

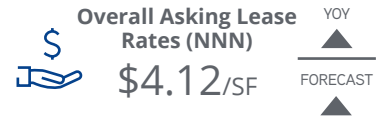
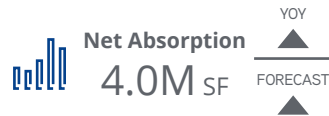


Columbus

Industrial 21Q3

Key Takeaways

- Year-to-date net absorption reached 11.9 million square feet, a record-high for the Columbus market
- Vacancy declined to 2.78 percent, which is the lowest it has ever been in the industrial market
- 20 construction projects comprising of 6.6 million square feet have completed year-to-date



Regional Summary

The Columbus industrial market continued a strong year with a record third quarter, posting 4 million square feet of positive net absorption*. The ongoing pandemic has caused the e-commerce industry to grow rapidly over the past 18 months, indicated by an influx of demand for prime warehouse space. Central Ohio has experienced absorption greater than 2 million square feet consecutively in the past seven months, and the current vacancy rate of 2.78 percent is the lowest it has ever been. Construction continues to rise, as there is nearly 14 million square feet of product currently underway. Columbus can anticipate high activity throughout the rest of the year as COVID-19 fuels growth in e-commerce and logistics.

*absorption calculated by occupancy date

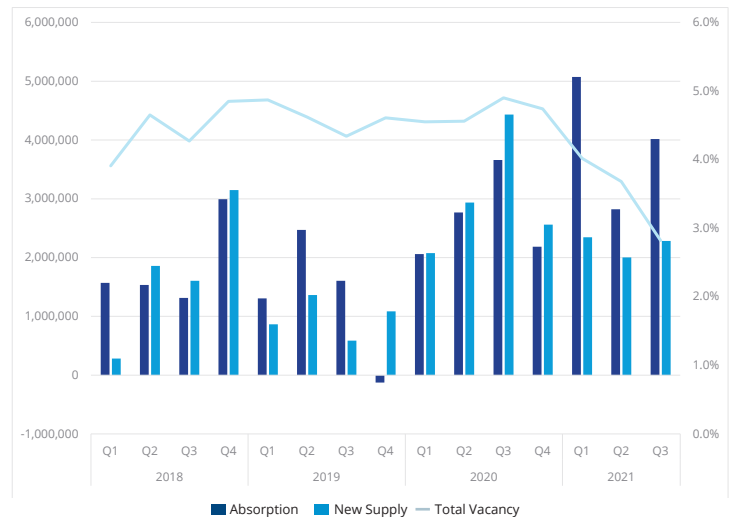
Market Indicators



Historic Comparison

	20Q3	21Q2	21Q3
Total Inventory (in Thousands of SF)	256,545	263,508	265,791
New Supply (in Thousands of SF)	4,434	2,004	2,284
Net Absorption (in Thousands of SF)	3,661	2,823	4,016
Overall Vacancy	4.90%	3.68%	2.78%
Under Construction (in Thousands of SF)	9,281	10,145	13,751
Overall Asking Lease Rates (NNN)	\$3.88	\$4.17	\$4.12

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

1417 Rail Southern Ct.
Southeast | 582k SF



Lease

5770 Saltzgeber Road
Southeast | 240k SF



Lease

1260 London Groveport
Southeast | 231k SF



Sale

2893 W. Fair Ave.
Fairfield | \$33/SF



Sale

3800 Groveport Road
Southeast | \$50/SF



Sale

1860 Walcutt Road
West | \$99/SF



Vacancy

Another quarter of positive net absorption drove the vacancy rate down from 3.68 percent to 2.78 percent. The largest vacancy of the quarter occurred in the Southeast submarket, as a tenant vacated 130,000 square feet at 2200 Fairwood Ave. However, the Southeast submarket saw the most significant overall decrease in vacancy to 1.81 percent, as multiple users leased 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 5.1 million square feet – a strong indication that tenants are continuing to stay active in the market.

Construction

Development continues to grow in Columbus, as 13 projects totaling 5.9 million square feet broke ground this quarter. This brings total product under construction to 13.8 million square feet - the ninth consecutive quarter with over 5 million square feet underway. The Licking and Southeast submarkets lead activity, each with over 4.8 million square feet of Class A industrial product under construction. Over

two thirds of buildings currently underway are speculative projects.

Seven properties totaling 2.3 million square feet reached completion this quarter. VanTrust's Rickenbacker Exchange I was finalized and fully pre-leased. Duke's West Jefferson build-to-suit is now complete and fully occupied. With over 40 projects comprising of nearly 16 million square feet either under construction or in the development pipeline, Central Ohio can expect more large completions in the fourth quarter.

Sales

This quarter, 34 industrial properties totaling 4.2 million square feet sold in Central Ohio for a total sales volume of \$199 million. This total is \$6 million higher than the sales volume last quarter. The average price per square foot reached \$74.

Vault Realty purchased 2893 W. Fair Ave. for \$42.9 million, making it the largest sale of the quarter. Stockbridge Capital Group bought a portfolio of three Columbus properties, including 3800-3880 Groveport Road which sold for \$25.6 million. The warehouse at 1860 Walcutt Road was sold to Lexington Realty Trust for \$29.15 million, or \$99 per square foot.

Significant Sales Activity

Address	Size	Buyer	Sales Price
2893 W. Fair Ave.	1,272,227	Vault Realty	\$42,925,000
3800-3880 Groveport Road	705,600	Stockbridge Capital Group	\$35,600,000
1860 Walcutt Road	292,730	Lexington Realty Trust	\$29,150,000
3800 Lockbourne Industrial Pkwy.	404,734	Stockbridge Capital Group	\$23,600,000
4150-4200 Lockbourne Industrial Pkwy.	398,471	Stockbridge Capital Group	\$17,500,000
3000 Rohr Road	110,700	Realterm US, Inc.	\$7,525,000

Significant Lease Activity

Address	Size	Tenant	Type
1417 Rail Southern Ct.	582,400	Exel Inc	New
5770 Saltzgaber Road	240,500	Go Direct	New
1260 London Groveport Road	231,664	LaserShip Inc	New
3950 Business Park Drive	186,000	Path Robotics Inc	New
6322 Collings Drive	163,520	Confidential	New
1076 Pittsburgh Drive	163,000	Advance Stores Company	New
2400-2410 Mcgaw Road	134,282	RTP Company	New
3101 Agler Road	100,000	Frito-Lay	New
2045 Broehm Road	94,221	The Lemon Group	New
265 N. Hamilton Road	90,000	Confidential	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	0.08%	0.00%	0.08%	0.08%	0.08%	-	-	-	-	-
East	22,484,412	5.58%	0.40%	6.24%	5.96%	6.40%	189,241	875,970	144,000	160,000	\$4.20
Fairfield	8,140,522	2.34%	0.00%	2.40%	2.34%	2.34%	-	1,487,158	150,000	-	\$3.75
Licking	27,328,751	4.34%	0.00%	2.68%	3.81%	4.34%	144,236	132,423	4,890,704	-	\$4.29
Madison	15,981,186	7.05%	0.00%	7.05%	7.05%	7.29%	-	1,677,290	1,429,318	517,220	-
North	18,435,409	2.90%	0.05%	2.23%	2.91%	3.32%	75,415	(179,729)	30,000	-	\$5.69
Delaware	9,606,979	1.68%	0.00%	1.68%	1.68%	2.55%	425,000	457,000	-	350,935	\$6.95
Pickaway	9,573,192	1.75%	0.00%	1.75%	1.75%	1.96%	1,022,000	1,022,000	1,194,865	1,022,000	\$3.25
Southeast	83,557,891	1.53%	0.32%	6.88%	1.81%	3.20%	1,161,734	4,559,907	5,603,427	-	\$3.23
Southwest	21,405,311	3.13%	0.04%	5.01%	3.12%	3.56%	95,007	444,870	308,241	-	-
Union	7,673,420	1.59%	0.00%	1.80%	1.59%	1.29%	60,000	60,000	-	84,000	\$6.00
West	36,721,687	1.67%	0.14%	2.59%	1.42%	3.32%	843,755	1,374,712	-	150,000	\$5.71
TOTAL	265,791,707	2.75%	0.16%	4.56%	2.78%	3.68%	4,016,388	11,911,601	13,750,555	2,284,155	\$4.12

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	3.09%	0.50%	3.59%	3.22%	3.74%	203,496	152,583	-	100,935	\$7.26
General Industrial	74,509,904	3.60%	0.08%	2.64%	3.65%	4.01%	417,255	(14,064)	30,000	150,000	\$3.72
Warehouse/Distribution	170,722,937	2.34%	0.15%	5.51%	2.35%	3.53%	3,395,637	11,773,082	13,720,555	2,033,220	\$3.66
TOTAL	265,791,707	2.75%	0.16%	4.56%	2.78%	3.68%	4,016,388	11,911,601	13,750,555	2,284,155	\$4.12



Automated Driverless Trucks

As we become more e-commerce driven, more people are purchasing items online rather than in-store. Companies are looking for ways to get products in customers' hands faster and truck drivers are an essential part of this process. One solution that is being tested is automated driverless trucks. Driverless trucks eliminate the need for drivers and can detect issues faster than humans due to the technology they provide. These trucks eliminate issues that drivers have such as texting and driving or even drunk driving, since the operation is run by a computer. Some predict that within the next 5-10 years driverless trucks will become more prevalent and aid the process of getting products out to customers.

Contributor: Ryan Mitchell Source: CBS News

FOR MORE INFORMATION
 Hannah Williams, CPRC
 Senior Research Coordinator
 Columbus
 +1 614 410 5179
hannah.williams@colliers.com

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