



Columbus

Columbus market vacancy has risen for a second consecutive quarter. This results from multiple large tenants vacating their spaces, totaling 1.1 million square feet of negative absorption.

Quarter in Review

The Columbus industrial market experienced negative absorption for the first time since Q4 2019. Many socioeconomic factors have led to the slowing of the industrial boom resulting in numbers that align closer to pre-pandemic trends. Major tenants such as TJ Maxx (1.1 million square feet), Pepsi/Quaker (320,000 square feet), Newell brands (756,333) and Brooks (125,000 square feet) vacated all or portions of their spaces this quarter, significantly impacting net absorption in the Pickaway and Southeast submarkets. Speculative construction activity continues to decelerate, aligning closely with pre-pandemic levels. All construction activity has decreased by over 25 percent year-over-year. Build-to-suit projects are steering construction due to debt and capital markets having negative impacts on speculative construction. Build-to-suit construction has risen to 73 percent of total construction, amounting to 7.9 million square feet of construction.

There were still notable new leases and renewals signed this quarter despite the decrease in activity. The largest lease signed was an expansion covering over 416,000 square feet by ODW Logistics. Available sublease space continued to rise to 4,207,125 square feet, now exceeding one percent of the total available space in the market. Increased available sublease space gives tenants in the market the opportunity for shorter-term leases. With the impact of an election year, we anticipate more subleases to be signed to fill more immediate needs rather than long term.

Forecast

The Columbus industrial market continues its shift towards pre-pandemic numbers as vacancy rises and absorption numbers continue to decline. We have seen construction activity continue to slow as many speculative projects have not been preleased, bringing more caution to break ground on planned projects, while we continue to see build-to-suits be the driving construction force. This trend reflects a decreased demand environment, as tenants exhibit greater caution amid economic uncertainties compared to the previous two years. As a result, we project we will continue to see the trends throughout the year until there is more economic certainty and the industrial market falls back into balance.

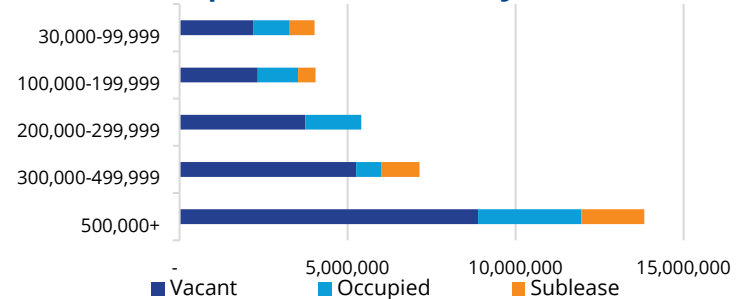
Market Indicators

	23Q1 YoY	23Q4 Previous	24Q1 Current
Vacancy Rate	3.86%	5.61%	5.96%
Net Absorption (SF)	1,646,875	1,143,315	(1,112,436)
YTD Net Absorption (SF)	1,646,875	8,780,309	(1,112,436)
Completions (SF)	4,229,609	5,012,555	1,437,192
Avg Asking Rental Rate (NNN)	\$6.96	\$6.43	\$7.01

Absorption, Supply & Vacancy



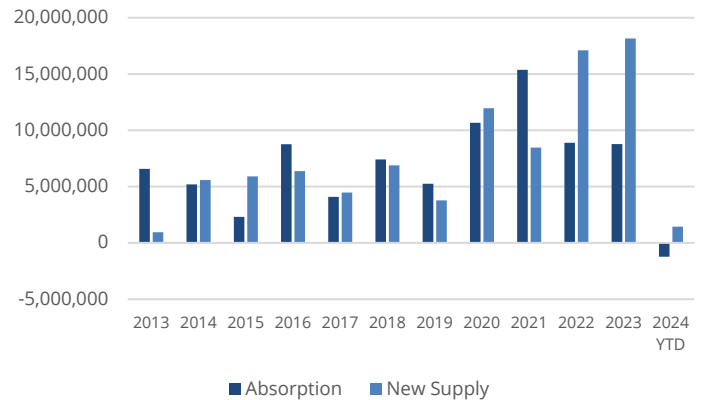
Available Space for Lease by Size



Absorption & Leasing

The Columbus industrial market had negative net absorption of 1.2 million square feet, which is the first time negative absorption has been recorded since the end of 2019. The largest negative absorption impact was TJ Maxx vacating over 1.1 million square feet at Centerpoint I in the Southeast submarket. This was followed by Pepsi/Quaker vacating their 320,000 square feet of space in the Southeast submarket this quarter and Newell Brands vacating 250,000 square feet with 500,000 square feet to follow in the coming months. The largest lease signed this quarter was an expansion signed by ODW Logistics for 416,091 square feet in the Southeast submarket at 1489 Rohr Road. Modern bulk build-to-suit deliveries in Delaware and Licking submarkets totaled over 694,000 square feet of positive absorption with InnoPak accounting for 424,000 square feet at 805 Founders Ct (Delaware) and Amgen following up with 270,000 square feet at 14549 Worthington Rd NW (Licking). Over 2.1 million square feet was leased with most of the commencement dates falling between Q2 2024 and Q3 2024.

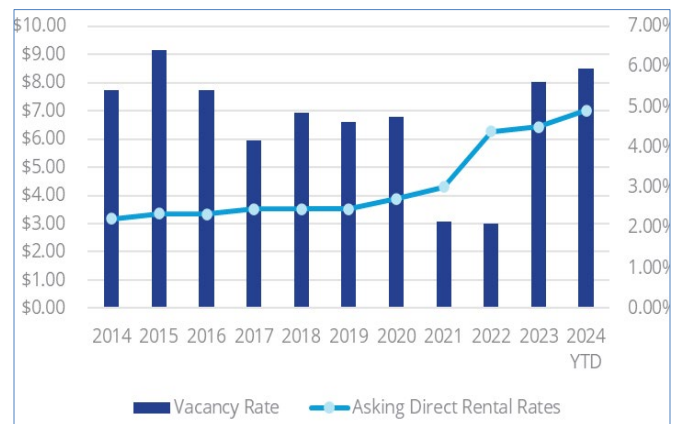
Supply and Demand



Vacancy & Market Rents

Vacancy increased 35 basis points in the first quarter due to large tenant move-outs and speculative construction deliveries. This marks the highest vacancy rate recorded since 2015 when it stood at 6.4 percent. One of the biggest contributors to the rise in vacancy are the completed speculative projects that were delivered without a tenant, with over 50 percent of speculative deliveries being vacant and available. The remaining leased deliveries comprise of build-to-suit buildings. It is anticipated that this trend will continue, with a heightened focus on build-to-suit projects given the challenging conditions in the debt and capital markets for speculative construction. Direct asking rates showed a weighted rent of \$7.01, reflecting a decrease compared to the previous quarter.

Vacancy Rate & Direct Asking Rate



Sales Activity

Sales volume totaled \$110 million in the first quarter, however, \$88 million of the reported volume was due to the top three sales of a combined 915,000 square feet. The largest property, 3755 Hayes Rd, was purchased by the State of Ohio for 640,640 square feet, traded at \$56,000,000 (\$87.41 PSF) and sold by CA Ventures. Another notable sale was 3555 Gantz Rd for 221,616 square feet purchased by Douglas Capital Partners from Brookfield Corporation for \$18,800,000 (\$84.83 PSF). The sales volume and market price decreased in the first quarter. However, the price per square foot of \$83.94 increased to be the highest price per square foot since Q2 2022.

Sales Volume & Market Price Per SF



Under Construction

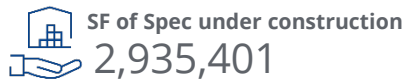
Institutional Inventory – 500,000 SF or Greater

The buildings in the table below represent a sampling of the developments currently underway in Columbus’ industrial market.

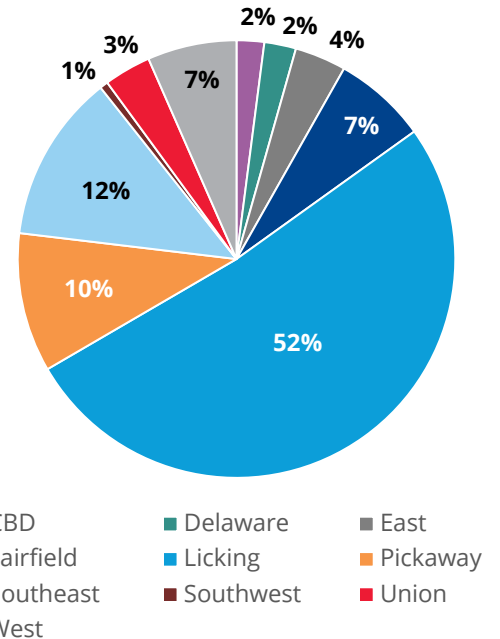
Business Park/Address	Submarket	RBA	% Leased/ Owned	Est. Delivery Date	Developer/ Owner/Tenant
Intel	Licking	3,000,000*	100%	Q1 2025	Intel
DSV BTS	Licking	1,200,000	100%	Q3 2024	VanTrust
Red Chip Farms Bldg B	Licking	946,400	0%	Q2 2024	Red Rock Developments
ODW BTS	Southeast	929,142	100%	Q2 2024	Pinchal
Rickenbacker Logistics Park Bldg 5	Pickaway	773,114	0%	Q3 2024	CT Realty
DHL BTS	Fairfield	755,160	100%	Q2 2024	DHL

Construction Activity

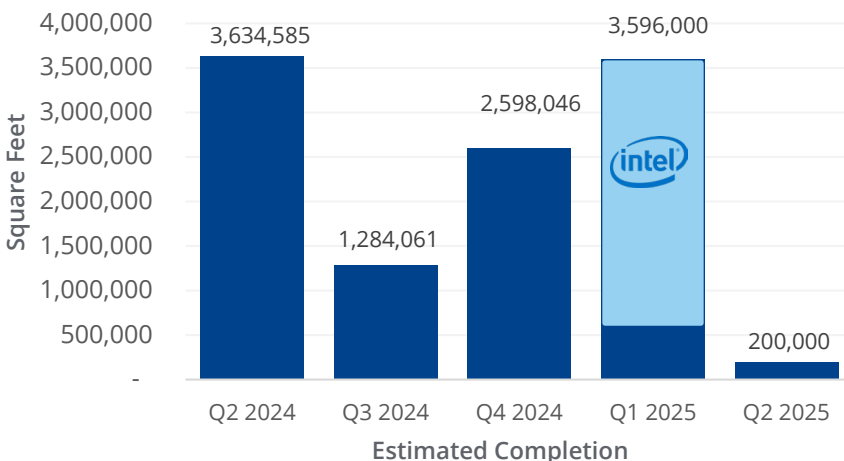
Columbus Industrial Construction



Construction by Submarket



Future Deliveries



10 Year Snapshot

Year	Net Absorption (Q4 YTD #s – SF)	Construction Deliveries (SF)	Lease Rate (\$)	Vacancy Rate
2024 YTD	(1.11M)	1.44M	\$7.01	5.96%
2023	8.78M	18.16M	\$6.43	5.61%
2022	8.89M	17.11M	\$6.26	2.09%
2021	15.37M	8.47M	\$4.30	2.16%
2020	10.67M	11.96M	\$3.89	4.74%
2019	5.25M	3.78M	\$3.51	4.61%
2018	7.41M	6.88M	\$3.52	4.85%
2017	4.08M	4.47M	\$3.51	4.16%
2016	8.76M	6.37M	\$3.34	5.40%
2015	2.31M	5.90M	\$3.35	6.40%
2014	5.19M	5.58M	\$3.18	5.40%

Notable Sales Activity

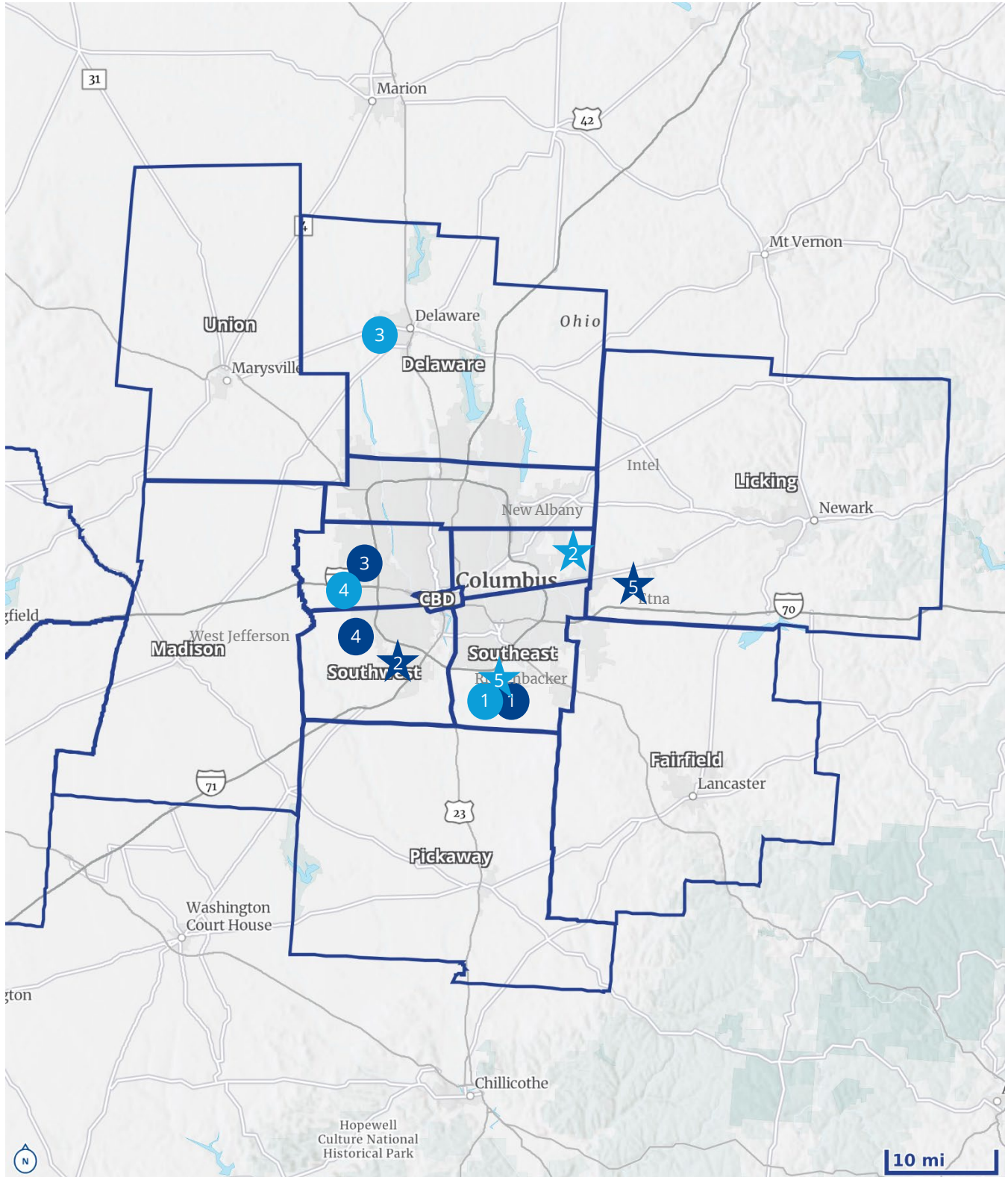
#	Address	Size	Buyer	Price	Price/SF	Submarket
1	3755 Hayes Rd	640,640	State of Ohio Liquor	\$56,000,000	\$87.41/SF	Southeast
2	3555 Gantz Rd	221,616	Douglas Capital Partners	\$18,800,000	\$84.83/SF	Southwest
3	4800 Journal St	53,515	ArcBest Corporation	\$13,800,000	\$257.87/SF	West
4	5454 Alkire Rd	79,658	Valley Freightliner Western Star	\$5,950,000	\$74.69/SF	Southwest
5	104 Heritage Dr	30,000	CROSSVENTURE2 LTD	\$2,723,500	\$90.78/SF	Licking

Bold/Blue Denotes Colliers Represented Transaction

Notable Lease Activity

#	Address	Size	Tenant	Type	Submarket
1	1489 Rohr Rd	416,091	ODW Logistics	Expansion	Southeast
2	1800 Deffenbaugh Ct	129,205	Nuvik USA	New Lease	East
3	2039 Pittsburgh Dr	126,000	Luvata	New Lease	Delaware
4	845 Kaderly Dr	100,335	PinnPack Capital Holdings	New Lease	East
5	2525 Rohr Road	96,885	Middle West Spirits	New Lease	Southeast

Bold/Blue Denotes Colliers Represented Transaction



Market Statistics

Submarket/ Class	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Previous Vacancy Rate	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg. Direct Asking Rate (NNN)
Columbus Total										
General Industrial	239,145,581	4.36%	0.56%	2.54%	2.29%	(622,154)	(622,154)	746,587	-	\$6.75
Flex	7,886,788	10.80%	0.43%	4.27%	2.61%	(140,605)	(140,605)	318,290	-	\$10.53
Modern Bulk	95,820,253	21.37%	3.01%	14.66%	14.20%	(349,677)	(349,677)	9,858,503	1,437,192	\$6.23
TOTAL	342,852,622	9.26%	1.24%	5.96%	5.61%	(1,112,436)	(1,112,436)	10,923,380	1,437,192	\$7.01

CBD										
General Industrial	2,989,027	9.27%	0.00%	9.27%	9.71%	4,267	4,267	-	-	\$4.20
Flex	93,076	13.13%	0.00%	13.13%	13.13%	-	-	-	-	\$13.00
Modern Bulk	599,040	100.00%	0.00%	100.00%	100.00%	-	-	223,000	-	-
TOTAL	3,681,143	24.13%	0.00%	24.13%	24.90%	4,267	4,267	223,000	-	\$4.81

East										
General Industrial	32,838,795	3.85%	0.26%	2.50%	2.70%	74,504	74,504	151,000	-	\$7.96
Flex	1,252,428	8.73%	2.11%	1.66%	1.64%	(6,460)	(6,460)	56,504	-	\$10.48
Modern Bulk	2,120,123	30.78%	0.00%	27.07%	19.27%	-	-	207,480	205,000	-
TOTAL	36,211,346	5.60%	0.31%	3.91%	3.55%	68,044	68,044	414,984	205,000	\$8.12

Fairfield										
General Industrial	10,083,422	5.45%	0.00%	5.04%	5.12%	36,320	36,320	-	-	\$3.94
Flex	176,568	4.61%	0.00%	4.61%	6.87%	4,000	4,000	-	-	\$6.75
Modern Bulk	1,034,954	85.53%	0.00%	85.53%	85.53%	-	-	755,160	-	-
TOTAL	11,294,944	12.78%	0.00%	12.41%	12.47%	40,320	40,320	755,160	-	\$3.98

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Industrial
24Q1

Submarket/ Class	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Previous Vacancy Rate	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg. Direct Asking Rate (NNN)
Licking										
General Industrial	26,584,607	3.28%	0.34%	1.76%	2.11%	82,251	82,251	-	-	\$4.98
Flex	193,187	6.82%	0.00%	6.21%	0.00%	(12,000)	(12,000)	-	-	\$7.15
Modern Bulk	16,253,864	33.59%	4.65%	21.55%	20.69%	270,000	270,000	5,626,400	520,020	\$6.17
TOTAL	43,031,658	14.74%	1.97%	9.25%	9.06%	340,251	340,251	5,626,400	520,020	\$5.41
Madison										
General Industrial	10,607,970	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
Flex	-	-	-	-	-	-	-	-	-	-
Modern Bulk	10,657,300	31.14%	0.00%	23.21%	23.19%	(3,000)	(3,000)	-	-	\$5.14
TOTAL	21,265,270	15.61%	0.00%	11.63%	12.27%	(3,000)	(3,000)	-	-	\$5.14
North										
General Industrial	8,435,039	4.22%	1.12%	1.49%	1.41%	(7,931)	(7,931)	-	-	\$4.21
Flex	2,761,356	6.05%	0.26%	2.14%	0.70%	(47,070)	(47,070)	-	-	\$10.37
Modern Bulk	2,153,673	32.87%	0.00%	32.87%	32.39%	-	-	-	-	-
TOTAL	13,350,068	9.22%	0.77%	6.68%	6.37%	(55,001)	(55,001)	-	-	\$6.19
Delaware										
General Industrial	12,958,946	7.46%	0.88%	6.31%	3.17%	(443,738)	(443,738)	-	-	\$13.94
Flex	1,223,407	3.82%	0.00%	3.82%	2.17%	(18,000)	(18,000)	-	-	\$12.99
Modern Bulk	2,312,698	11.07%	0.00%	0.00%	0.00%	424,000	424,000	255,947	424,000	-
TOTAL	16,495,051	7.70%	0.69%	5.24%	2.71%	(37,738)	(37,738)	255,947	424,000	\$13.62
Pickaway										
General Industrial	5,614,588	5.15%	0.00%	5.15%	4.67%	(5,000)	(5,000)	-	-	\$6.00
Flex	96,641	21.52%	0.00%	0.00%	21.52%	20,800	20,800	-	-	\$8.95
Modern Bulk	12,448,886	28.28%	4.52%	11.03%	10.94%	(125,000)	(125,000)	1,124,234	-	\$5.88
TOTAL	18,160,115	21.10%	3.10%	9.15%	8.96%	(109,200)	(109,200)	1,124,234	-	\$8.38

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24Q1

Submarket/ Class	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Previous Vacancy Rate	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg. Direct Asking Rate (NNN)
Southeast										
General Industrial	57,170,108	4.45%	0.89%	1.80%	1.68%	(112,671)	(112,671)	-	-	\$6.16
Flex	459,132	18.47%	0.00%	18.47%	6.50%	(55,331)	(55,331)	-	-	\$8.06
Modern Bulk	41,291,111	9.56%	3.79%	6.78%	6.39%	(915,677)	(915,677)	1,358,142	288,172	\$5.79
TOTAL	98,920,351	6.65%	2.09%	3.96%	3.67%	(1,083,679)	(1,083,679)	1,358,142	288,172	\$7.61
Southwest										
General Industrial	18,919,985	6.06%	1.16%	4.24%	3.75%	(108,292)	(108,292)	66,233	-	\$5.76
Flex	137,317	3.68%	0.00%	0.00%	3.70%	5,000	5,000	-	-	-
Modern Bulk	4,226,947	7.87%	0.00%	7.87%	7.93%	-	-	-	-	\$7.00
TOTAL	23,284,249	6.38%	0.94%	4.87%	4.51%	(103,292)	(103,292)	66,233	-	\$7.58
Union										
General Industrial	11,266,469	2.17%	0.22%	1.39%	1.66%	30,000	30,000	16,385	-	\$11.08
Flex	367,065	28.42%	0.00%	0.00%	0.00%	-	-	55,000	-	\$12.31
Modern Bulk	1,628,000	0.00%	0.00%	0.00%	0.00%	-	-	308,140	-	-
TOTAL	13,261,534	2.63%	0.19%	1.18%	1.41%	30,000	30,000	379,525	-	\$11.49
West										
General Industrial	41,676,625	4.60%	0.51%	1.85%	1.24%	(171,864)	(171,864)	512,969	-	\$6.96
Flex	1,126,611	24.88%	0.00%	8.27%	5.35%	(31,544)	(31,544)	206,786	-	\$3.30
Modern Bulk	1,093,657	73.14%	0.00%	73.14%	73.14%	-	-	-	-	\$8.40
TOTAL	43,896,893	6.82%	0.48%	3.79%	3.14%	(203,408)	(203,408)	719,755	-	\$5.83

FOR MORE INFORMATION
Collin Fitzgerald
Research Manager
Columbus
+1 208 304 3533
collin.fitzgerald@colliers.com

Brooke Ferman
Research Analyst
Columbus
+1 614 436 9800
brooke.ferman@colliers.com

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