

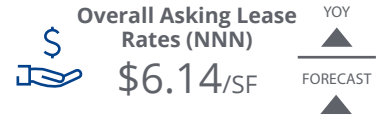
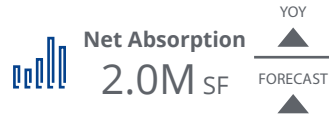


Columbus

Industrial  
22Q3

## Key Takeaways

- Net absorption reached 2 million square feet this quarter
- Vacancy increased to 2.2 percent
- 11 construction projects comprising of 4.7 million square feet broke ground



## Regional Summary

The Columbus industrial market continued to push forward despite the effects from inflation. The market had over 2 million square feet of net absorption for the quarter bringing the year-to-date net absorption to over 7.8 million square feet. The vacancy rate rose slightly from 2.01 percent to 2.20 percent along with asking rates rising over a dollar to \$6.14. Construction remains strong with over 11 new projects breaking ground this quarter alone totaling over 4,777,494 square feet. Moving into the end of the year, the industrial market does not show any signs of slowing down. With more companies wanting to re-shore and re-locate to the US, this would continue to boom the industrial demand.

\*absorption calculated by occupancy date

## Market Indicators



**3.47%**  
Columbus  
Unemployment  
Rate



**3.14%**  
Columbus GDP-  
Quarterly %  
change yr/yr

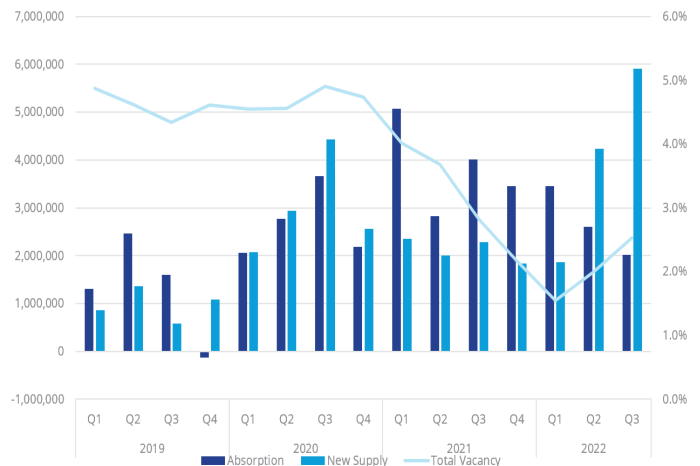


**3.829%**  
U.S. 10 Year  
Treasury Note

## Historic Comparison

	21Q3 YoY	22Q2 QoQ	22Q3 Current
<b>Total Inventory</b> (in Thousands of SF)	265,791	268,992	279,640
<b>New Supply</b> (in Thousands of SF)	2,284	4,242	5,914
<b>Net Absorption</b> (in Thousands of SF)	4,016	2,598	2,017
<b>Overall Vacancy</b>	2.78%	2.01%	2.20%
<b>Under Construction</b> (in Thousands of SF)	13,751	14,155	18,982
<b>Overall Asking Lease Rates (NNN)</b>	\$4.12	\$4.90	\$6.14

## Market Graph



The industrial market has seen consistent development and positive absorption in recent years. Activity has skyrocketed further since Q2 2020 due to growing demand for warehouse space from the COVID-19 pandemic.

## Recent Transactions

**Lease**

521 Exchange Way  
Pickaway | 1.19M SF

**Lease**

127-143 Heritage Drive  
Licking | 523K SF

**Lease**

6360-6440 Port Road  
Southeast | 434K SF

**Lease**

8225 Innovation Way  
East | 313K SF

**Lease**

6201 Green Pointe Drive  
Southeast | 255K SF

**Lease**

2950 Toy Road  
Southeast | 141K SF



## Vacancy

The vacancy rose slightly from 2.01 percent to 2.20 percent in the third quarter. The largest vacancy of the quarter occurred in the CBD market to over 4 percent, which still decreased from last quarter. The North Delaware submarket had the lowest vacancy rate of 0.11 percent decreasing significantly from last quarter where it was 2.02 percent.

## Market Activity

Market activity is often correlated to positive or negative absorption. However, in cases when a tenant leaves one space for another, the positive and negative absorption cancels out. The Market Activity Volume (MAV), which is the absolute sum of absorption change in the market, gives a better idea of overall activity. This quarter, the MAV was over 2 million square feet.

## Construction

Columbus continues to develop by breaking ground on 10 projects this quarter. In the Pickaway submarket, 4229 Raymond Ave and 10302 Transport Street broke ground bringing in 1,839,390 square feet together. 521 Exchange Way and 4023 Raymond Avenue were completed adding 2,179,629 square feet to the total inventory.

## Completions

Completions have increased the total inventory by nearly 6 million square feet. Both Licking and Southeast submarkets finished 3 projects each totaling almost all of the completed square feet. Next quarter's completions look to be following the same track of a projected 11 projects to be finished, many in the Pickaway and Southeast submarkets.

## Sales

This quarter, 34 industrial properties totaling 4.2 million square feet sold in Central Ohio. That brings the total sales volume to \$332 million, which has increased compared to last quarter's sales volume of \$251 million. The average selling price is over \$9.6 million. In addition, this quarter also has 12 current properties that are under contract and could equal a value of \$33 million. The sold properties are located in the CBD, Dublin, Grandview, Hilliard, Southeast and Southwest submarkets.

Preylock Holdings, LLC purchased at 1245 Beech Road SW for \$156 million (\$126 PSF), making it the largest sale of the quarter. Adjacent properties, 4458 Alum Creek Drive and 8170-8200 Dove Pky were both sold to Sarofirm Realty Advisors for \$25 million (\$85 PSF) and \$17.4 million (\$48 PSF) respectively. Diamond Properties also purchased properties at 3563-3611 and 3641 Interchange Road for \$19.6 million (\$66.26 PSF).

## Significant Sales Activity

Address	Size	Buyer	Sales Price
1245 Beech Rd SW	1,234,580	Preylock Holdings, LLC	\$156,495,222
4 Commerce Pky	1,090,000	Stonemont Financial Group	\$63,333,100
4458 Alum Creek Drive	306,000	Sarofim Realty Advisors	\$25,600,000
3563-3611 and 3641 Interchange Road	295,766	Diamond Properties	\$19,600,000
8170-8200 Dove Pky	359,370	Sarofim Realty Advisors	\$17,400,000
2424 Citygate Drive	113,832	ATTC Inc.	\$12,400,000

## Significant Lease Activity

Address	Size	Tenant	Type
<b>521 Exchange Way</b>	<b>1,194,865</b>	<b>HanesBrands Inc.</b>	<b>New</b>
8225 Innovation Campus Way	302,400	Intel Corporation	New
<b>6201 Green Pointe Drive South</b>	<b>255,070</b>	<b>Cheryl &amp; Co.</b>	<b>New</b>
4023 Raymond Ave	238,012	Victory Packaging	New
<b>2950 Toy Road</b>	<b>141,790</b>	<b>Funai</b>	<b>New</b>
4555 Lyman Drive	138,000	Forsee Power Inc.	New
6575 Huntley Road	136,515	TD Synnex	New
<b>2101 Southwest Blvd</b>	<b>90,200</b>	<b>Yellow Logistics, Inc.</b>	<b>New</b>
<b>850 Corduroy Road</b>	<b>30,000</b>	<b>Goodman Distribution</b>	<b>New</b>
<b>921-929 Eastwind Drive</b>	<b>12,916</b>	<b>ThyssenKrupp Elevator Corp.</b>	<b>New</b>

**Bold** Denotes Colliers Represented Transaction

Submarket	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries	Avg Direct Asking Rate (NNN)
CBD	5,052,137	4.43%	0.00%	5.85%	4.43%	4.45%	(121,120)	(106,156)	-	-	\$6.86
East	22,187,077	3.88%	0.40%	3.69%	4.27%	3.03%	144,903	236,426	575,400		\$6.57
Fairfield	8,446,522	4.85%	0.00%	0.10%	4.85%	0.75%	69,029	-	824,840	-	\$5.52
Licking	34,346,695	2.25%	0.00%	2.94%	2.25%	3.19%	2,397,780	2,360,786	3,312,333	2,864,700	\$5.45
Madison	17,071,186	6.82%	0.00%	6.82%	6.82%	3.10%	1,092,389	373,857	1,674,520	1,090,000	\$6.18
North	18,581,679	3.57%	0.02%	1.73%	3.59%	1.66%	(107,856)	(224,863)	707,940	-	\$7.95
Delaware	9,606,979	0.11%	0.00%	0.07%	0.11%	2.02%	90,195	191,130	-	-	\$6.14
Pickaway	9,573,192	0.00%	0.00%	0.00%	0.00%	0.00%	167,600	335,200	2,248,714	572,400	\$4.50
Southeast	86,560,968	1.14%	0.06%	2.64%	1.20%	1.09%	730,331	2,373,205	2,896,979	1,386,689	\$4.90
Southwest	21,650,311	0.00%	0.98%	0.00%	0.97%	1.16%	(428,454)	(365,121)	1,529,000	-	\$5.83
Union	7,673,320	1.90%	0.00%	1.98%	1.90%	1.77%	13,148	18,859	52,500	-	\$6.27
West	36,710,245	1.42%	0.04%	4.11%	1.46%	0.99%	154,137	308,274	1,489,250	-	\$7.50
TOTAL	277,460,311	2.06%	0.14%	2.49%	2.20%	2.01%	2,017,304	7,899,377	15,311,476	5,913,789	\$6.14

Property Type	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries	Avg Direct Asking Rate (NNN)
R&D/Flex	20,558,866	2.28%	0.20%	2.61%	2.35%	2.78%	148,480	504,763	-	-	\$7.21
General Industrial	74,443,656	3.47%	0.09%	2.44%	3.42%	2.24%	289,091	387,769	9,024,803		\$6.11
Warehouse/Distribution	184,282,778	1.58%	0.25%	2.27%	1.83%	1.28%	1,579,733	7,006,845	6,286,673	5,913,789	\$5.10
TOTAL	277,460,311	2.06%	0.14%	2.49%	2.20%	2.01%	2,017,304	7,899,377	15,311,476	5,913,789	\$6.14



## Intel: Breaking Ground

On September 9th, Intel broke ground with a large audience including attendance from President Biden. Moving forward this means Intel will start its three year building process on the new manufacturing chip site.

Colliers | Columbus recognizes the impact Intel coming to New Albany will have on the community, our clients and the economy of the greater Columbus area. If Chandler, AZ is any case study for Ohio, statistics show Intel's new development will be a large impact offering growth and transformation opportunities.

Author: Brooke Ferman

FOR MORE INFORMATION  
 Brooke Ferman  
 Research Analyst  
 Columbus  
 +1 614 436 9800  
[brooke.ferman@colliers.com](mailto:brooke.ferman@colliers.com)

Copyright © 2022 Colliers  
 The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.