



Columbus  
Industrial  
**23Q4**

## 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.

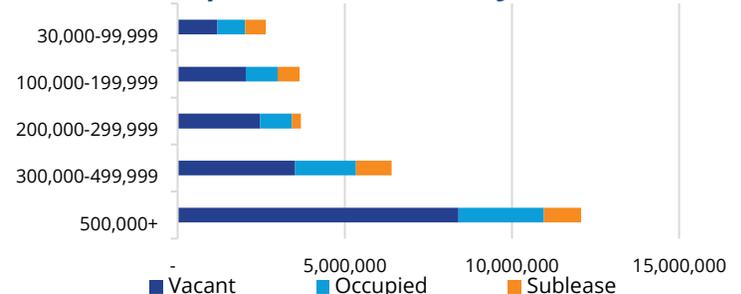
## Market Indicators

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

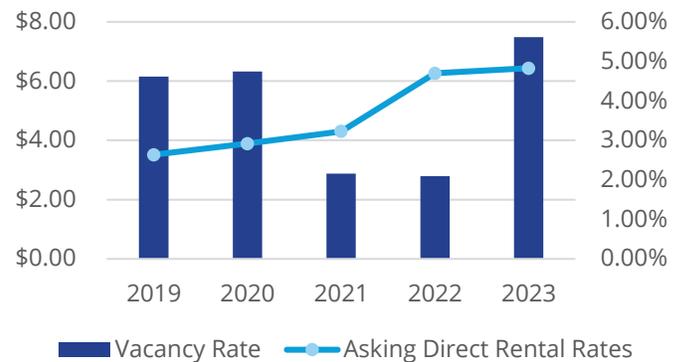
## Sales Activity

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.

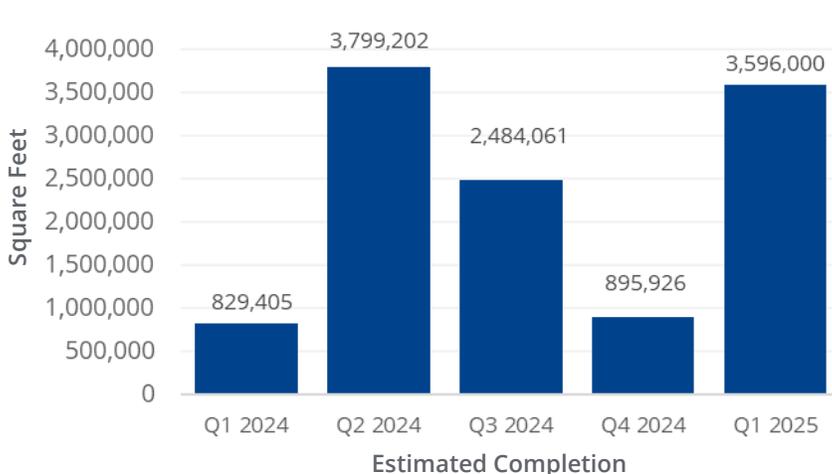
Business Park/Address	Submarket	RBA	% Leased/ Owned	Est. Delivery Date	Developer/ Owner/Tenant
Intel	Licking	3,000,000*	100%	Q1 2025	Intel
DSV BTS	Licking	1,200,000	100%	Q3 2024	VanTrust
Red Chip Farms Bldg B	Licking	946,400	0%	Q2 2024	Red Rock Developments
ODW BTS	Southeast	929,142	100%	Q2 2024	Pinchal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

## Construction Activity

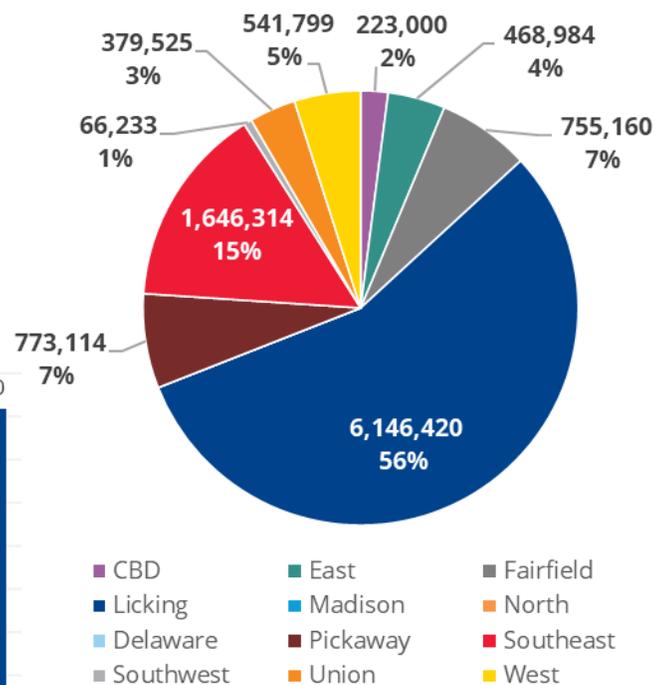
### Columbus Industrial Construction



### 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

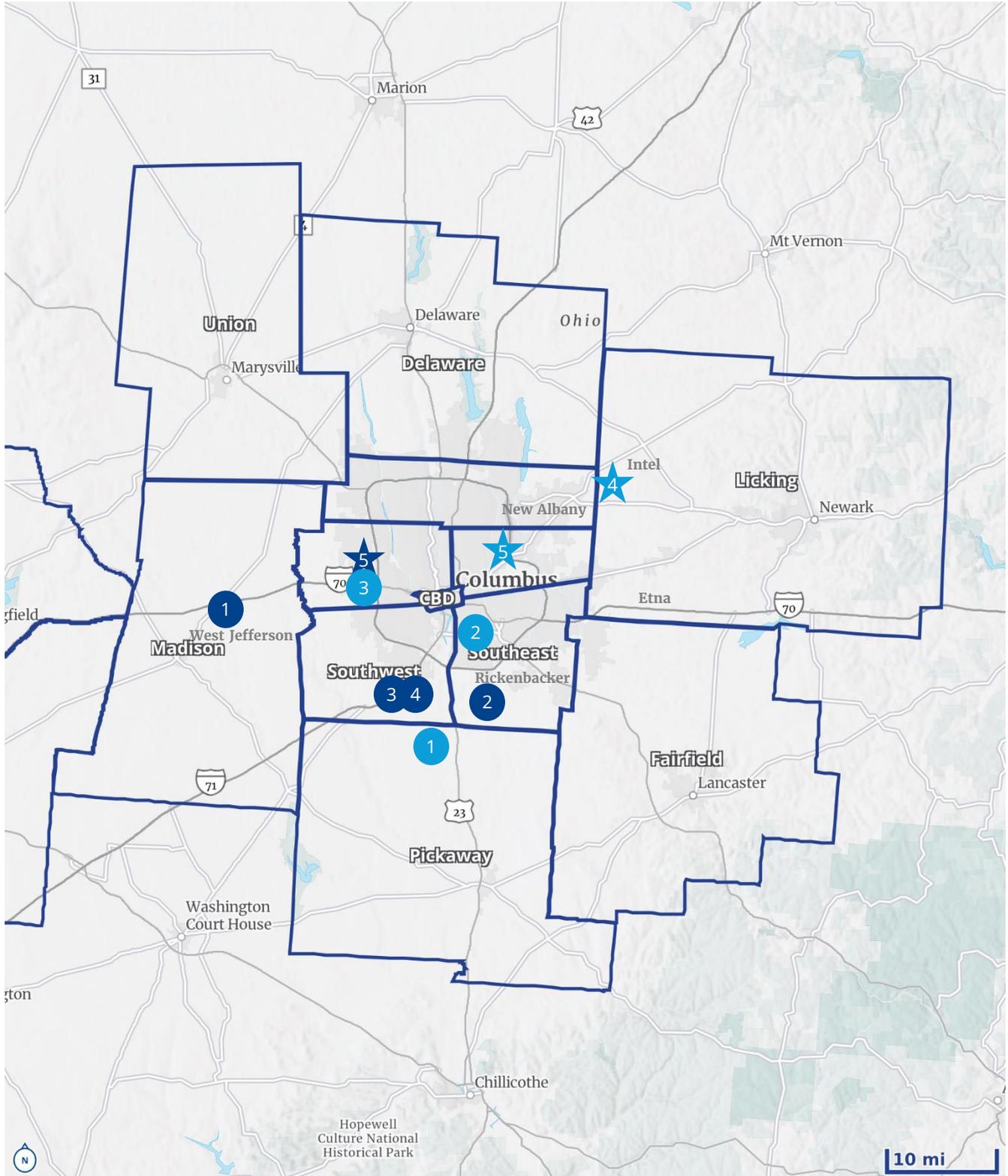
#	Address	Size	Buyer	Price	Price/SF	Submarket
1	70 Enterprise Pkwy	1,122,212	Cabot Properties Inc.	\$89,500,333	\$79.75/SF	Madison
2	2553-2653 Global Ct	373,488	Wafra, Inc.	\$31,350,000	\$83.94/SF	Southeast
3	5701 N Meadows Dr	268,905	EQT Exeter	\$20,345,139	\$75.66/SF	Southwest
4	5900 N Meadows Rd	268,800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

**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
<b>4</b>	<b>0 Horizon Ct</b>	<b>126,048</b>	<b>Crown Equipment Corporation</b>	<b>New Lease</b>	<b>Licking</b>
<b>5</b>	<b>2300 Citygate Dr</b>	<b>119,136</b>	<b>Coalescence NHB, LLC</b>	<b>New Lease</b>	<b>East</b>

**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)
<b>Columbus Total</b>										
General Industrial	236,416,522	4.05%	0.61%	2.29%	2.15%	272,562	60,545	576,417	2,070,390	\$6.13
Flex	8,009,272	6.35%	0.16%	2.61%	2.94%	32,756	89,077	159,504	84,000	\$9.04
Modern Bulk	94,361,416	22.49%	2.50%	14.20%	10.32%	837,997	8,630,687	10,264,628	16,010,339	\$5.50
<b>TOTAL</b>	<b>338,787,210</b>	<b>9.24%</b>	<b>1.12%</b>	<b>5.61%</b>	<b>4.38%</b>	<b>1,143,315</b>	<b>8,780,309</b>	<b>11,000,549</b>	<b>18,164,729</b>	<b>\$6.43</b>

<b>CBD</b>										
General Industrial	2,890,853	9.48%	0.00%	9.71%	0.71%	-	(20,618)	-	260,200	\$10.00
Flex	93,076	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	-
<b>TOTAL</b>	<b>3,582,969</b>	<b>24.71%</b>	<b>0.00%</b>	<b>24.90%</b>	<b>0.92%</b>	<b>-</b>	<b>(20,618)</b>	<b>223,000</b>	<b>859,240</b>	<b>\$11.25</b>

<b>East</b>										
General Industrial	32,686,168	3.52%	0.20%	2.70%	2.71%	(203)	341,173	-	462,886	\$7.25
Flex	1,274,669	4.34%	0.51%	1.64%	1.96%	4,060	202,315	56,504	-	\$9.84
Modern Bulk	1,915,123	40.80%	0.00%	19.27%	0.00%	187,435	(159,084)	412,480	556,400	\$6.24
<b>TOTAL</b>	<b>35,875,960</b>	<b>5.54%</b>	<b>0.20%</b>	<b>3.55%</b>	<b>2.54%</b>	<b>191,292</b>	<b>384,404</b>	<b>468,984</b>	<b>1,019,286</b>	<b>\$7.00</b>

<b>Fairfield</b>										
General Industrial	10,350,639	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
<b>TOTAL</b>	<b>11,562,161</b>	<b>18.88%</b>	<b>0.00%</b>	<b>12.47%</b>	<b>12.47%</b>	<b>-</b>	<b>(10,539)</b>	<b>755,160</b>	<b>1,034,954</b>	<b>\$6.25</b>

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**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)
<b>Licking</b>										
General Industrial	26,021,533	3.10%	0.35%	2.11%	1.84%	(70,115)	(321,585)	-	222,031	\$5.50
Flex	204,547	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
Modern Bulk	15,693,856	31.62%	1.68%	20.69%	11.05%	(240,332)	2,479,889	6,146,420	3,179,996	\$6.24
<b>TOTAL</b>	<b>41,919,936</b>	<b>13.76%</b>	<b>0.85%</b>	<b>9.06%</b>	<b>5.28%</b>	<b>(310,447)</b>	<b>2,158,304</b>	<b>6,146,420</b>	<b>3,402,027</b>	<b>\$6.13</b>
<b>Madison</b>										
General Industrial	9,483,700	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
Flex	-	-	-	-	-	-	-	-	-	-
Modern Bulk	10,654,940	31.10%	0.00%	23.19%	20.44%	-	371,500	-	1,752,020	\$6.74
<b>TOTAL</b>	<b>20,138,640</b>	<b>16.45%</b>	<b>0.00%</b>	<b>12.27%</b>	<b>10.82%</b>	<b>-</b>	<b>371,500</b>	<b>-</b>	<b>1,752,020</b>	<b>\$6.74</b>
<b>North</b>										
General Industrial	8,318,548	5.34%	1.87%	1.41%	1.45%	3,468	107,683	-	140,244	\$7.23
Flex	2,748,420	3.97%	0.11%	0.70%	0.77%	8,389	20,631	-	-	\$10.80
Modern Bulk	2,185,908	32.39%	0.00%	32.39%	32.39%	-	-	-	707,940	\$6.58
<b>TOTAL</b>	<b>13,252,876</b>	<b>9.52%</b>	<b>1.19%</b>	<b>6.37%</b>	<b>6.41%</b>	<b>11,857</b>	<b>128,314</b>	<b>-</b>	<b>848,184</b>	<b>\$7.17</b>
<b>Delaware</b>										
General Industrial	12,775,135	7.73%	0.90%	3.17%	0.85%	(25)	12,203	-	296,000	\$5.64
Flex	1,325,074	3.53%	0.00%	2.17%	3.28%	14,695	33,194	-	84,000	\$12.99
Modern Bulk	1,888,698	0.00%	0.00%	0.00%	0.00%	255,778	429,943	-	457,943	-
<b>TOTAL</b>	<b>15,988,907</b>	<b>6.47%</b>	<b>0.72%</b>	<b>2.71%</b>	<b>0.95%</b>	<b>270,448</b>	<b>475,340</b>	<b>-</b>	<b>837,943</b>	<b>\$5.98</b>
<b>Pickaway</b>										
General Industrial	6,079,650	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	12,551,620	23.00%	3.48%	10.94%	10.94%	757,719	2,384,122	773,114	3,237,732	\$5.88
<b>TOTAL</b>	<b>18,727,911</b>	<b>17.07%</b>	<b>2.33%</b>	<b>8.96%</b>	<b>8.96%</b>	<b>757,719</b>	<b>2,294,538</b>	<b>773,114</b>	<b>3,432,188</b>	<b>\$5.92</b>

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)
<b>Southeast</b>										
General Industrial	56,329,301	4.57%	0.68%	1.68%	2.66%	553,379	1,199,201	-	173,394	\$5.86
Flex	453,158	6.50%	0.00%	6.50%	6.50%	-	(3,213)	-	-	\$8.68
Modern Bulk	40,916,242	12.70%	4.06%	6.39%	5.10%	(122,603)	715,497	1,646,314	2,071,886	\$5.79
<b>TOTAL</b>	<b>97,698,701</b>	<b>7.99%</b>	<b>2.09%</b>	<b>3.67%</b>	<b>3.70%</b>	<b>430,776</b>	<b>1,911,485</b>	<b>1,646,314</b>	<b>2,245,280</b>	<b>\$5.82</b>
<b>Southwest</b>										
General Industrial	18,834,167	5.31%	2.13%	3.75%	2.33%	(267,887)	(571,492)	66,233	-	\$7.73
Flex	135,154	6.19%	2.49%	3.70%	3.70%	-	-	-	-	\$12.51
Modern Bulk	4,192,378	7.93%	0.00%	7.93%	7.93%	-	40,000	-	332,515	\$7.00
<b>TOTAL</b>	<b>23,161,699</b>	<b>5.79%</b>	<b>1.75%</b>	<b>4.51%</b>	<b>3.35%</b>	<b>(267,887)</b>	<b>(531,492)</b>	<b>66,233</b>	<b>332,515</b>	<b>\$7.58</b>
<b>Union</b>										
General Industrial	11,180,093	2.64%	0.46%	1.66%	0.29%	-	101,402	16,385	234,789	\$8.40
Flex	365,904	28.02%	0.00%	0.00%	0.00%	-	17,356	55,000	-	\$9.83
Modern Bulk	1,635,000	0.00%	0.00%	0.00%	0.00%	-	1,280,000	308,140	1,280,000	-
<b>TOTAL</b>	<b>13,180,997</b>	<b>3.02%</b>	<b>0.39%</b>	<b>1.41%</b>	<b>0.25%</b>	<b>-</b>	<b>1,398,758</b>	<b>379,525</b>	<b>1,514,789</b>	<b>\$8.77</b>
<b>West</b>										
General Industrial	41,466,735	2.91%	0.41%	1.24%	1.31%	53,945	234,974	493,799	86,390	\$7.50
Flex	1,136,061	9.87%	0.00%	5.35%	5.84%	5,612	(44,659)	48,000	-	\$7.37
Modern Bulk	1,093,657	73.17%	0.00%	73.14%	0.00%	-	-	-	799,913	\$8.40
<b>TOTAL</b>	<b>43,696,453</b>	<b>4.85%</b>	<b>0.39%</b>	<b>3.14%</b>	<b>1.39%</b>	<b>59,557</b>	<b>190,315</b>	<b>541,799</b>	<b>886,303</b>	<b>\$7.88</b>

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