

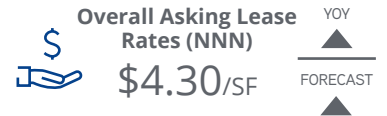
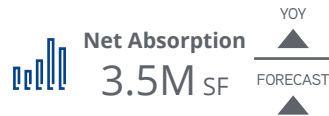


Columbus

Industrial 21Q4

Key Takeaways

- Year-to-date net absorption reached 15.4 million square feet, a record-high for the Columbus market
- Vacancy declined to 2.16 percent, which is the lowest it has ever been in the industrial market
- 24 construction projects comprising of 8.4 million square feet have completed year-to-date



Regional Summary

The Columbus industrial market finished 2021 with a strong fourth quarter, posting 3,455,921 square feet of net absorption*. This brings year-to-date net absorption up to 15,367,522 square feet and vacancy down to 2.16 percent - both records for Central Ohio. 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 and distribution space. Construction continues to rise, as there is over 15 million square feet of product currently underway and 45 million square feet in the pipeline. Columbus can expect continued activity throughout the new year as COVID-19 fuels demand in the industrial sector.

*absorption calculated by occupancy date

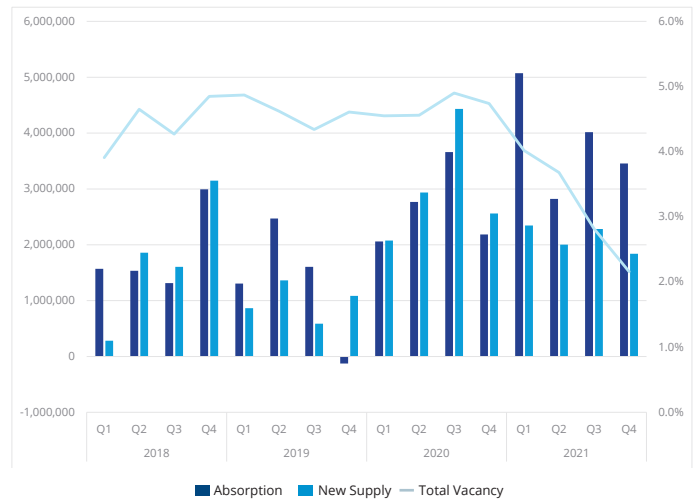
Market Indicators



Historic Comparison

	20Q4	21Q3	21Q4
Total Inventory (in Thousands of SF)	259,106	265,791	267,472
New Supply (in Thousands of SF)	2,560	2,284	1,841
Net Absorption (in Thousands of SF)	2,183	4,016	3,456
Overall Vacancy	4.74%	2.78%	2.16%
Under Construction (in Thousands of SF)	7,123	13,751	15,353
Overall Asking Lease Rates (NNN)	\$3.89	\$4.12	\$4.30

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
1225 Southgate Pkwy.
Licking | 437k SF



Lease
1015 Taylor Road
East | 284k SF



Lease
522 Milliken Drive
Licking | 259k SF



Sale
4077 & 4337 Airbase
Road
Southeast | \$115/SF



Sale
514 Exchange Way
Pickaway | \$91/SF



Sale
3051 Creekside Pkwy.
Southeast | \$92/SF



Vacancy

Another quarter of positive net absorption drove the vacancy rate down from 2.78 percent to 2.16 percent. The largest vacancy of the quarter occurred in the Southeast submarket, as a tenant vacated 85,000 square feet at 2315 Creekside Pkwy. The East submarket saw the most significant overall decrease in vacancy to 2.71 percent, as Whiplash Logistics and The Superior Group occupied space 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 4.4 million square feet – a strong indication that tenants are continuing to stay active in the market.

Construction

Development continues to grow in Columbus, as five projects totaling 3.4 million square feet broke ground this quarter. This brings total product under construction to 15.4 million square feet - the third consecutive quarter with over 10 million square feet underway. Two projects over 1 million square feet broke ground this quarter - The Cubes at Etna and The RIC. Additionally, the Core5 I-70 Logistics Center,

New Albany Innovation Park and 3188 Toy Road warehouses broke ground and are expected to complete in 2022.

Four properties totaling 1.8 million square feet reached completion this quarter. Ashley Furniture and FedEx's build-to-suits were both finalized. 5770 Saltzgaber Road completed and was preleased by Go Direct and the Urbancrest Infill 100 project was finalized and leased by DecisionOne. With 90 projects comprising of over 63 million square feet either under construction or in the development pipeline, Central Ohio can expect more large completions in the new year.

Sales

This quarter, 55 industrial properties totaling 9.9 million square feet sold in Central Ohio for a total sales volume of \$762 million. This total is \$550 million higher than the sales volume last quarter. The average price per square foot reached \$90.

Kohlberg Kravis Roberts & Co. L.P. purchased 4077 and 4337 Airbase Road in a portfolio sale for \$131.75 million, making it the largest sale of the quarter. 514 Exchange Way was sold for \$93 million, or \$91 per square foot. Blackstone REIT bought 3051 Creekside Pkwy. for \$68 million. The warehouse at 8320 Global Way SW was sold to Ashley Furniture for \$57 million in an owner-user sale.

Significant Sales Activity

Address	Size	Buyer	Sales Price
4077 & 4337 Airbase Road	1,146,780	Kohlberg Kravis Roberts & Co. L.P.	\$131,750,000
514 Exchange Way	1,022,380	Mid-America Management	\$93,000,000
3051 Creekside Pkwy.	737,471	Blackstone REIT	\$68,059,398
8320 Global Way SW	1,000,000	Ashley Furniture	\$56,822,900
3219 Rohr Road	510,431	GIC Real Estate	\$45,951,948
87-103 Heritage Drive	513,760	GIC Real Estate	\$36,911,552

Significant Lease Activity

Address	Size	Tenant	Type
1225 Southgate Pkwy.	437,589	Whiplash Logistics	New
1015 Taylor Road	284,232	The Superior Group	New
522 Milliken Drive	259,539	Freepoint Eco-Systems	New
4000 Lockbourne Industrial Pkwy.	253,700	Peoples Services, Inc.	New
2160 McGaw Road	185,000	Middle West Spirits	New
4001 Gantz Road	179,112	Eagle Logistics	New
0 Science Blvd.	178,886	ADB Safegate	New
2955 Charter St.	144,000	SK Foods	Sublease
2200 Fairwood Ave.	130,652	BINS	New
8170 Dove Pkwy.	121,334	Sunbelt	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	2.76%	0.51%	2.36%	2.71%	5.96%	728,826	1,604,796	144,000	-	\$4.79
Fairfield	8,140,522	2.34%	0.00%	0.91%	0.85%	2.34%	121,334	1,608,492	150,000	-	\$4.95
Licking	28,828,751	4.11%	0.00%	9.07%	3.61%	3.81%	1,500,000	1,632,423	5,518,044	1,500,000	\$4.29
Madison	15,981,186	7.05%	0.00%	7.05%	7.05%	7.05%	-	1,677,290	1,429,318	-	-
North	18,435,409	2.72%	0.05%	2.95%	2.72%	2.91%	34,783	(144,946)	30,000	-	\$5.53
Delaware	9,606,979	1.16%	0.00%	1.16%	1.16%	1.68%	50,000	507,000	-	-	\$6.95
Pickaway	9,573,192	1.75%	0.00%	1.75%	1.75%	1.75%	-	1,022,000	1,194,865	-	\$3.25
Southeast	83,638,391	1.15%	0.06%	7.80%	1.15%	1.81%	787,994	5,347,901	6,678,667	240,500	\$3.41
Southwest	21,505,311	5.37%	0.07%	2.21%	2.18%	3.12%	298,211	743,081	208,241	100,000	-
Union	7,673,420	1.84%	0.00%	2.04%	1.84%	1.59%	(18,980)	41,020	-	-	\$3.25
West	36,721,687	1.82%	0.14%	2.75%	1.55%	1.42%	(46,247)	1,328,465	-	-	\$5.35
TOTAL	267,472,207	2.55%	0.09%	4.99%	2.16%	2.78%	3,455,921	15,367,522	15,353,135	1,840,500	\$4.30

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	1.71%	0.29%	2.91%	1.96%	3.22%	259,445	412,028	-	-	\$7.87
General Industrial	74,509,904	3.71%	0.09%	2.53%	3.60%	3.65%	34,776	20,712	30,000	-	\$3.66
Warehouse/Distribution	172,403,437	2.16%	0.07%	6.30%	1.56%	2.35%	3,161,700	14,934,782	15,323,135	1,840,500	\$4.01
TOTAL	267,472,207	2.55%	0.09%	4.99%	2.16%	2.78%	3,455,921	15,367,522	15,353,135	1,840,500	\$4.30



The Future of Life Sciences

The life sciences/biotech sector surged during the COVID-19 pandemic as the need for vaccines and therapeutics increased. Historically, key markets like San Francisco and Boston have seen exponential growth in the industry, but recently there has been increased activity in mid-size markets. The addition of a \$365 million Amgen facility to Central Ohio is a huge step for more potential life sciences companies flocking to the area. With reasonable rents, the availability of land and the presence of distinguished universities and research institutions, the future looks bright for Columbus in the life sciences/biotech world.

Source: YourResearchResource.com

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