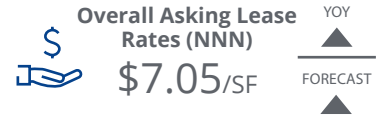
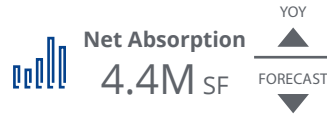




Columbus Industrial 23Q2

Key Takeaways

- Net absorption for Q2 showed strong leasing activity with 4,478,276 million square feet
- Vacancy decreased to 3.69 percent
- 39 construction projects comprising of 11.2 million square feet are currently under construction



Regional Summary

The Columbus industrial market continues trending positively, recording 4,478,276 square feet of net absorption this quarter. Vacancy rates decreased to 3.69 percent and overall asking rates rose to \$7.05 NNN. Overall construction activity has reduced this quarter with only four projects totaling 755,652 SF coming out of the ground. There were 13 completions with over 3.8 million square feet delivered this quarter with 11.2 million square feet currently underway. The second half of 2023 can expect new speculative construction to slow with a stronger focus on build-to-suit projects.

Market Indicators

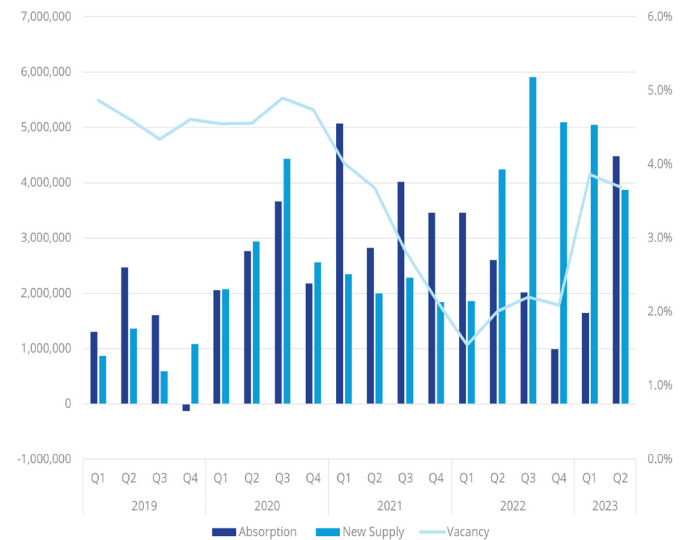
3.62% Columbus Unemployment Rate

1.77% Columbus GDP-Quarterly % change yr/yr

3.73% U.S. 10 Year Treasury Note

	23Q1 Previous	23Q2 Current	23 YTD
Total Inventory	325,673,548	329,545,046	329,545,046
New Supply	5,051,067	3,871,498	8,922,565
Net Absorption	1,646,875	4,478,276	6,125,151
Overall Vacancy	3.86%	3.69%	3.69%
Under Construction	14,725,285	11,261,006	15,480,937
Overall Asking Lease Rates (NNN)	\$6.96	\$7.05	\$7.05

Market Graph



The industrial market has seen consistent development and positive absorption in recent years.

Recent Transactions



Lease
9800 Schuster Way
Licking | 1.07M SF



Lease
4229 Raymond Ave
Pickaway | 1.02M SF



Lease
9157 Mink St
Licking | 697K SF



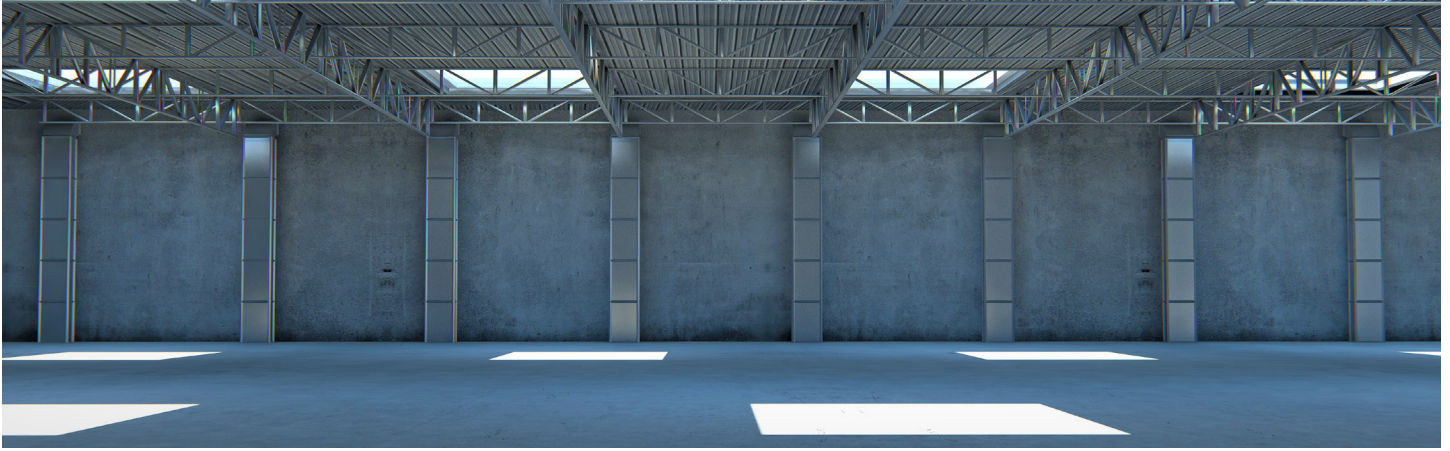
Lease
1489 Rohr Rd
Southeast | 544K SF



Lease
1575 Rail Southern Ct
Southeast | 291K SF



Investment Sale
2300 McGaw Rd
Southeast | 214K SF



Vacancy

The vacancy rate this quarter decreased to 3.69 percent. The submarkets with the highest vacancy rates are largely due to construction completions that are not yet leased. For example, the Madison submarket has the highest vacancy rate at 12.85 percent due in part to 200 Park West Drive (712K SF) just delivering but is not leased. The Pickaway submarket had the largest drop in vacancies with 4229 Raymond Avenue (1.02M SF) leased to Geodis. The CBD and Union submarkets had the lowest vacancy rates both under one percent.

Market Activity

Net absorption is a reflective indicator of market activity because it represents tenants moving in and out of space. When a tenant moves into the space, the square feet in the area is positively absorbed, but when a tenant moves out of the space it is negatively absorbed. This quarter, the net absorption was over 4.4 million square feet. As we've seen thus far, we expect the last two quarters to continue positive absorption given the activity we're seeing in the market.

Construction

With nearly four million square feet of construction completed and over 700,000 square feet breaking ground, overall construction decreased by 23 percent. The majority of submarkets are tracking well over 700,000 square feet under construction. The Licking County submarket continues to lead construction with four projects underway, all modern

bulk buildings. Two of these projects are in New Albany near the Intel campus. The majority of the overall construction are speculative projects, comprising 66 percent. We anticipate this trend to continue to slow and shift to more build to suit projects as the debt and capital markets continue to remain difficult for speculative construction.

Completions

The market saw 3.8 million square feet of completions this quarter. The Licking submarket experienced the most growth adding two buildings in the Silicon Heartland Innovation Park and one in New Albany (New Albany Commerce Center I) - totaling over 1.1 million square feet. The Southeast submarket also had over one million square feet delivered this quarter adding two buildings to the market. This has been the most active quarter for deliveries in the last three years. The East, Fairfield, Madison, Delaware, Southwest and Union submarkets each came in with one completion.

Sales

While leasing activity was the most active in the second quarter, the sales volume remained strong. Over 960,000 square feet sold in the greater Columbus area this quarter. The majority of sales were in the West and East submarkets. Founders Properties purchased 2300 McGaw Road for over \$10 million (\$47 PSF), coming in as the largest size sale of the quarter. BIG Acquisitions, LLC bought 850 and 870 Corduroy Road in a multi-property sale with 200,000 square feet near the end of the quarter.

Significant Sales Activity

Address	Size	Buyer	Seller	Sales Price
2300 McGaw Road	214,741	Founders Properties	Cardinal Health, Inc.	\$10,100,000
850 & 870 Corduroy Road	200,000	BIG Acquisitions, LLC	Tenby Partners	Confidential
4830 Northwest Parkway	114,485	Diamond Properties	Tempus Realty Partners	\$7,600,000
2938 State Route 752	72,778	The Carter-Jones Lumber Co.	CI Real Estate, LLC	\$2,475,000
4350 Weaver Court	36,656	Feazel Roofing Company	Granite Inliner, LLC	\$4,734,900

Significant Lease Activity

Address	Size	Tenant	Landlord	Type
9800 Schuster Way	1,074,840	Stanley Black & Decker	CRG	New
4229 Raymond Avenue	1,027,649	Geodis	CT Realty	New
9157 Mink Street	697,829	Ryder Integrated	Core5	New
1489 Rohr Road	544,252	ODW	Trident	New
1575 Rail Southern Court	291,200	7-Eleven	Prologis	New
2190 Creekside Pkwy	177,050	Continental Tire	EQT Exeter	New
6579 Taylor Road	144,375	Grimco	LeVeck CRE	New
777 James Road	131,648	Macomb Group	Realty Income	New
10013 Busey Road	90,165	Rite Aid Corporation	Tenby Partners	New
2500 Creekside Parkway	60,553	AO Smith	Olympus Ventures	New
10013 Busey Road	59,617	Moby Dick 3PL	Tenby Partners	New
3515-3595 Urbancrest Industrial Drive	52,922	Matrix Adhesives Group, LLC	Prologis	New

Bold Denotes Colliers Represented Transaction

Submarket	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries	Avg Direct Asking Rate (NNN)
CBD	2,723,729	32.00%	0.00%	0.45%	0.45%	-	-	859,240	-	\$7.72
East	35,179,560	6.76%	0.57%	2.61%	2.85%	328,391	184,948	1,165,384	144,000	\$6.97
Fairfield	10,736,839	13.62%	3.18%	2.62%	0.67%	12,861	(16,139)	824,840	209,632	\$6.03
Licking	40,428,628	9.79%	0.88%	5.23%	7.06%	1,736,300	2,613,230	2,511,308	1,167,859	\$5.98
Madison	19,846,140	14.32%	0.00%	12.85%	9.60%	-	-	292,500	712,000	\$6.71
North	13,112,632	11.21%	2.06%	9.18%	8.99%	(58,667)	(376,768)	140,244	-	\$8.47
Delaware	15,234,964	6.65%	0.20%	1.53%	1.08%	60,402	59,835	753,943	84,000	\$8.05
Pickaway	17,334,490	9.16%	0.00%	1.13%	7.05%	1,027,649	1,626,403	1,483,072	-	\$6.13
Southeast	97,171,678	6.01%	0.96%	3.59%	3.75%	1,382,070	1,940,846	815,195	1,083,163	\$6.08
Southwest	23,161,699	6.27%	2.44%	2.08%	0.83%	44,994	30,812	66,233	332,515	\$7.62
Union	11,718,147	3.51%	0.54%	0.27%	0.71%	102,676	119,530	1,534,235	51,939	\$8.20
West	42,896,540	4.51%	0.84%	1.50%	1.03%	(158,400)	(57,546)	814,812	86,390	\$7.62
TOTAL	329,545,046	7.65%	0.95%	3.69%	3.86%	4,478,276	6,125,151	11,261,006	3,871,498	\$7.05

Property Type	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries	Avg Direct Asking Rate (NNN)
R&D Flex	8,009,272	7.11%	0.71%	4.33%	3.59%	17,105	25,463	111,504	84,000	\$9.14
General Industrial	235,202,772	4.02%	1.12%	1.81%	1.66%	276,239	(344,299)	1,401,267	459,360	\$6.93
Modern Bulk	86,333,002	17.59%	0.49%	8.74%	10.12%	4,184,932	6,443,987	9,748,235	3,328,138	\$5.56
TOTAL	329,545,046	7.65%	0.95%	3.69%	3.86%	4,478,276	6,125,151	11,261,006	3,871,498	\$7.05



Mini Bulk Demand

We are seeing a huge growth trend in mini bulk speculative construction in the Columbus market. From the years 2018 to 2021, there was approximately 5 million square feet of speculative construction completed in the mini bulk category. Over the past 18 months alone, there has been 3 million square feet of mini bulk buildings completed, with another 3 million square feet to be completed over the next 6 months. Consumer demand for smaller spaces has primarily stemmed from regional last mile operations, an uptick in pharmaceutical operations, and growth in the trades requiring supply houses to expand. Speed to market, as well as the challenging development landscape has caused tenants to focus on speculative buildings versus build-to-suits. We fully expect well located mini bulk buildings to continue to be in high demand. As it sits today, the pipeline remains full with over 50 users actively in the market seeking space in the 50,000-300,000 square foot range.

**Mini bulk is all buildings ranging from 100,00 SF to 300,000 SF.
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