts orientation and history of the District.

While the District's base of art galleries has lessened, galleries have never been a majority business type in the Short North, and this follows a national trend away from in-person art consumption toward online sales.

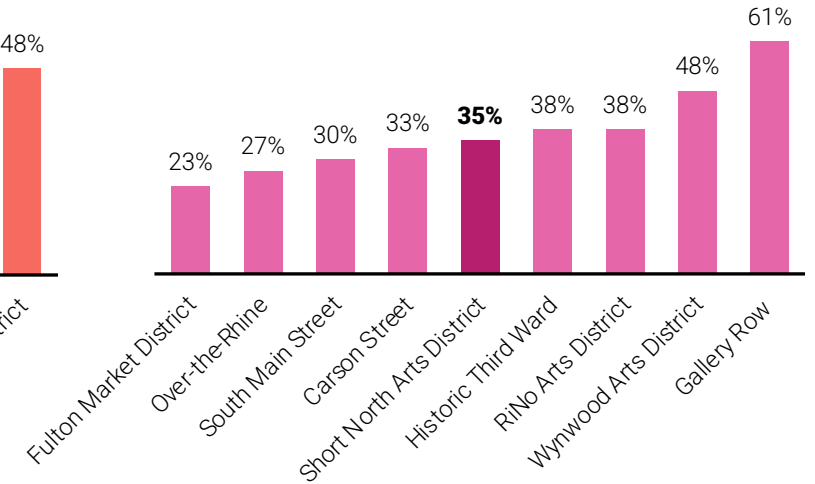
**When comparing the business mixes of competitive districts, the Short North Arts District reflects a balanced shopping and service-oriented mix with a slightly higher concentration of eating and drinking businesses.**

The consistency across the three retail types indicates a relatively healthy mix of businesses in the Short North Arts District yet signals that increasing the share of restaurants may detrimentally tip this balance.

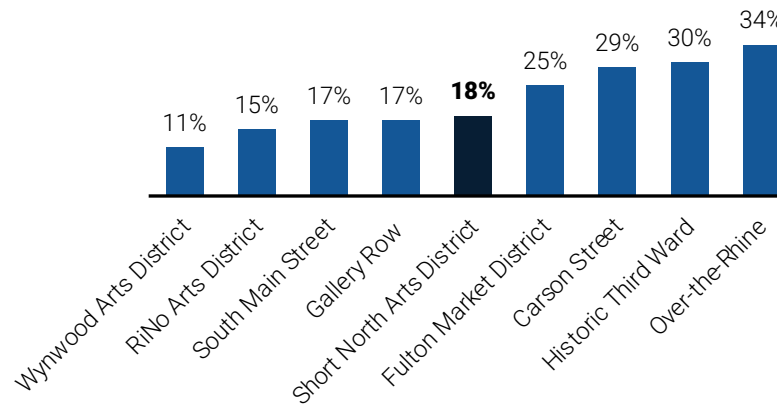
**Share of Eating & Drinking Establishments**



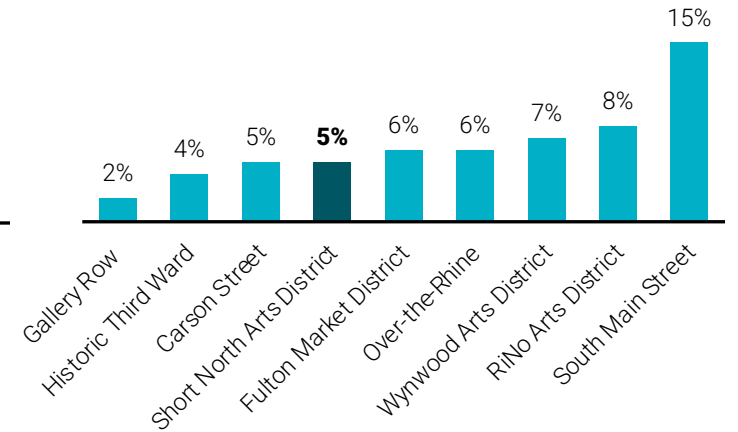
**Share of Shopping & Traditional Retail**



**Share of Service-Oriented Businesses**



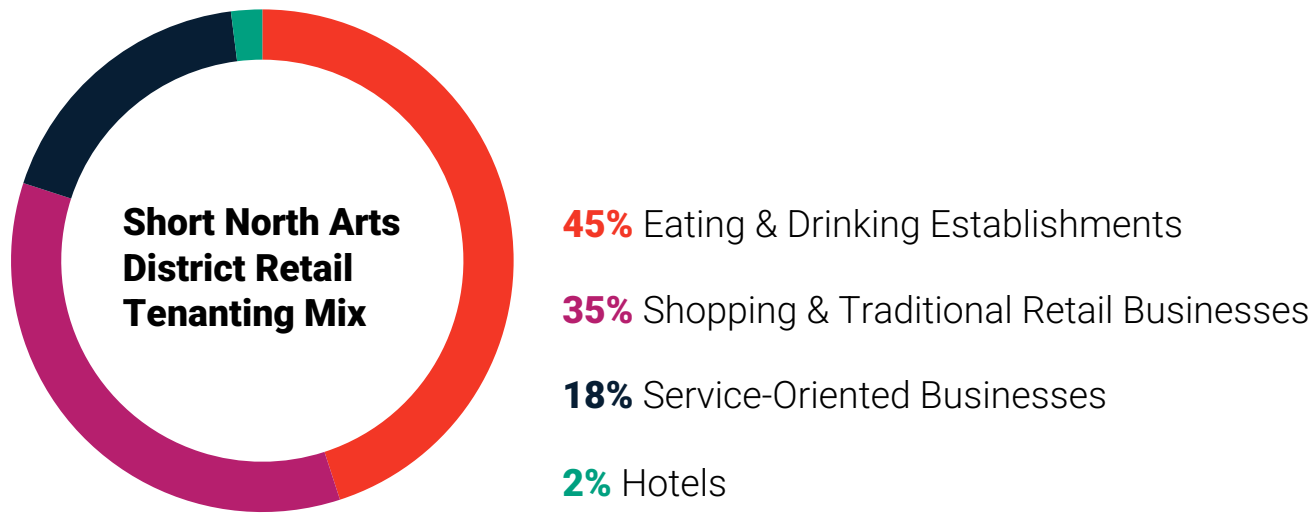
**Share of Art Galleries**



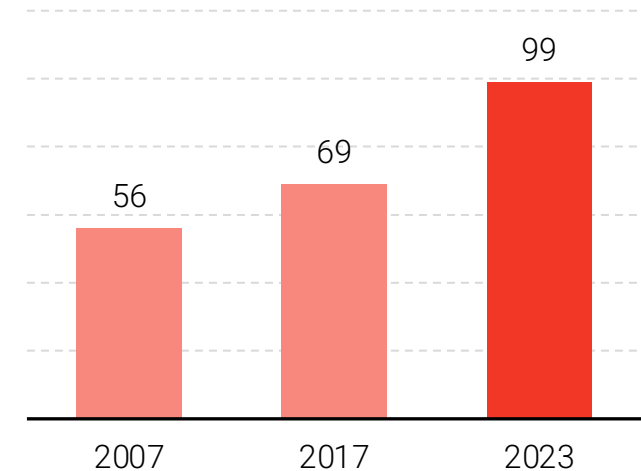
Note: Retail tenancing mix is based on NAICS codes for eating and drinking establishments (NAICS722), shopping and traditional retail (NAICS45), service-oriented businesses (NAICS81), and hotels (NAICS721). Overall share of art galleries reflects percent of total galleries out of total retailers (NAICS 44-45, 72, and 81). Source: Infogroup (2023), Place Management Organization Websites, Google Listing, Yelp

## The Short North Arts District continues to grow as a destination dining district, with a high share of restaurants and bars, a trend that continues to grow.

The district's total number of eating and drinking establishments increased by 43% between 2017 and 2023, reflecting a national trend where an increased share of consumer spending at brick-and-mortar establishments has shifted from general merchandise to experiential commercial uses.



**Total Eating and Drinking Businesses in the Short North Arts District**





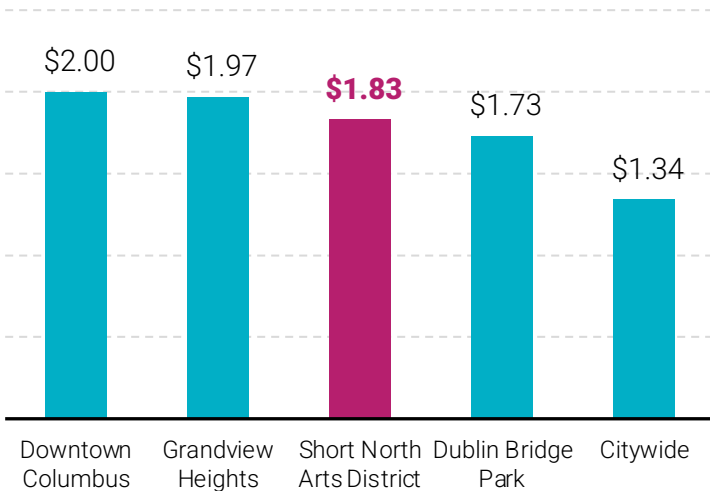


# The Short North Arts District Real Estate Market

## The multifamily housing stock has more than doubled over the past decade, increasing the local resident base of the neighborhood.

With market rents high above the citywide average, the Short North Arts District is a premier multifamily market in the region, reflecting the area's strong brand and continued desirability.

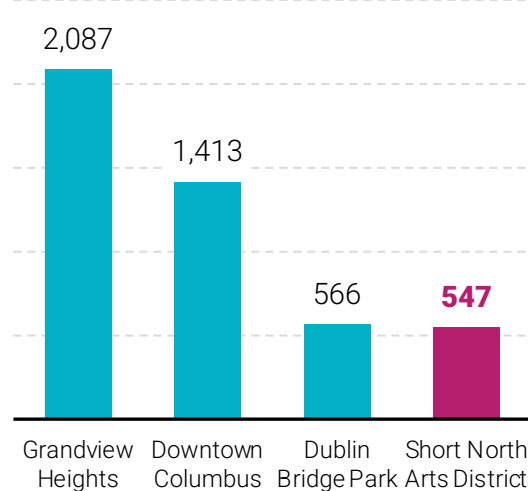
**Multifamily Effective Rent per SF**



Source: Costar (August 2023)

**Multifamily Net Absorption**

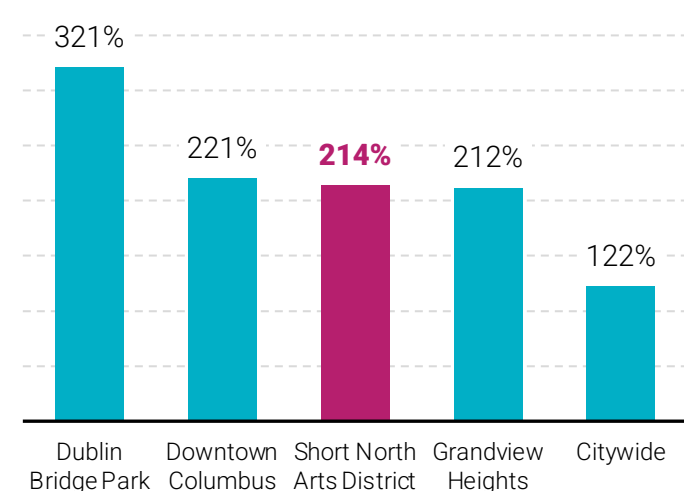
Between 2013 and 2023



Source: Costar (2013-2023)

**Multifamily Inventory Change**

Between 2013 and 2023



Source: Costar (2013-2023)

## MARKET DEMAND

### **Current effective rents of multifamily product in the Short North Arts District falls midpoint in the competitive submarkets.**

Similarly, the Short North Arts District's typical unit size of 875 SF aligns with the competitive submarkets and the citywide average.

### **The well-established Short North Arts District retail market continues to grow and remains a premium market in the Columbus region as rents are consistently above market average.**

While retail asking rents in the neighborhood have grown, the rate of rent growth is much less than that of peer markets regionally.

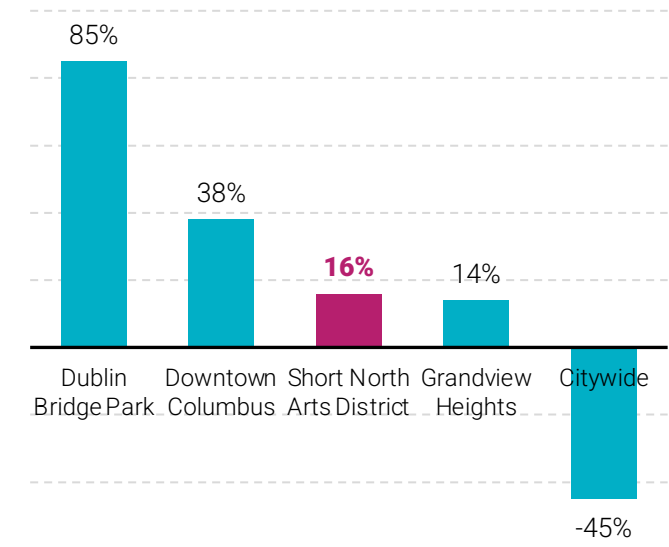
The typical ground floor retail space in the Short North ranges from 1,000 to 3,500 SF, which helps support pathways for new and first-to-market businesses that are more affordable.

### **Multifamily Average Unit Size and Monthly Rent**

Submarket	Avg. Unit Size	Avg. Effective Monthly Rent per Unit
Dublin Bridge Park	868 SF	\$1,887
Downtown Columbus	881 SF	\$1,794
Grandview Heights	902 SF	\$1,759
Short North Arts District	875 SF	\$1,572
Citywide	876 SF	\$1,183

### **Rent Growth Between 2013 and 2023**

Adjusted for Inflation



Effective rent refers to the average rent paid for the duration of the lease term adjusted for landlord-paid concessions. Effective rent factors in promotions and incentives that encourage tenants to sign leases such as first month free rent or six months free parking.

Source: Costar (2023)

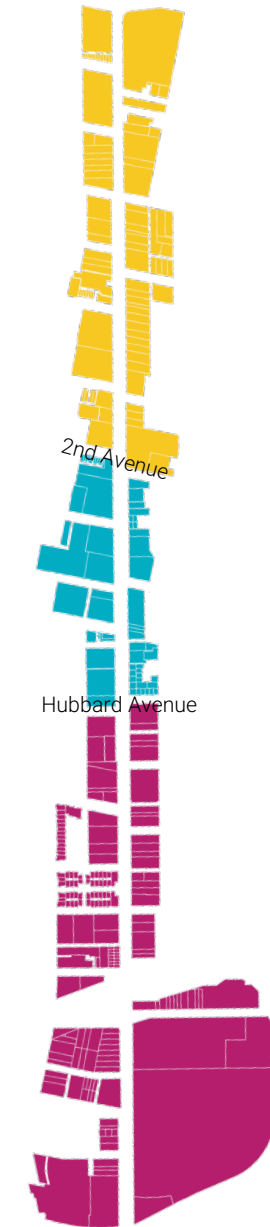
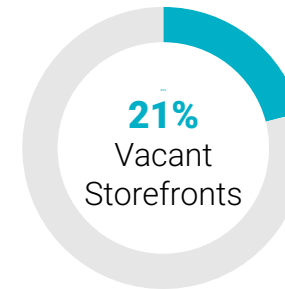
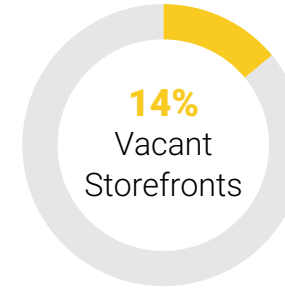


## MARKET DEMAND

### Retail vacancy in the Short North Arts District surpasses healthy levels.

Ideal storefront vacancy rates are between 5%-7%, with 10% serving as the limit of a healthy marketplace.

Storefront vacancy is highest along the central portion of the district, between Hubbard Avenue and 2nd Avenue, with a storefront vacancy rate of 21%. The district's southern portion, which benefits from its proximity to the Greater Columbus Convention Center and hotels, has a healthier vacancy rate of 10%.



MARKET DEMAND

**With over 818,000 SF of office space in the Short North Arts District, the area’s office market continues to remain competitive in the office landscape in the Columbus region and has mirrored trends of damped demand as hybrid and remote work have played a large role in the office landscape since 2020.**

Office uses in the district bring daytime workers to the area to support businesses throughout all times of the day and contribute to the mix of uses in the Short North Arts District.

**Total Office Inventory**

Submarket	Total Inventory
Downtown Columbus	24,144,138 SF
Grandview Heights	2,273,325 SF
Dublin Bridge Park	1,013,855 SF
Short North Arts District	818,823 SF
Easton Town Center	449,522 SF

Source: Costar (August 2023)

**Office Asking Rent**

Submarket	Asking Gross Rent
Dublin Bridge Park	\$29.31
Short North Arts District	\$25.90
Grandview Heights	\$24.24
Downtown Columbus	\$21.54
Citywide	\$21.25

Source: Costar (August 2023)

**Office Rent Growth Between 2013 and 2023**

Adjusted for Inflation

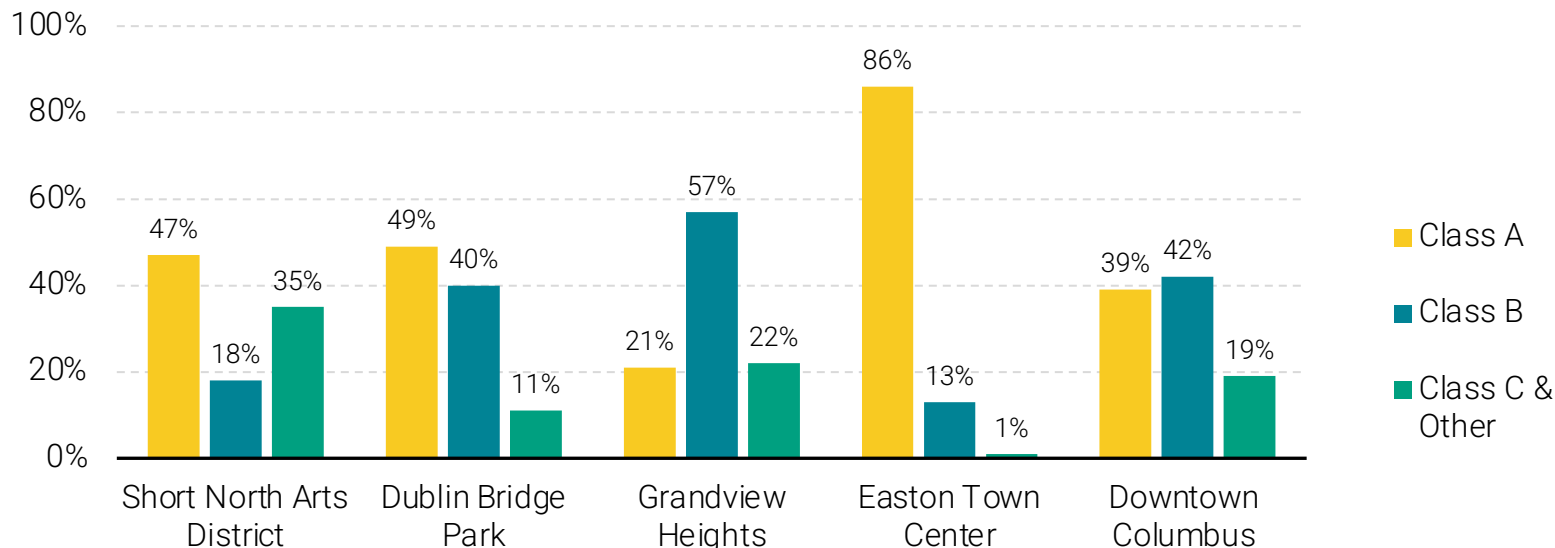
Submarket	Rent Growth (2013-2023)
Dublin Bridge Park	44%
Citywide	3%
Grandview Heights	3%
Short North Arts District	-2%
Downtown Columbus	-3%

Source: Costar (2013-2023)

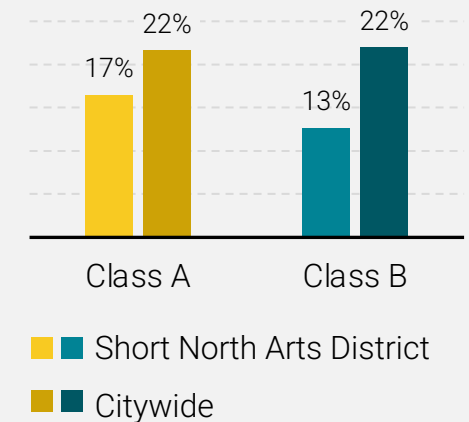
## The Short North Arts District office inventory includes primarily Class A and Class with limited Class B supply.

Class A is first-rate and extremely desired office space that commonly attracts prestigious tenants. Half of the district’s office space is Class A, including 200,000 SF of office space delivered in 2019. This high share signifies the quality office market of the Short North Arts District is on par with other attractive commercial markets. The Short North Arts District features a higher share of Class C (older buildings and “no-frills” office space), unsurprising given the historic nature of the District.

Share of Office Inventory by Class Across Competitive Districts



Office Vacancy Rates in the Short North Arts District Compared to Citywide

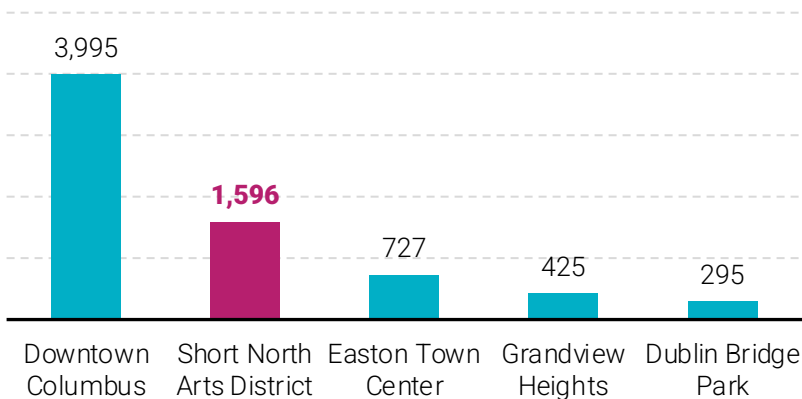


Note: Office vacancy data reflects spaces that are on the market to be leased. Data does not reflect office utilization rates or vacant spaces that are not currently available for lease.  
 Source: Costar, JLL Columbus Office Market Report (Q2 2023)

## Over the past ten years, the Short North Arts District’s hotel market has more than doubled in size.

The upscale-oriented hotel cluster commands higher daily rates than other competitive areas in the region. It merges destination leisure visitors and business travelers with its proximity to Downtown Columbus and the Greater Columbus Convention Center.

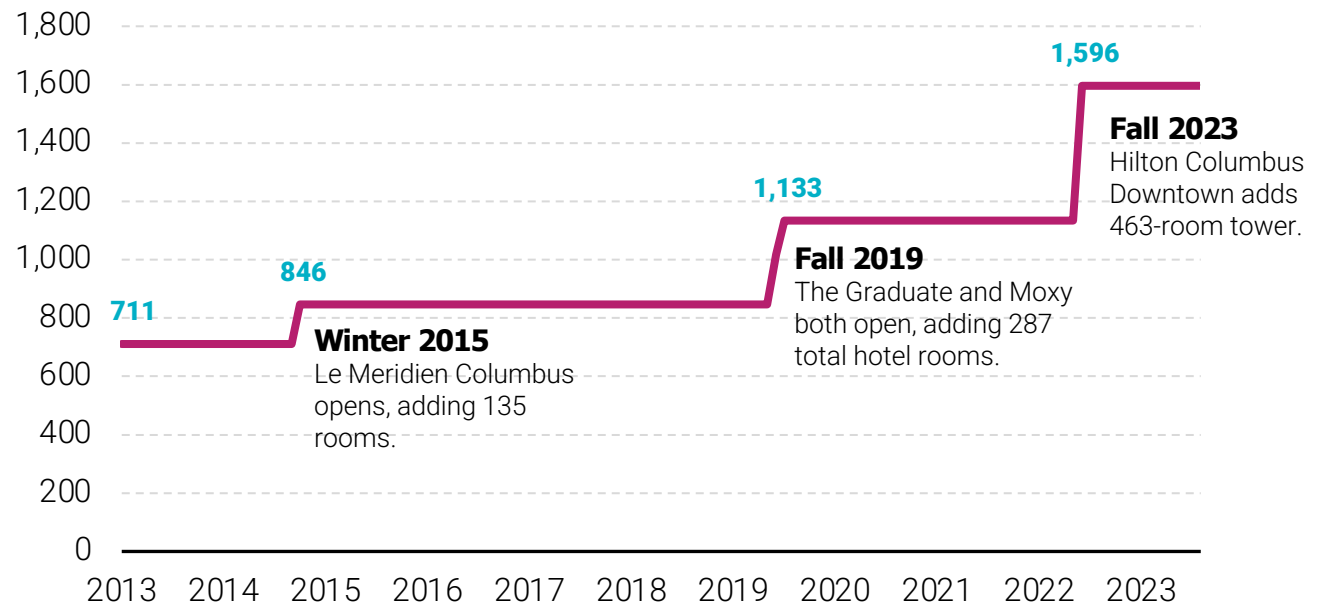
**Hotel Inventory by Comparative Submarket**  
Total Rooms



Source: Costar (Q3 2023)

**Short North Arts District Hotel Room Supply Trends**

Total Hotel Rooms



Source: Costar (2013-2023)



## The anticipated consumer spending growth from upcoming development in the Short North Arts District is projected to support the increased proposed retail space in the district.

While upcoming development will increase the district's residential and daytime populations, substantial retail growth beyond what is currently proposed may increasingly depend on customer traffic from customers traveling from outside the Short North Arts District neighborhood.



**“The City of Columbus is modernizing its zoning code for the first time in more than 70 years. This is an opportunity for our community to ‘Zone In’ on how we’ll grow and prosper.”**

*- Zone In Columbus*

**1.1 Million SF of New Development in the Pipeline for the District,** Representing \$475 Million Investment in the Short North Arts District.



**500+ Units Residential**



**77,500+ SF Office**



**18,000 SF Retail**



**162 Rooms Hotel**

# The Short North Arts District Customer Base

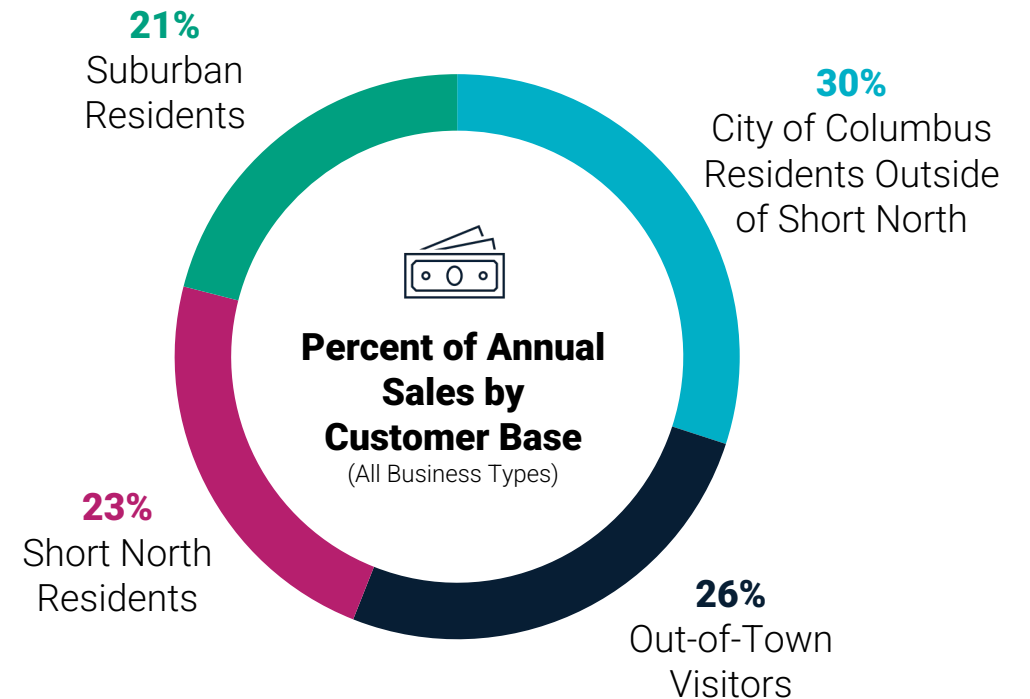


Image Credit: Forno Kitchen + Bar, Short North Alliance

## CUSTOMER BASE

### The Short North Arts District's mix of businesses and its status as a cultural and dining destination help attract a highly diversified set of customers.

The district's highly diversified customer base of greater Short North neighborhood residents, Columbus residents, regional visitors, and out-of-town visitors, boosts the commercial resiliency of the district. No single customer type comprises more than 30% of sales in the district.

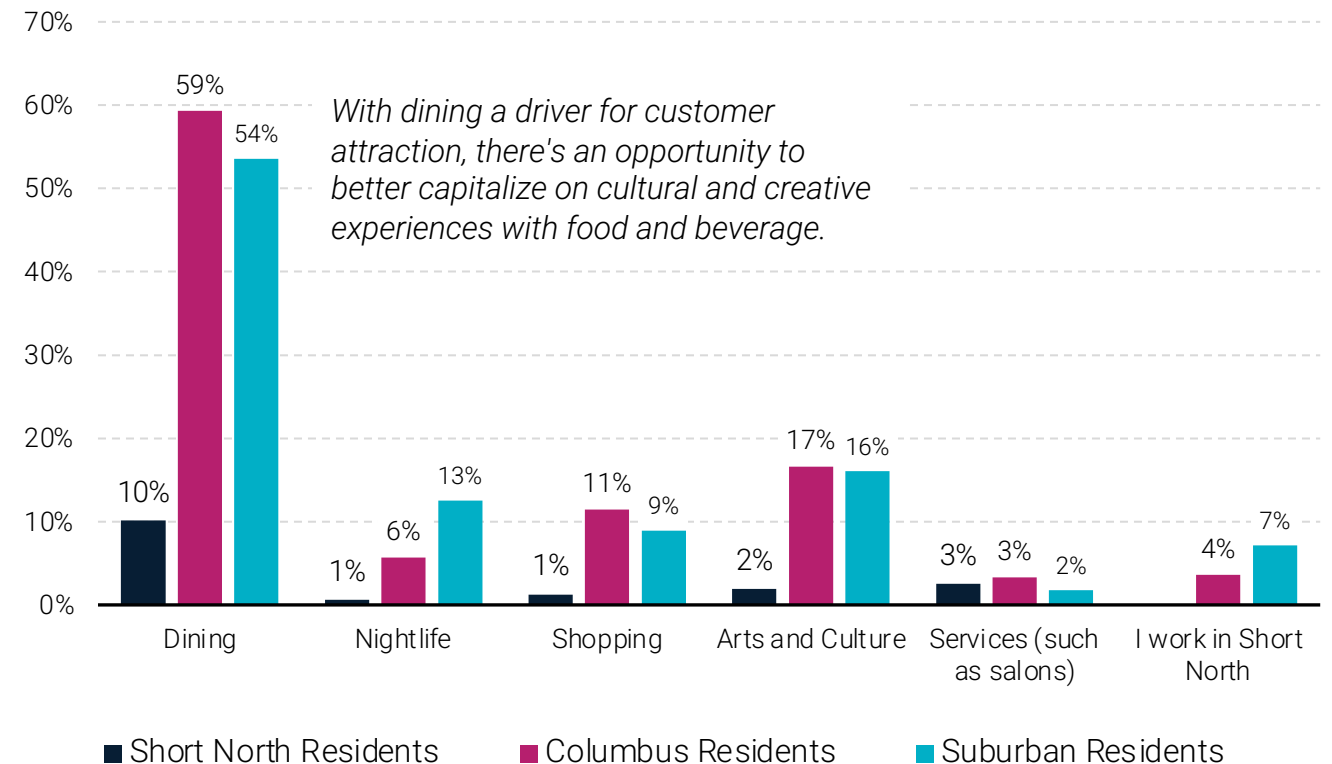


**While the Short North Arts District’s brand is heavily linked to arts and culture, most customers come to the district to eat and drink.**

59% of customers who live outside the Short North neighborhood come to the district to dine out. Short North neighborhood residents also cited dining as the top commercial activity that motivates them to visit.

The most common consumer experience in the Short North Arts District consists of dining out at a restaurant, visiting one or two additional businesses, and spending a total of \$50 to \$99.

**Primary Reason for Visiting the Short North Arts District**



Note: Short North Residents excluded from if they work in the Short North Arts District. Source: Short North Arts District Consumer Survey (August 2023)



## Customers from outside the immediate neighborhood have visited the Short North Arts District less frequently in recent years.

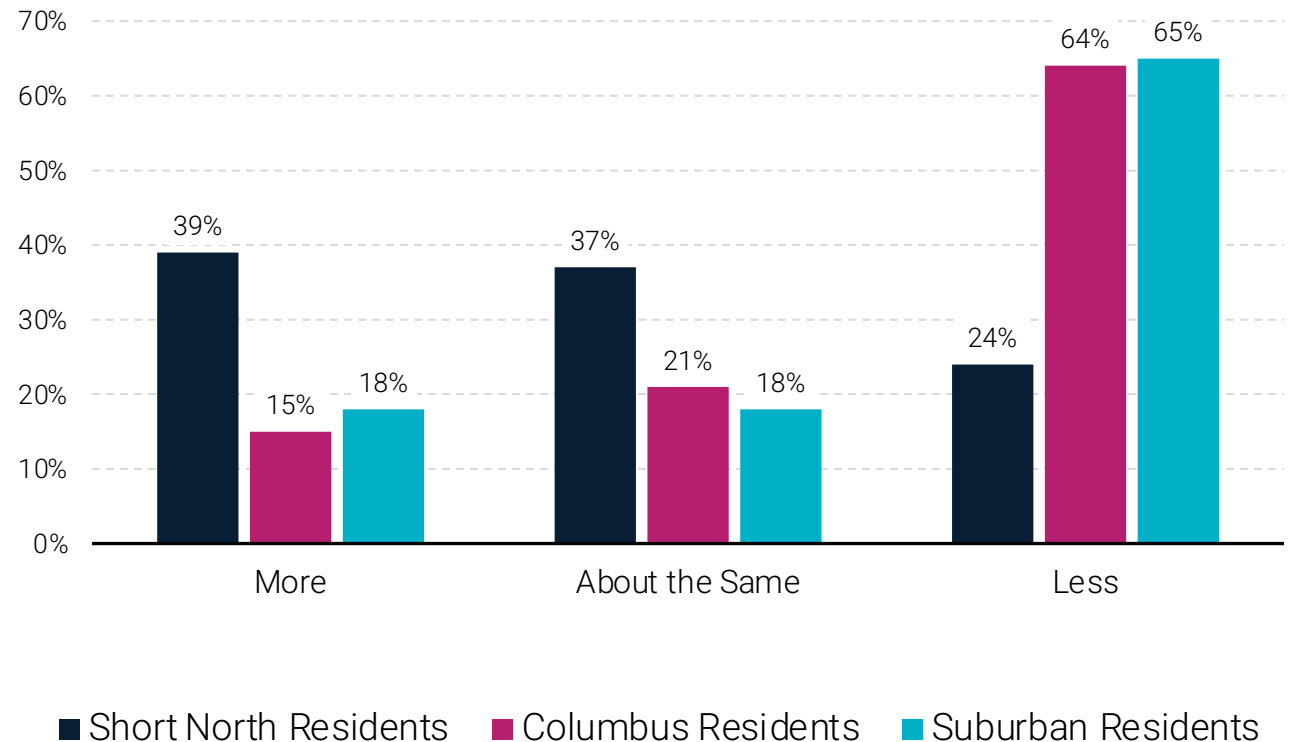
While visitation has declined, it is still the most frequented place to shop or dine amongst its local and citywide customer base.

Nearly 40% of suburban respondents reported that they dine out and go out less frequently, reflecting a nationwide trend of shifting lifestyle preferences largely attributable to the COVID-19 pandemic, remote work, and inflation.

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Perceived safety is the most frequent reason reported for a decline in visits.

## Change in Visit Frequency to the Short North Arts District



# Strategic Recommendations for Moving Forward



Image Credit: Ampersand Asian Supper Club

## WHAT COMES NEXT?

### **Strategic Opportunities** Based on Market and Consumer Findings

**The community has a strategic opportunity to help forge a stronger economic powerhouse, cultivate an even larger and more diverse generation of small businesses that fuel the spirit of our city, and more carefully cultivate the brand pulse of Columbus for generations to come.**

To do that, the community should:

- Prioritize the Customer Experience
- Strategically Address Market Dynamics
- Continue to Cultivate a Safe, Vibrant Community



