

From the Columbus Business First:

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Here's what coronavirus - and that stay-at-home order - could mean for Columbus' booming real estate market

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Columbus' surging development business has had few things to slow it down in the past few years.

Coronavirus, though, is giving leaders some pause.

Gov. Mike DeWine's [stay-at-home order](#) issued Sunday exempts many kinds of construction - hospitals, long-term care facilities, public works, schools, housing and "essential business." It also exempts many realtor-related activities including title and appraisals, allowing homebuying to proceed. But the businesses that continue must abide by social distancing and hygiene guidelines mandated in the order.

Meanwhile, the governor's earlier guidance on large gatherings has already taken its toll - the city of Columbus has canceled most area commission and architectural review boards, and all but a few suburban cities have canceled most planning and zoning meetings for the foreseeable future, depriving some projects of a clear timeframe on when they will land the approvals necessary to turn dirt just as many seek to do so for the busy spring season.

"All of this depends on how long it lasts," said [Wayne Harer](#), a broker with Newmark Knight Frank who oversees many big commercial leases. "The hope is it'll be



TRISTAN NAVERA

A construction worker continues work at the AC Hotel in Arena District March 19. Many construction projects underway in Columbus now are contending with the coronavirus pandemic.

business as usual in a month or two. I think people will be happy to get back into the office and be productive in April or May even if it takes a few months."

Broadly interpreted, the stay-at-home order on construction includes mixed-use developments with residential components, but the focus should be on safety rather than any particular construction type, said [Jon Melchi](#), executive director of the Building Industry Association of Central Ohio.

"From our perspective the most important thing is for the members of the construction industry continue to adhere to the safety outlines, safe equipment and social distancing, and most large construction projects can do that," Melchi said.

Some of those who have slowed or re-evaluated construction timetables and some educational institutions have opted instead to donate masks and some equipment to a BIA-hosted equipment drive to redirect them to medical facilities.

The announcement has left some developers evaluating their options, especially when it comes to smaller projects.

[Brad DeHays](#) is continuing work on major projects like the Municipal Light Plant, the trolley barns and others. Cases where tenants are being displaced or where a project would be unsafe if it halted mid-work are pretty clear-cut to proceed. But at the same time, his [Connect Realty](#) is stopping a smaller car wash project that's not nearly as urgent.

"If it's being built right now, for the most part, it's continuing to be built on schedule," [Dan Sheeran Jr.](#) of NAI [Ohio Equities](#) said, referring to large warehouses and industrial building in particular. "But I'm not sure how many deals are going to be made in the next few days and months exactly."

[Curt Berlin](#), another NAI industrial specialist, noted a few imminent deals are likely already on hold, but construction will change, not stop.

During the last recession, development of speculative warehouse space ground to a halt. But times are different now – Columbus' industrial market is far under-built already and the Covid-19 pandemic has specifically increased demand for e-commerce space, something where Columbus is a strong player.

So some of the behemoth 1-million-square-foot projects might go by the wayside, but those smaller warehouse buildings in the 300,000 to 400,000 square foot range might still see demand, and many tenants might opt to expand in-place.

Michael Tomko, who is developing the Hayden buildings on Capitol Square, said he's had to closely evaluate the project. Tenants with imminent move-in dates have been unclear about the path ahead, but most things where dirt is turning now aren't likely to have to stop unless they can't be completed safely.

"It's been such a fast-changing thing, in some ways it's been business as usual but people are listening to the governor's orders," Tomko said. "What I wonder about is how this will affect the development pipeline for the coming years."

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