



Columbus

The Columbus market vacancy increased due to new speculative development delivered this quarter totaling 4.4 million square feet, which pushed the direct vacancy rate from 4.4 percent to 5.6 percent.

Quarter in Review

Demand continued to slow as numbers trended to pre-pandemic numbers. Hesitation from tenants largely stems from macroeconomic concerns and has been the main factor in reduced leasing velocity. In turn, there will be significantly less new construction starts in 2024 and the market will focus on more built-to-suit projects. This is a major change when compared to the previous quarter when 12 percent of product was BTS. Now 70 percent of current projects are BTS making up 7.8 million square feet of construction. Intel accounts for three million square feet of BTS construction.

There were still large leases signed in the Greater Columbus area, despite the decreased activity. The largest lease signed was a sublease for over 750,000 square feet. Available sublease space continues to be over one percent of total available space. We expect sublease space to increase with the mentioned economic improbability. With the largest sublease signed this quarter, it shows tenants are interested in subleases that can offer more favorable terms than direct deals.

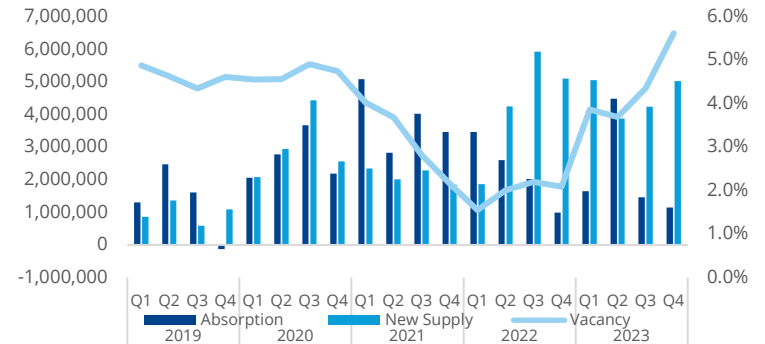
Forecast

The Columbus industrial market has experienced a shift towards pre-pandemic numbers with deliveries outpacing projects breaking ground. Most delivered projects have not been preleased, due to a lack of demand as tenants are increasingly weary of the economic downturn as opposed to the last two years. As a result, we anticipate less new speculative construction in coming quarters with increased vacancy.

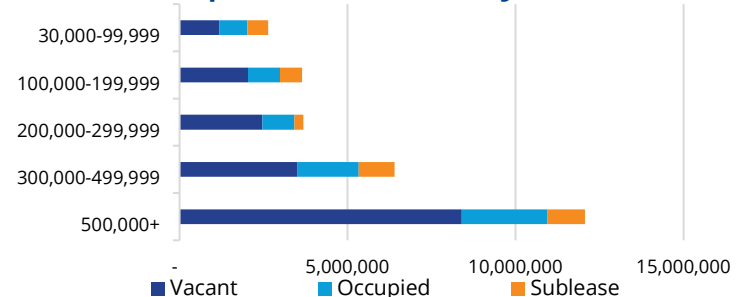
Market Indicators

	23Q3 Previous	23Q4 Current	23 YTD
Vacancy Rate	4.38%	5.61%	5.61%
Net Absorption (SF)	1,511,843	1,143,315	8,780,309
YTD Net Absorption (SF)	7,636,994	8,780,309	8,780,309
Completions (SF)	4,229,609	5,012,555	18,164,729
Avg Asking Rental Rate (NNN)	\$7.07	\$6.43	\$6.43

Absorption, Supply & Vacancy



Available Space for Lease by Size



Absorption & Leasing

During the fourth quarter, the Columbus industrial market saw positive net absorption of 1.1 million square feet, which included twenty new leases totaling 2.5 million square feet. The largest lease signed this quarter was a sublease signed by Babylist for 757,719 square feet in the Pickaway submarket at 521 Exchange Way. This was the largest sublease signed in all of 2023. The Delaware and East submarkets totaled over 400,000 square feet of positive absorption with built-to-suit deliveries for Automation Solutions with 255,778 square feet at 7103 Green Meadows Drive Bldg 2 (Delaware) and for America's Floor Source with 265,000 square feet at 2145 Stelzer Road (East). Over 2.5 million square feet was leased with many Q1 2024 and Q2 2024 commencement dates which will contribute to absorption momentum in 2024.

Vacancy & Market Rents

Vacancy increased 123 basis points in the fourth quarter due to many buildings delivered without a tenant preleasing the space. This was the highest vacancy rate recorded since 2015 when it measured 6.4 percent. Nearly 90 percent of deliveries are vacant and available being the highest vacancy deliverables since the pandemic. It is expected that this trend continues with a focus on more build-to-suit projects as the debt and capital markets continue to remain difficult for speculative construction. Direct asking rates showed a weighted rent of \$6.43. With an expected increase in vacancy rates, we anticipate a slight increase in market rents for first-generation product but could see a decrease for second-generation product.

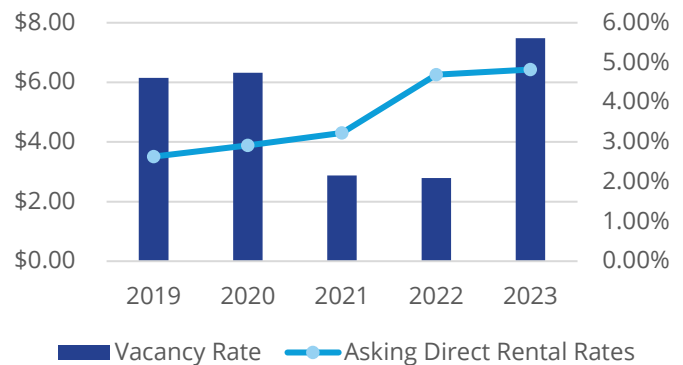
Sales Activity

Sales volume totaled \$255 million in the fourth quarter, however, \$180 million of the reported volume was due to the top five sales of a combined 2.2 million square feet. The largest property, sold by Core5, traded at \$79.75 per square foot and was purchased by Cabot Properties Inc. Another notable sale was Global Court I and II (2553-2653 Global Ct) purchased by Wafra Inc. from Pizzuti for \$31,350,000 (\$83.94 PSF). The sales volume and market price stayed consistent through 2023. Each quarter produced over \$225 million sales volume with a steady price per square foot of just under \$70.00.

Supply and Demand



Vacancy Rate & Direct Asking Rate



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.

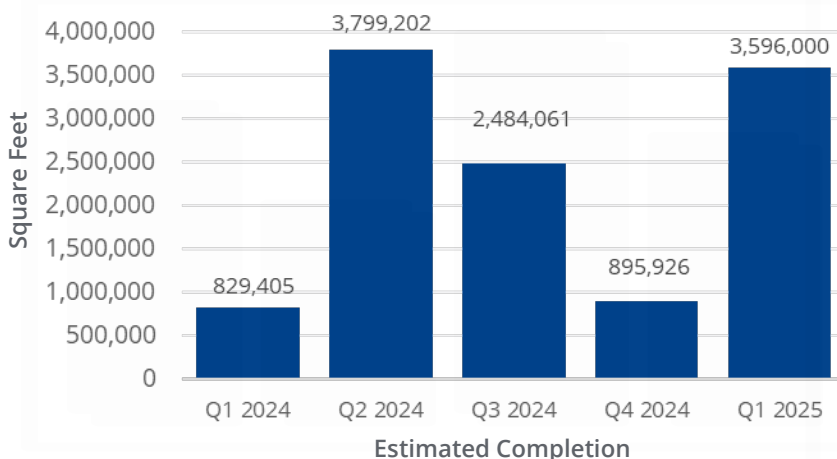
Business Park/Address	Submarket	RBA	% Leased/ Owned	Est. Delivery Date	Developer/ Owner/Tenant
Intel	Licking	3,000,000*	100%	Q1 2025	Intel
DSV BTS	Licking	1,200,000	100%	Q3 2024	VanTrust
Red Chip Farms Bldg B	Licking	946,400	0%	Q2 2024	Red Rock Developments
ODW BTS	Southeast	929,142	100%	Q2 2024	Pinchal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

Construction Activity

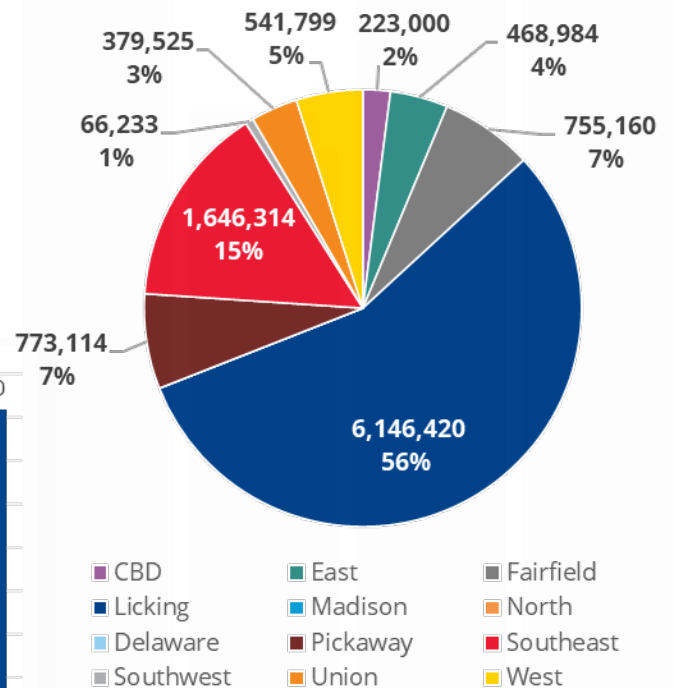
Columbus Industrial Construction



Future Deliveries



Construction by Submarket



10 Year Snapshot

Year	Net Absorption (Q4 YTD #'s - SF)	Construction Deliveries (SF)	Lease Rate (\$)	Vacancy Rate
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%
2013	6.58M	946K	\$3.06	6.60%

Notable Sales Activity

#	Address	Size	Buyer	Price	Price/SF	Submarket
1	70 Enterprise Pkwy	1,122,212	Cabot Properties Inc.	\$89,500,333	\$79.75/SF	Madison
2	2553-2653 Global Ct	373,488	Wafra, Inc.	\$31,350,000	\$83.94/SF	Southeast
3	5701 N Meadows Dr	268,905	EQT Exeter	\$20,345,139	\$75.66/SF	Southwest
4	5900 N Meadows Rd	268,800	EQT Exeter	\$23,743,974	\$88.33/SF	Southwest
5	4081-4119 Leap Rd	221,736	Diamond Properties LLC	\$15,500,000	\$69.90/SF	West

Bold/Blue Denotes Colliers Represented Transaction

Notable Lease Activity

#	Address	Size	Tenant	Type	Submarket
1	521 Exchange Way	757,719	Babylist	Sublease	Pickaway
2	1675 Watkins Rd	290,573	TP Mechanical	New Lease	Southeast
3	3955-3035 Charter St.	144,000	New Horizons Baking Co.	New Lease	West
4	0 Horizon Ct	126,048	Crown Equipment Corporation	New Lease	Licking
5	2300 Citygate Dr	119,136	Coalescence NHB, LLC	New Lease	East

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	229,769,680	4.05%	0.61%	2.29%	2.15%	272,562	60,545	576,417	2,070,390	\$6.13
Flex	10,419,932	6.35%	0.16%	2.61%	2.94%	32,756	89,077	159,504	84,000	\$9.04
Modern Bulk	113,532,347	22.49%	2.50%	14.20%	10.32%	837,997	8,630,687	10,264,628	16,010,339	\$5.50
TOTAL	353,721,959	9.24%	1.12%	5.61%	4.38%	1,143,315	8,780,309	11,000,549	18,164,729	\$6.43

CBD										
General Industrial	3,294,856	9.48%	0.00%	9.71%	0.71%	-	(20,618)	-	260,200	\$10.00
Flex	157,318	13.13%	0.00%	13.13%	13.13%	-	-	-	-	\$12.67
Modern Bulk	599,040	100.00%	0.00%	100.00%	0.00%	-	-	223,000	599,040	-
TOTAL	4,051,214	24.71%	0.00%	24.90%	0.92%	-	(20,618)	223,000	859,240	\$11.25

East										
General Industrial	31,930,795	3.52%	0.20%	2.70%	2.71%	(203)	341,173	-	462,886	\$7.25
Flex	1,308,932	4.34%	0.51%	1.64%	1.96%	4,060	202,315	56,504	-	\$9.84
Modern Bulk	2,838,643	40.80%	0.00%	19.27%	0.00%	187,435	(159,084)	412,480	556,400	\$6.24
TOTAL	36,078,370	5.54%	0.20%	3.55%	2.54%	191,292	384,404	468,984	1,019,286	\$7.00

Fairfield										
General Industrial	10,133,422	5.12%	0.00%	5.12%	5.12%	-	(133,321)	-	-	\$3.97
Flex	176,568	6.87%	0.00%	6.87%	6.87%	-	2,000	-	-	\$7.24
Modern Bulk	1,034,954	91.63%	0.00%	85.53%	85.53%	-	120,782	755,160	1,034,954	\$7.59
TOTAL	11,344,944	18.88%	0.00%	12.47%	12.47%	-	(10,539)	755,160	1,034,954	\$6.25

Columbus
Industrial
23Q4

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	21,673,692	3.10%	0.35%	2.11%	1.84%	(70,115)	(321,585)	-	222,031	\$5.50
Flex	755,837	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
Modern Bulk	22,714,721	31.62%	1.68%	20.69%	11.05%	(240,332)	2,479,889	6,146,420	3,179,996	\$6.24
TOTAL	45,144,250	13.76%	0.85%	9.06%	5.28%	(310,447)	2,158,304	6,146,420	3,402,027	\$6.13
Madison										
General Industrial	4,837,293	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
Flex	37,474	-	-	-	-	-	-	-	-	-
Modern Bulk	16,449,817	31.10%	0.00%	23.19%	20.44%	-	371,500	-	1,752,020	\$6.74
TOTAL	21,324,584	16.45%	0.00%	12.27%	10.82%	-	371,500	-	1,752,020	\$6.74
North										
General Industrial	12,093,355	5.34%	1.87%	1.41%	1.45%	3,468	107,683	-	140,244	\$7.23
Flex	3,468,913	3.97%	0.11%	0.70%	0.77%	8,389	20,631	-	-	\$10.80
Modern Bulk	2,911,457	32.39%	0.00%	32.39%	32.39%	-	-	-	707,940	\$6.58
TOTAL	18,473,715	9.52%	1.19%	6.37%	6.41%	11,857	128,314	-	848,184	\$7.17
Delaware										
General Industrial	12,767,336	7.73%	0.90%	3.17%	0.85%	(25)	12,203	-	296,000	\$5.64
Flex	1,333,194	3.53%	0.00%	2.17%	3.28%	14,695	33,194	-	84,000	\$12.99
Modern Bulk	2,325,543	0.00%	0.00%	0.00%	0.00%	255,778	429,943	-	457,943	-
TOTAL	16,426,073	6.47%	0.72%	2.71%	0.95%	270,448	475,340	-	837,943	\$5.98
Pickaway										
General Industrial	5,717,217	4.75%	0.00%	4.67%	4.67%	-	(89,584)	-	194,456	\$5.99
Flex	96,641	21.52%	0.00%	21.52%	21.52%	-	-	-	-	\$8.95
Modern Bulk	12,448,886	23.00%	3.48%	10.94%	10.94%	757,719	2,384,122	773,114	3,237,732	\$5.88
TOTAL	18,262,744	17.07%	2.33%	8.96%	8.96%	757,719	2,294,538	773,114	3,432,188	\$5.92

Columbus Industrial
23Q4

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	54,948,752	4.57%	0.68%	1.68%	2.66%	553,379	1,199,201	-	173,394	\$5.86
Flex	990,740	6.50%	0.00%	6.50%	6.50%	-	(3,213)	-	-	\$8.68
Modern Bulk	43,650,112	12.70%	4.06%	6.39%	5.10%	(122,603)	715,497	1,646,314	2,071,886	\$5.79
TOTAL	99,558,814	7.99%	2.09%	3.67%	3.70%	430,776	1,911,485	1,646,314	2,245,280	\$5.82
Southwest										
General Industrial	18,215,214	5.31%	2.13%	3.75%	2.33%	(267,887)	(571,492)	66,233	-	\$7.73
Flex	173,208	6.19%	2.49%	3.70%	3.70%	-	-	-	-	\$12.51
Modern Bulk	4,945,417	7.93%	0.00%	7.93%	7.93%	-	40,000	-	332,515	\$7.00
TOTAL	23,333,839	5.79%	1.75%	4.51%	3.35%	(267,887)	(531,492)	66,233	332,515	\$7.58
Union										
General Industrial	11,370,619	2.64%	0.46%	1.66%	0.29%	-	101,402	16,385	234,789	\$8.40
Flex	406,241	28.02%	0.00%	0.00%	0.00%	-	17,356	55,000	-	\$9.83
Modern Bulk	2,115,900	0.00%	0.00%	0.00%	0.00%	-	1,280,000	308,140	1,280,000	-
TOTAL	13,892,760	3.02%	0.39%	1.41%	0.25%	-	1,398,758	379,525	1,514,789	\$8.77
West										
General Industrial	42,847,129	2.91%	0.41%	1.24%	1.31%	53,945	234,974	493,799	86,390	\$7.50
Flex	1,514,866	9.87%	0.00%	5.35%	5.84%	5,612	(44,659)	48,000	-	\$7.37
Modern Bulk	1,468,657	73.17%	0.00%	73.14%	0.00%	-	-	-	799,913	\$8.40
TOTAL	45,830,652	4.85%	0.39%	3.14%	1.39%	59,557	190,315	541,799	886,303	\$7.88

FOR MORE INFORMATION
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