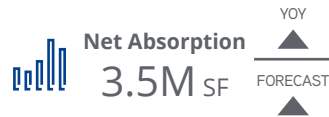




Columbus Industrial 22Q1

Key Takeaways

- Net absorption reached 3.5 million square feet this quarter
- Vacancy declined to 1.55 percent, which is the lowest it has ever been in the Columbus MSA
- 26 construction projects comprising of 13.7 million square feet are currently under construction

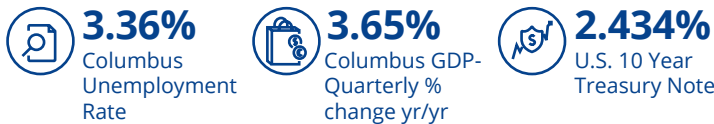


Regional Summary

The Columbus industrial market started the year on a positive note, recording 3,455,972 square feet of net absorption* this quarter. The ongoing COVID-19 pandemic has caused already-high demand for industrial space to skyrocket, leading to booming activity from e-commerce and logistics tenants. High leasing activity has driven vacancy down to 1.55 percent and overall asking rates up to \$4.61 NNN - both records in the Central Ohio market. Construction activity also remains strong, as there are 26 projects comprising of 13.7 million square feet currently underway. Throughout 2022, Columbus can anticipate consistent demand from tenants, developers and investors as the city solidifies itself as a true U.S. industrial hub.

*absorption calculated by occupancy date

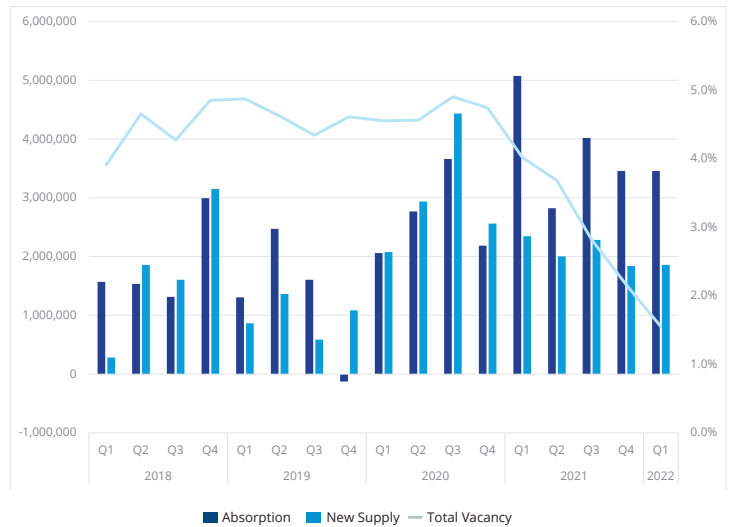
Market Indicators



Historic Comparison

	21Q1 YoY	21Q4 QoQ	22Q1 Current
Total Inventory (in Thousands of SF)	261,452	267,472	269,332
New Supply (in Thousands of SF)	2,346	1,841	1,860
Net Absorption (in Thousands of SF)	5,073	3,456	3,456
Overall Vacancy	4.02%	2.16%	1.55%
Under Construction (in Thousands of SF)	5,687	15,353	13,720
Overall Asking Lease Rates (NNN)	\$4.01	\$4.30	\$4.61

Market Graph



The industrial market has seen consistent development and positive absorption in recent years. Activity has skyrocketed further since Q1 2020 due to growing demand for warehouse space from the COVID-19 pandemic.

Recent Transactions



Lease

70 Enterprise Pkwy. Madison | 1.1m SF



Lease

9756 Heartland Ct. Pickaway | 575k SF



Lease

3330 Alum Creek Drive Southeast | 462k SF



Sale

8341 Industrial Pkwy. Union | \$240/SF



Sale

5303 Fisher Road West | \$125/SF



Sale

2919-2999 Lewis Centre Way Southwest | \$73/SF



Vacancy

The vacancy rate declined from 2.16 percent to 1.55 percent in the first quarter due to positive net absorption. The largest vacancy of the quarter occurred in the Southwest submarket to 2.22 percent, as various tenants vacated space there. The Madison submarket saw the most significant decrease in vacancy to 0 percent, as Home Depot occupied over 1 million square feet there.

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 4.6 million square feet – higher than last quarter and a strong indication that tenants are staying active in the market.

Construction

Development continues to grow in Columbus, as two projects totaling 227,000 square feet broke ground this quarter. This brings total product under construction to 13.7 million square feet - the fourth consecutive quarter with over 10 million square feet underway. A design build project for Michael Foods broke ground in West Jefferson for 215,000 square feet and is expected to complete by the end of the

year. An owner/user building at 5220 Nike Drive also broke ground for 12,000 square feet and will finalize in Q2 2022.

Six properties totaling 1.9 million square feet reached completion this quarter. The Owens Corning and Moen Faucets build-to-suit warehouses were both finalized. New Albany 315 and Green Pointe Landing completed with preleasing. Global Court I and II also reached completion, adding 355,000 square feet of space to the Southeast submarket. With 125 projects comprising of over 65 million square feet either underway or in the pipeline, Central Ohio can expect more large completions in 2022.

Sales

This quarter, 35 industrial properties totaling 2.8 million square feet sold in Central Ohio for a total sales volume of \$316 million. This total is \$157 million higher than the sales volume at the beginning of last year. The average price per square foot reached \$75.

Industrial Logistics Properties Trust purchased 8341 Industrial Pkwy. for \$117 million, making it the largest sale of the quarter. 5303 Fisher Road was sold to Cantor Fitzgerald Income Trust for \$58 million, or \$125 per square foot. The warehouses at 2919-2999 Lewis Centre Way and 3103 Agler Road were both bought by Invesco Real Estate Income Trust, for \$27.5 million and \$20 million, respectively.

Significant Sales Activity

Address	Size	Buyer	Sales Price
8341 Industrial Pkwy.	487,900	Industrial Logistics Properties Trust	\$117,033,614
5303 Fisher Road	465,256	Cantor Fitzgerald Income Trust	\$58,000,000
2919-2999 Lewis Centre Way	378,283	Invesco Real Estate Income Trust	\$27,500,000
3101 Agler Road	160,000	Invesco Real Estate Income Trust	\$20,000,000
747 Mill Park Drive	153,000	Industrial Logistics Properties Trust	\$19,792,518
113 Enterprise Drive	250,150	EQT Exeter	\$13,525,000

Significant Lease Activity

Address	Size	Tenant	Type
70 Enterprise Pkwy.	1,122,212	Home Depot	New
9756 Heartland Ct.	574,670	Cardinal Health	New
3330 Alum Creek Drive	461,700	Specialized Bicycle Components	New
New Albany BTS Site	445,830	Confidential	New
5300 Crosswind Drive	438,787	Hyperion Companies	New
191 Arrowhead Blvd.	250,410	Confidential	New
4370 Alum Creek Drive	230,265	People's Services	New
6275 Seeds Road	208,241	Cardinal Health	New
5820 Opus Drive	181,190	Hollingsworth Logistics	New
2955 Charter St.	144,000	SK Foods Group	New

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	4,882,947	0.00%	0.00%	0.00%	0.00%	0.08%	4,100	4,100	-	-	-
East	22,484,412	2.21%	0.51%	2.13%	2.73%	2.71%	(2,869)	(2,869)	144,000	-	\$4.85
Fairfield	8,140,522	0.85%	0.00%	1.81%	0.85%	0.85%	-	-	150,000	-	\$4.95
Licking	29,894,136	3.40%	0.00%	1.13%	3.40%	3.61%	1,090,743	1,090,743	4,452,659	1,065,385	\$5.38
Madison	16,320,504	0.00%	0.00%	0.00%	0.00%	7.05%	1,466,246	1,466,246	1,305,000	339,318	-
North	18,435,409	2.64%	0.07%	3.01%	2.71%	2.72%	1,177	1,177	30,000	-	\$5.40
Delaware	9,606,979	1.16%	0.00%	1.16%	1.16%	1.16%	-	-	-	-	\$7.22
Pickaway	9,573,192	0.00%	0.00%	0.00%	0.00%	1.75%	167,600	167,600	3,806,347	-	-
Southeast	84,093,491	0.94%	0.00%	1.14%	0.95%	1.15%	622,624	622,624	3,612,085	455,100	\$3.54
Southwest	21,505,311	1.01%	1.21%	2.30%	2.22%	2.18%	(9,451)	(9,451)	208,241	-	\$3.72
Union	7,673,420	1.34%	0.00%	1.69%	1.34%	1.84%	37,889	37,889	-	-	\$3.25
West	36,721,687	1.30%	0.03%	1.77%	1.34%	1.55%	77,913	77,913	12,000	-	\$5.15
TOTAL	269,332,010	1.40%	0.15%	1.43%	1.55%	2.16%	3,455,972	3,455,972	13,720,332	1,859,803	\$4.61

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	2.00%	0.34%	3.47%	2.35%	1.96%	(80,239)	(80,239)	-	-	\$7.37
General Industrial	74,509,904	2.58%	0.02%	1.36%	2.60%	3.60%	743,585	743,585	30,000	-	\$3.84
Warehouse/Distribution	174,263,240	0.83%	0.18%	1.22%	1.01%	1.56%	2,792,626	2,792,626	13,690,332	1,859,803	\$4.17
TOTAL	269,332,010	1.40%	0.15%	1.43%	1.55%	2.16%	3,455,972	3,455,972	13,720,332	1,859,803	\$4.61



Intel's Impact on Central Ohio

In January of this year, Intel Corp. announced their plan to invest \$20 billion in a pair of semiconductor factories in New Albany. The project will finalize by 2025 and will create up to 20,000 jobs in total. According to the State of Ohio, this is the largest single private sector investment in state history. Ultimately, Intel hopes to develop over 1,000 acres with as many as eight facilities in the area, which would bring investment to \$100 billion over the next decade. This will create even more demand from industrial tenants, especially from contractors and supply companies looking for warehouse space around the area to support the project.

Source: Columbus Business First

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