



INDUSTRIAL

Market in Motion

H2 2025

Columbus, OH

Speculative construction has pulled back after a surge in new supply. Absorption is now narrowing availability for modern bulk facilities.

# Overview

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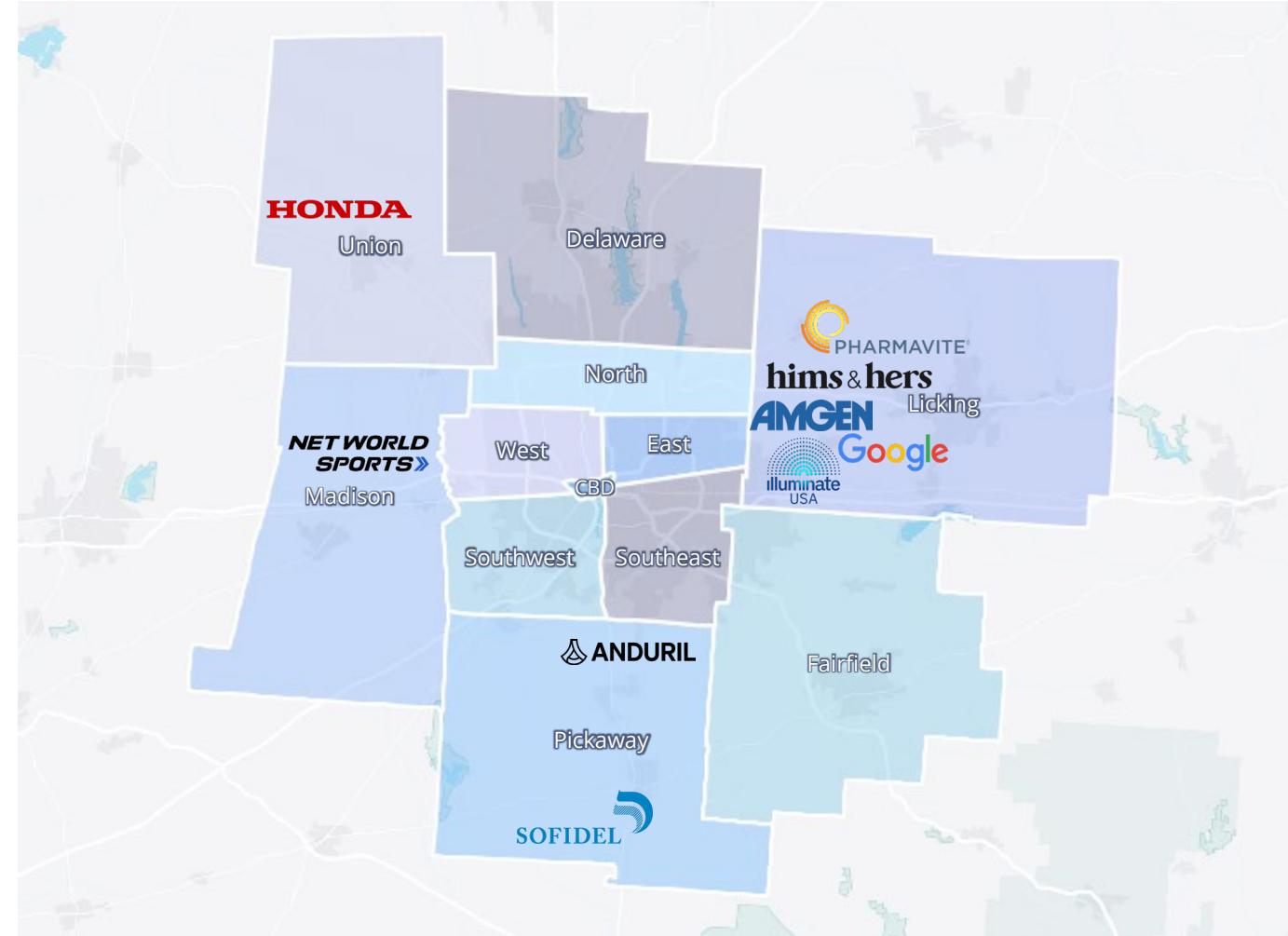
## Market Overview

# Major Economic Investments

Major corporate and institutional investments continue to reinforce Central Ohio's position as a long-term growth market. Capital commitments across technology, advanced manufacturing, life sciences, and logistics are expanding the employment bases and supporting sustained demand for industrial real estate across multiple submarkets.

<b>Google</b> \$1.9B investment in data center expansion	<b>Honda</b> \$700M retooling investment 1 <sup>st</sup> U.S Honda plant to transition to EVs	<b>Hims &amp; Hers Expansion</b> 400 jobs 352,012 SF \$200M investment
<b>Amgen Expansion</b> 750 jobs 418,000 SF \$1.4B investment	<b>Pharmavite</b> 225 jobs 225,000 SF \$250M investment	<b>Sofidel</b> 100 jobs 1.6M SF \$185M investment
<b>Anduril Arsenal-1</b> 4,000 jobs 5,000,000 SF \$1B investment	<b>Illuminate USA</b> 1,600 jobs \$220M investment in solar panel manufacturing facility	<b>Net World Sports</b> 55 jobs 292,500 SF \$30M investment

Source: The Columbus Region, Columbus Business First



# Occupier Trends

- Absorption is concentrated in logistics-oriented submarkets, led by Licking County, Pickaway County, and the Southeast, reflecting occupiers' continued preference for locations with highway access, modern bulk inventory, and proximity to regional and national distribution networks.
- Licking County remains the dominant engine of net absorption, underscoring its role as Columbus' dominant large-block distribution hub following multiple years of speculative development and sustained tenant demand.
- Demand is extending south from the Southeast submarket into Pickaway County, where available land and development capacity are accommodating occupiers tied to Rickenbacker's air cargo-driven logistics ecosystem.
- Third-party logistics firms are the most active demand driver, accounting for the largest share of positive absorption as users prioritize network optimization, speed-to-consumer, and flexible fulfillment strategies. Additionally, many of the third-party logistics contracts are supporting data center buildouts.
- Manufacturing demand remains a meaningful contributor to absorption, supported by reshoring trends, advanced manufacturing investment, and Columbus' growing labor pool and interstate access.
- The alignment between top submarkets and active industries highlights a continued preference for modern bulk product, reinforcing the tightening availability dynamic emerging across newly delivered first-generation space.

## Leading Submarkets by Net Absorption

Licking County: 3.9 million square feet

Pickaway County: 2.3 million square feet

Southeast: 1.6 million square feet

## Most Active Industries by Net Absorption

Third Party Logistics: 6.3 million square feet

Manufacturing: 3.6 million square feet

General Retail: 1.2 million square feet

Source: Colliers Research

## Market Overview

# Q4 Market Statistics

- The Columbus industrial market rebounded in 2025 with net absorption nearing 11 million square feet for the first time since COVID-era highs. This renewed demand was driven by third-party logistics users, hyperscale data centers, and solar panel manufacturers.
- Demand continued to outpace new supply, driving a fourth consecutive quarterly decline in vacancy and a 3.41% reduction in modern bulk vacancy over the course of 2025.
- Speculative construction activity was limited in Q4 with only one modern bulk project breaking ground in Licking County. Deliveries totaled the lowest annual volume in the past decade.
- A slowdown in new development has allowed recently delivered speculative product to stabilize. Approximately 88.6% of modern bulk projects delivered between 2022 and 2025 are now occupied or under lease reinforcing durable demand for modern, Class A industrial space.



Total Inventory  
**363.6 MSF**

Total Vacancy  
**6.4%**

Modern Bulk Vacancy  
**7.8%**

Net Absorption YTD  
**10.8 MSF**

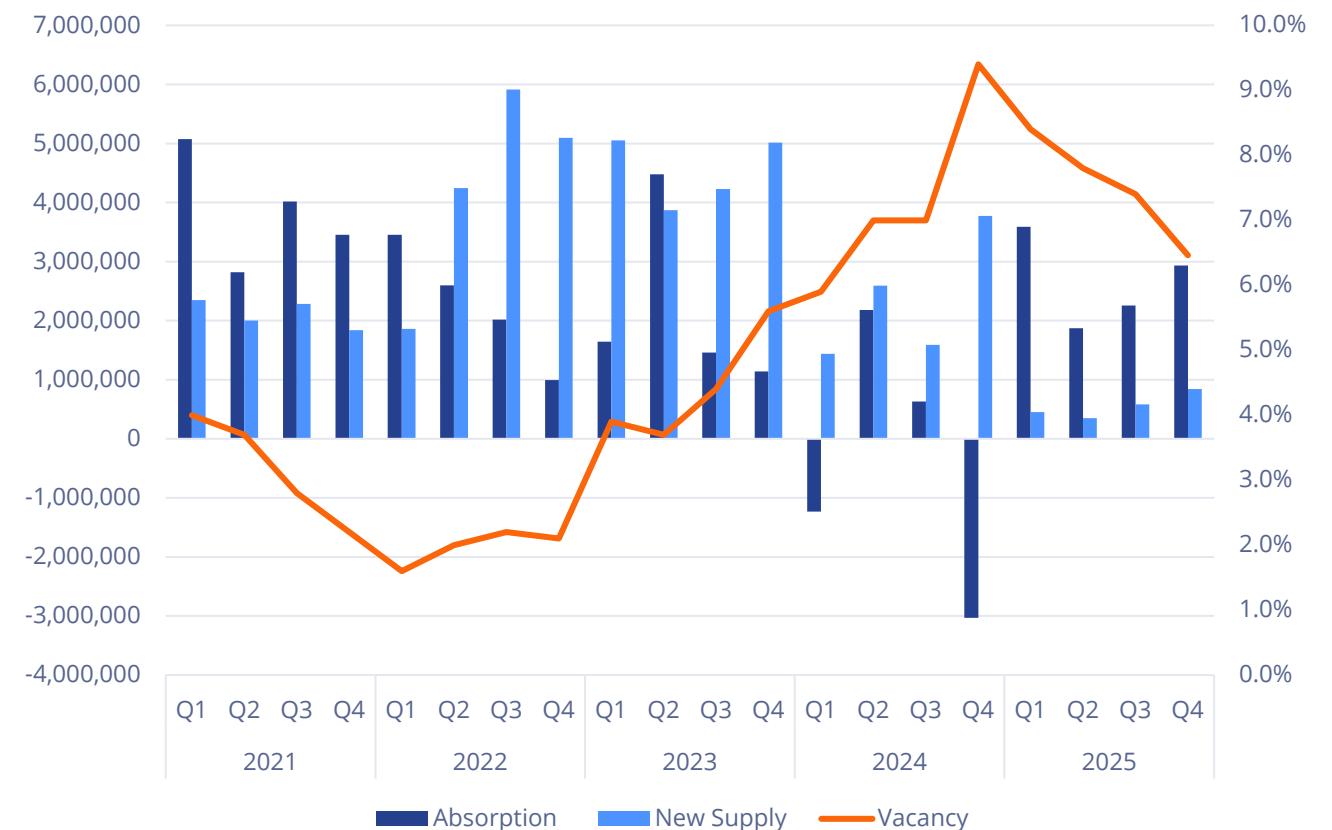
New Supply  
**2.2 MSF**

Under Construction  
**7.8 MSF**

## Supply and Demand

Renewed tenant demand and drop in new supply drove vacancy decreases

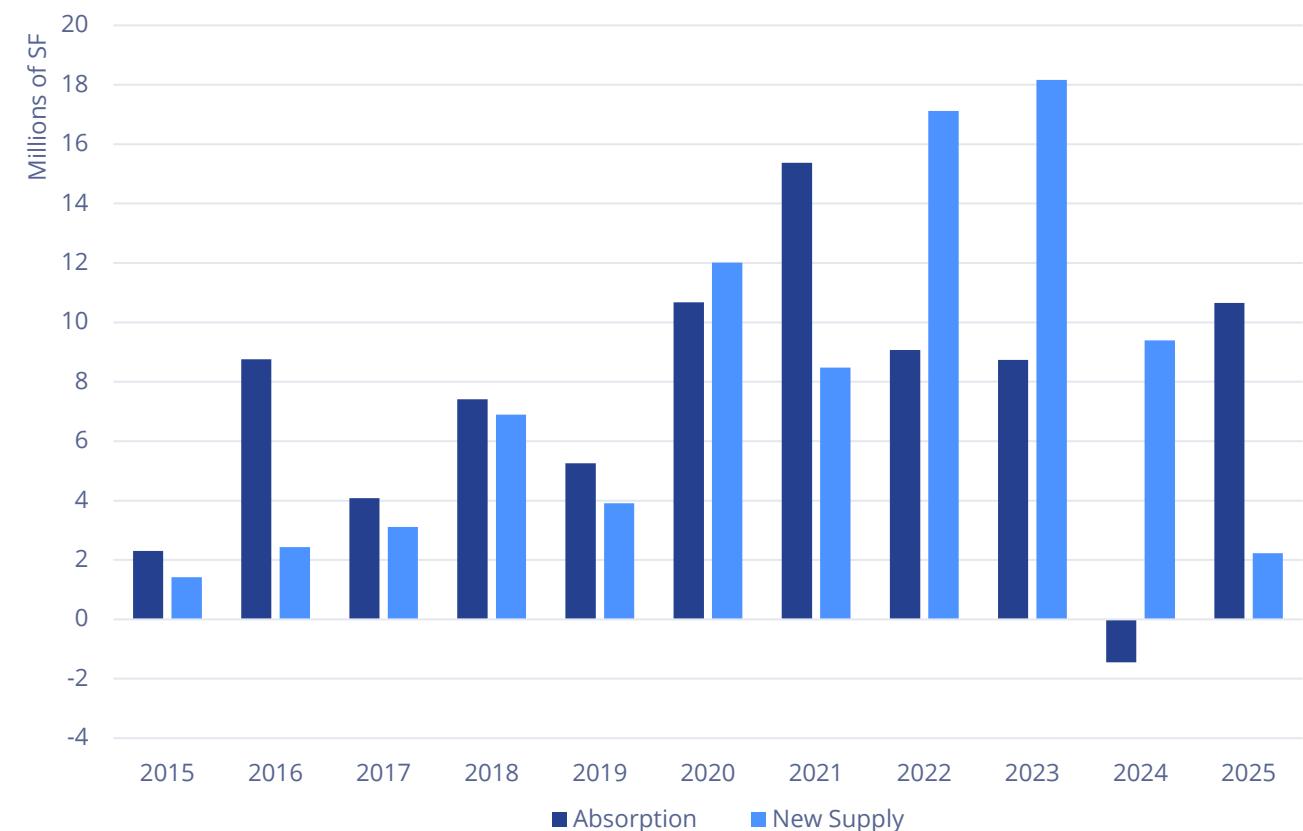
- From Q1 2021 to Q1 2022, absorption exceeded new supply bringing the Columbus industrial vacancy rate to an all time low of 1.6%.
- Following this period, new supply exceeded absorption activity throughout most of 2022, 2023, and 2024 raising vacancy to its peak of 9.4% in Q4 2024.
- Absorption exceeded new supply all of 2025 dropped vacancy by roughly 3% year-over-year.



## Supply and Demand

# Net absorption normalizes as supply growth slows

- Absorption has averaged roughly 8.2 million square feet annually since 2015, excluding the 2024 pause, underscoring the market's ability to consistently absorb new supply.
- The 2024 decline proved cyclical rather than structural, driven by a surge of prior deliveries and the 3.8 million square feet Big Lots vacancy added to the market in Q4.
- With demand returning to normalized levels and speculative deliveries limited, absorption is once again outpacing new supply, increasing the risk of a near-term supply gaps.
- 2022–2023 represent the peak of the delivery cycle, averaging roughly 17.5 million square feet annually. That level of supply was unsustainable relative to demand, which explains the temporary vacancy expansion in 2023–2024.
- 2024 deliveries fell to 9.4 million square feet, nearly 50% below the 2022–2023 peak. 2025 deliveries dropped further to 2.2 million square feet, the lowest annual total in a decade.
- This level is well below replacement demand for a market that has averaged 8.5 million square feet of absorption in the last five years.
- Even if starts increase in 2026, meaningful deliveries won't hit until late 2026 or 2027.



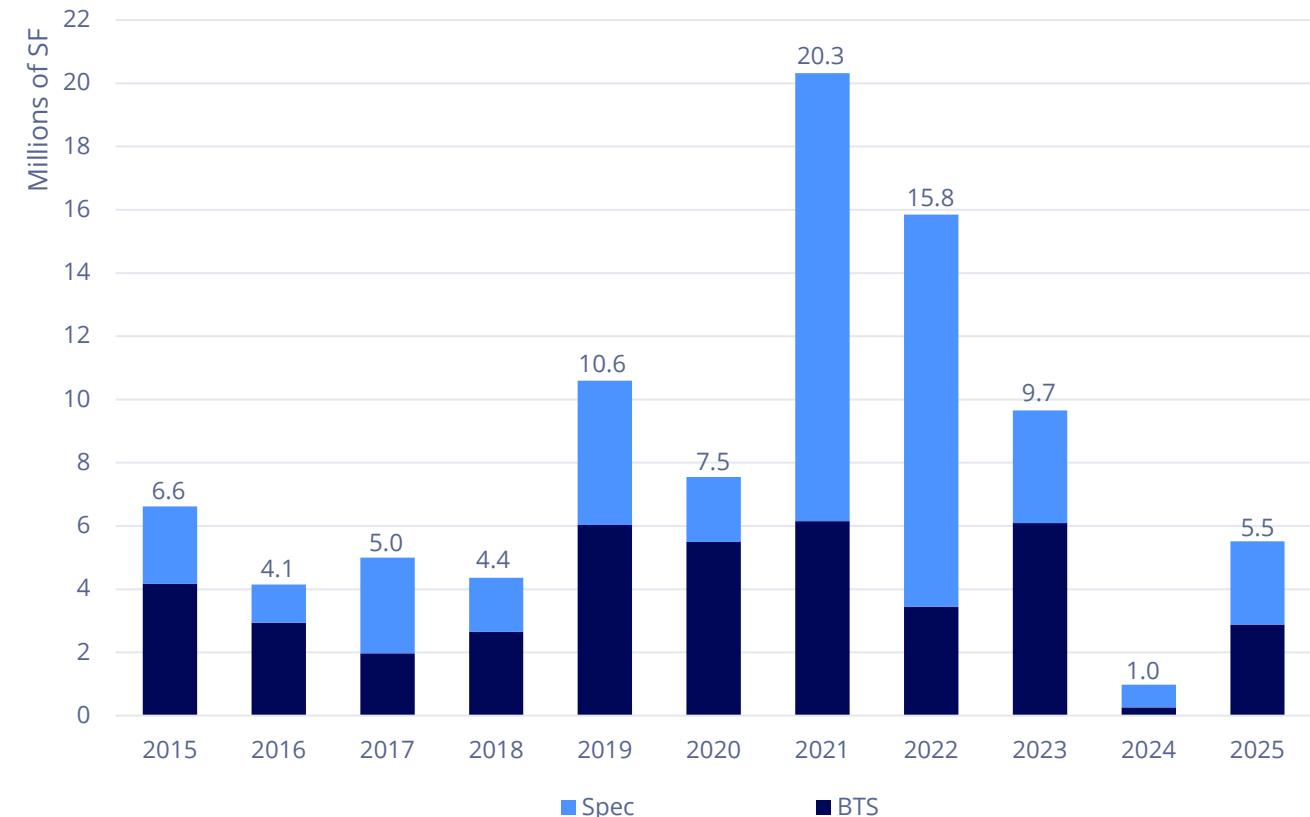
Includes General Industrial, Flex, and Modern Bulk assets

Source: Colliers Research

## Construction Activity

# Construction starts rebound modestly after 2024 trough

- Speculative construction peaked in 2021–2022 with spec starts averaging 13.3 million square feet annually.
- Following the 2022-2023 delivery peak, construction starts slowed, driven by higher interest rates, increased construction costs, and slower preleasing velocity.
- The drop in speculative starts during 2024 set the stage for today's declining vacancy and emerging supply gap.
- 2025 starts rebounded to 5.5 million square feet split between 2.6 million square feet of speculative development and 2.9 million square feet of build-to-suit projects.
- Even with the 2025 rebound, the pipeline remains thin relative to historical demand.

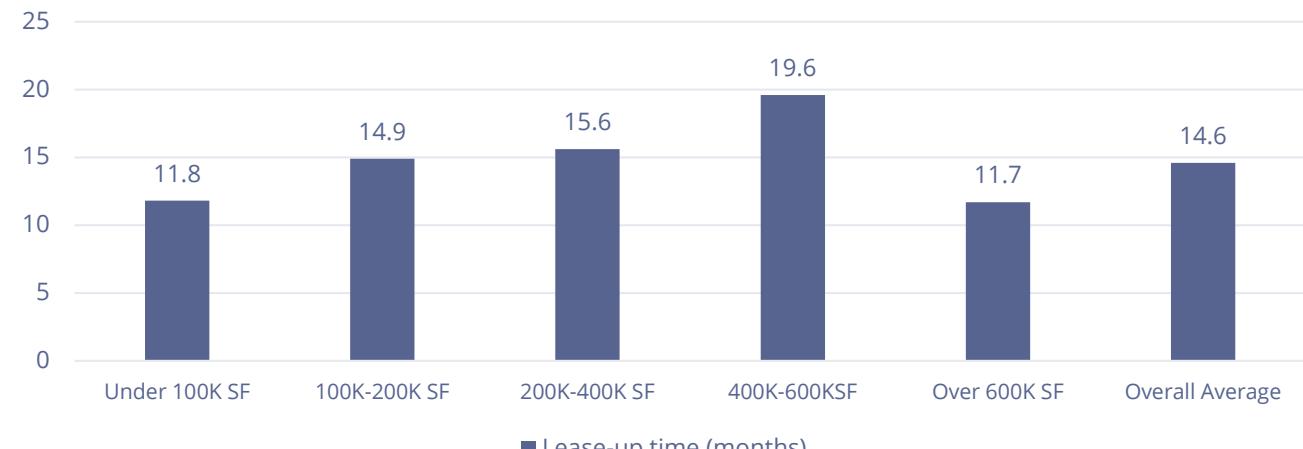


Includes General Industrial, Flex, and Modern Bulk assets  
Source: Colliers Research

## Construction Activity

# Average lease-up period poised to decrease with dwindling first-generation availabilities

- Overall, buildings delivered since 2022 average 14.6 months to stabilize, with 400,000–600,000 square foot assets extending the timeline to 19.6 months due to the surge of 2023 deliveries.
- Assets over 600,000 square feet have the shortest average lease-up time of 11.7 months.
- Despite historically longer lease-up timelines, only one first-generation space remains available in the 400,000–600,000 square foot range, signaling a growing shortage of modern bulk options.

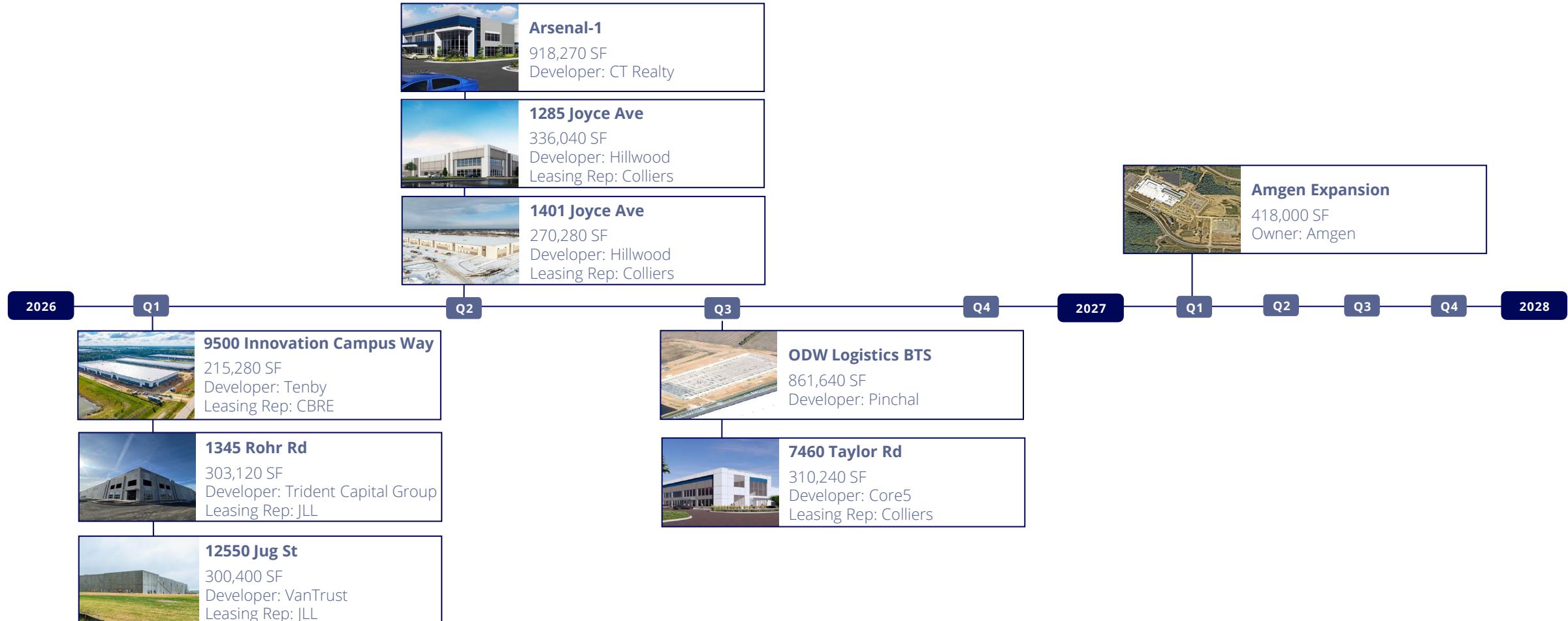


First Generation Modern Bulk Availabilities Greater than 200,000 SF					
	200,000-300,000 SF	300,000-400,000 SF	400,000-500,000 SF	500,000-600,000 SF	Over 600,000 SF
Existing	4	-	-	1	1
Under Construction	2	3	-	-	-

Source: Colliers Research

## Construction Activity

## Modern Bulk Construction Timeline

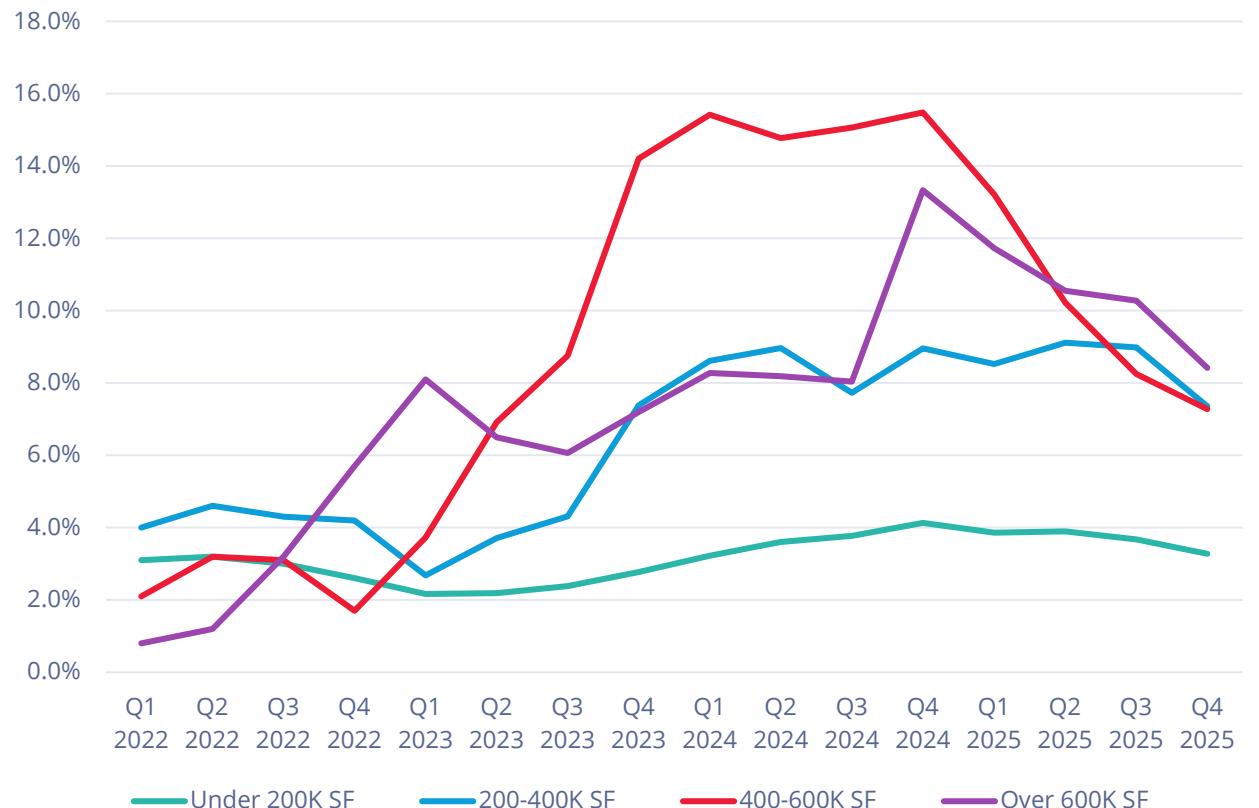


Source: Colliers Research

## Vacancy Analysis

# Big block vacancy tightens as modern bulk inventory is absorbed

- Vacancy rates across the Columbus industrial market continued to moderate throughout 2025.
- Buildings under 200,000 square feet remained the tightest segment, with vacancy holding below 4%.
- Vacancy in mid-sized buildings between 200,000 and 400,000 square feet increased slightly in Q2 but dropped 2% in Q4 suggesting a balance between new supply and leasing demand.
- The 400,000–600,000 square foot range led the recovery, with vacancy falling 8% since the Q4 2024 peak as tenants absorbed much of the speculative space delivered in 2023–2024.
- Facilities over 600,000 square feet also saw gradual improvement with vacancy dropping 3% in 2025.

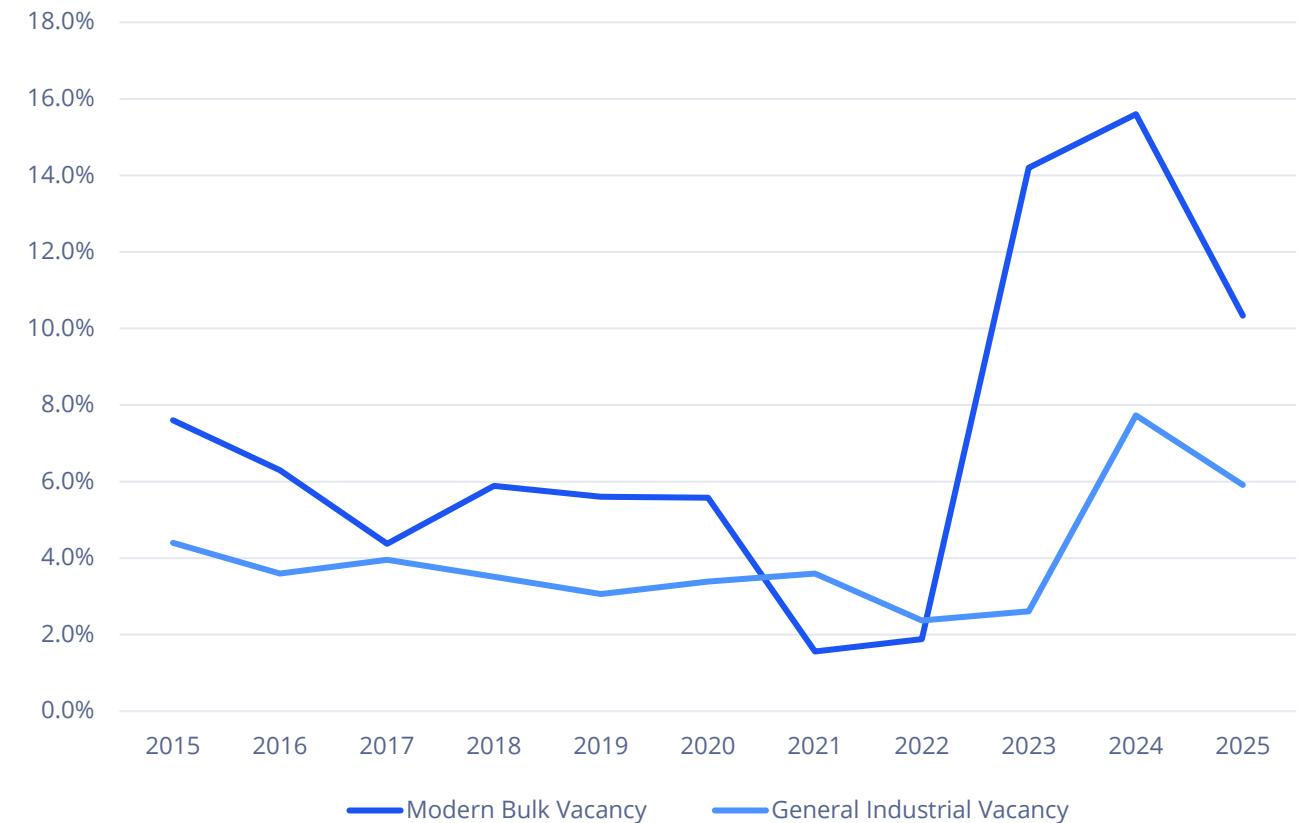


Includes General Industrial, Flex, and Modern Bulk assets  
Source: Colliers Research

## Vacancy Analysis

# Modern bulk vacancy drops 5% in 2025

- Modern bulk vacancy declined 5.3% year-over-year, tightening significantly faster than the broader industrial market as speculative deliveries slowed and leasing activity reaccelerated.
- The 2023 vacancy spike proved cyclical rather than demand-driven, with recently delivered modern inventory now largely absorbed as the pipeline thinned.
- This divergence signals declining lease-up risk for new modern bulk development, particularly in well-located submarkets where first-generation supply is limited.

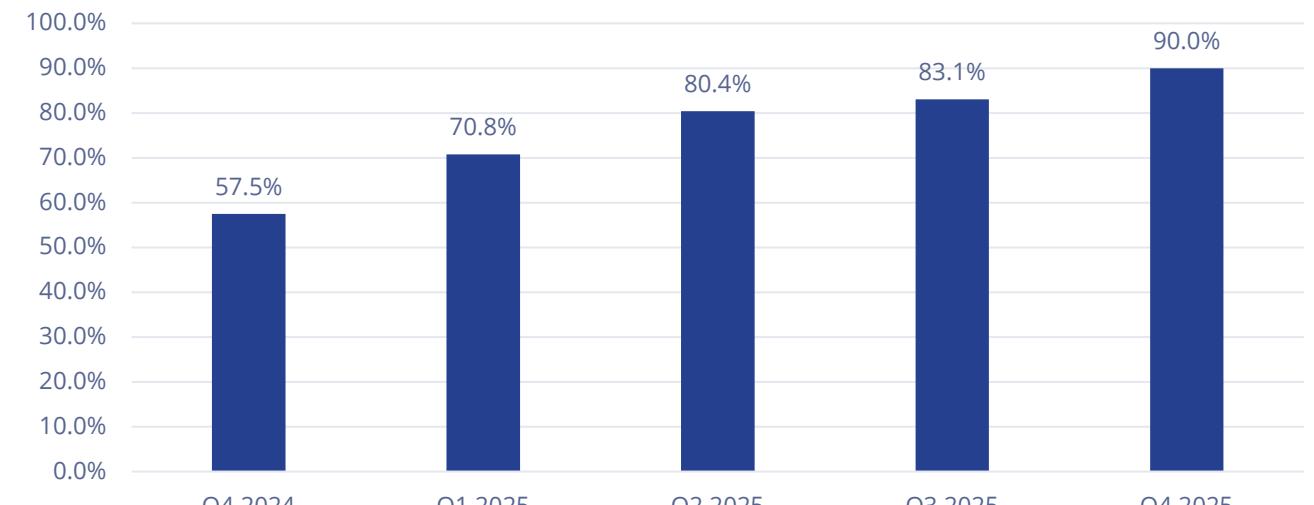


Source: Colliers Research

## Vacancy Analysis

# Rapid lease-up of first-generation inventory signals supply constraints

- Modern Bulk assets built since 2023 make up 8% of existing inventory.
- As speculative deliveries slowed, first-generation space leased at an accelerated pace, pushing occupancy to 90% within twelve months.
- Mid-sized users are rapidly consuming first-generation space.
- 20 first-generation spaces were leased in 2025 with 12 of those between 100,000 and 400,000 square feet.
- Large-block availability is being absorbed without a deep pipeline behind it.
- Four leases over 600,000 square feet absorbed a meaningful share of available modern bulk space.
- With occupancy at 90%, future large-block requirements will face limited move-in ready options unless new projects are delivered.



*Includes Modern Bulk assets constructed since 2023*

# of First-Generation Leases Signed in 2025				
50,000-100,000	100,000-200,000	200,000-400,000	400,000-600,000	600,000+
3	7	5	1	4

*Source: Colliers Research*

## Transaction Activity

# Demand for mid-size blocks strengthens

- In 2025, the number of leases between 100,000 to 200,000 square feet exceeded those in the 50,000–100,000 square foot range for the first time in five years.
- Leasing activity in the 200,000 to 400,000 square foot range remained consistent with prior years, reinforcing that users are again willing to commit to larger, longer-term facilities.
- 2025 included multiple large-block transactions, absorbing a meaningful share of limited first-generation availability.



*Includes: new leases and expansions signed in all property classes*

## Transaction Activity

# Large users drive lease volume despite fewer transactions

- Annual leasing activity increased 15% year-over-year to 14.8 million square feet, supported by renewed demand for spaces between 100,000 and 400,000 square feet and continued absorption by large-format users as speculative deliveries slowed.
- While a limited number of mega-deals drove a disproportionate share of total volume, transaction activity remained broad-based across size ranges, underscoring depth of demand.
- With leasing momentum rebuilding as speculative construction remains below replacement levels, the market is increasingly exposed to a near-term mismatch between tenant demand and first-generation availability.



*Includes: new leases and expansions signed in all property classes*

## Transaction Activity

# Top Leases

Logo Denotes Colliers Represented Transaction



### 12530 Refugee Rd. SW | Licking County

Tenant: J. Boren & Sons Warehousing  
Landlord: TPA Group

1,277,851 SF



### 4641 Elizabeth Ave | Pickaway County

Tenant: Anduril  
Landlord: CT Realty Investors

773,114 SF



### 714 Bosses Way | Pickaway County

Tenant: Crane Worldwide Logistics  
Landlord: Heitman

1,198,965 SF



### 167-183 Heritage Dr. | Licking County

Tenant: Ryder Logistics  
Landlord: EQT Real Estate

766,633 SF



### 7409 Mink St. SW | Licking County

Tenant: Solar Panel Manufacturer  
Landlord\*: Red Rock Developments

946,400 SF

\*Landlord at time of lease



### 3051 Creekside Pkwy. | Southeast

Tenant: DHL Supply Chain  
Landlord: Link Logistics Real Estate

737,471 SF

## Transaction Activity

# Top Sales

**Logo** Denotes Colliers Represented Transaction



### 6241 Shook Rd. | Southeast

Buyer: KeyCorp

Tenant: Whirlpool

1,589,000 SF | \$118,800,000 | \$74.76/SF



### 12575 Industrial Pkwy. | Union County

Buyer: Sculptor Capital Management

Tenant: Scotts Miracle-Gro

1,280,496 SF | \$122,000,000 | \$95.28/SF



### 11555 Briscoe Pkwy. | Licking County

Buyer: ElmTree Funds

Tenant: DSV

1,215,000 SF | \$136,000,000 | \$111.93/SF



### 7409 Mink St. SW | Licking County

Buyer: EQT Real Estate

Tenant: Solar Panel Manufacturer

946,400 SF | \$89,050,000 | \$94.09/SF



### 1901 Beggrow St. | Southeast

Buyer: Brookfield Properties

Tenant: PepsiCo

802,390 SF | \$66,000,000 | \$82.85/SF



### 1050 Gateway Dr. | City or Region

Buyer: EQT Real Estate

Tenants: Tarkett USA, React Health

748,741 SF | \$70,000,000 | \$93.76/SF

## Resources

## Additional Market Reports

# 2025 Market Trends



# Columbus Region Overview



Q4 2025 Bulk Report



Colliers Columbus

# Local Team



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Accelerating success.