



Columbus Industrial 24Q4

Columbus

Columbus ended the year with a vacancy rate of 9.37%, its highest level in over a decade. Primarily due to Big Lots vacating 3.8 MSF as well as many new projects sitting partially leased to completely vacant. Although vacancy rates are currently high, they are projected to decline in 2025, signaling renewed demand and a positive trajectory for the market.

Quarter in Review

The Columbus industrial market had negative net absorption this quarter after having positive absorption in Q2 and Q3. The most significant reason behind the sizeable negative absorption was the 3.8 million square feet of space vacated by Big Lots due to bankruptcy. Without the Big Lots outlier, Q4 absorption would have been positive 847,977 along with positive 2M square feet for 2024. Along with absorption being drastically different, the vacancy rate without Big Lots would have been 8.30%, a percentage point lower. While still historically low, vacancy rates showed signs of creeping upward as speculative developments outpaced absorption rates. This year saw the lowest absorption in the past decade, but activity remains healthy with a positive outlook for 2025. Build-to-suits continue to be the main source of construction projects around Columbus. Project costs and interest rates remained high, leading most projects to postpone. This significant delivery slowdown and increasing tenant demand for well-located, high-quality spaces will lead to more stable market conditions through 2025. Rental rates, which had climbed steadily over the past decade, began to plateau in 2024 and ended the year at \$6.74 per square foot. The influx of speculative capital that previously buoyed the market seemed to cool as investors became more cautious amid concerns about softening demand and the broader economy.

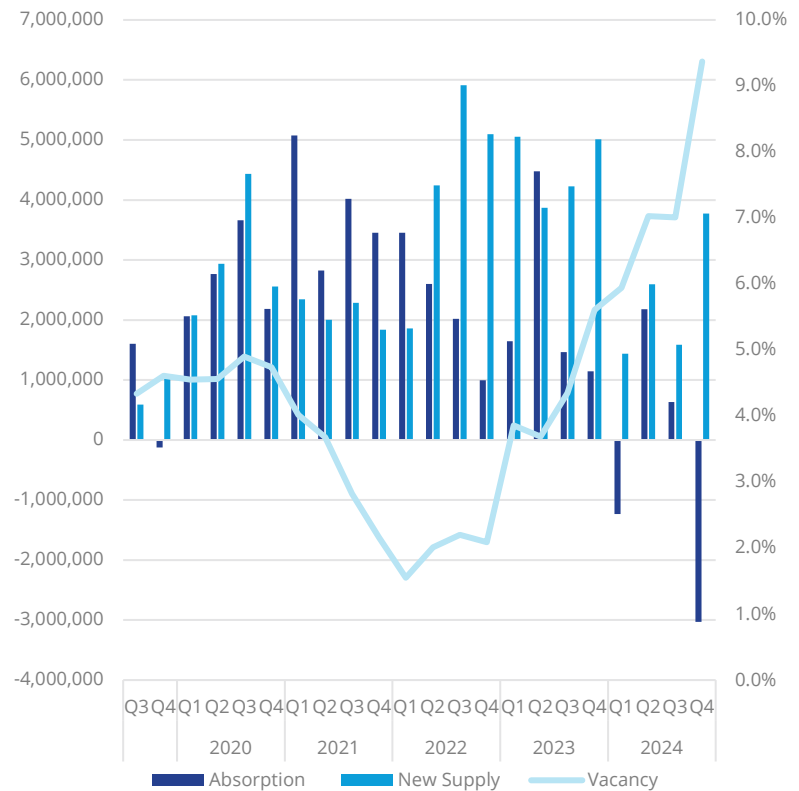
Forecast

Looking ahead to 2025, the Columbus industrial market is poised for continued growth. Demand is expected to remain strong, particularly in last-mile delivery and cold storage facilities, as consumer habits increasingly favor quick delivery times and fresh food distribution. The growing trend of reshoring and nearshoring manufacturing continues to drive demand for high-quality industrial space, as companies seek to leverage Columbus' strategic location, skilled workforce, and exceptional transportation network, including access to major highways and intermodal hubs.

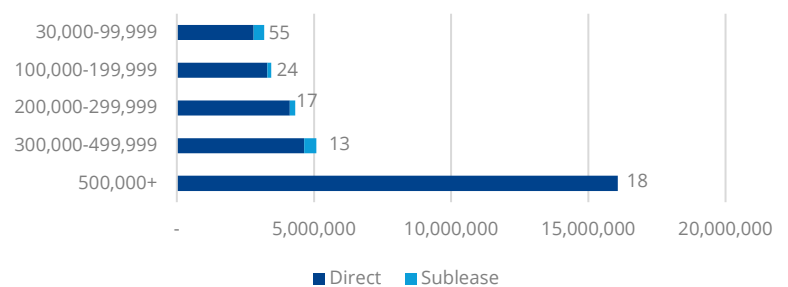
Market Indicators

	23Q4 YoY	24Q3 QoQ	24Q4 Current
Vacancy Rate	5.61%	7.01%	9.37%
Net Absorption (SF)	1,143,315	631,901	(3,028,529)
YTD Net Absorption (SF)	8,780,309	1,658,849	(1,848,224)
Completions (SF)	5,012,555	1,587,731	3,775,847
Avg Asking Rental Rate (NNN)	\$6.43	\$7.03	\$6.74

Absorption, Supply & Vacancy



Available Space for Lease by Size



Absorption & Leasing

For Q4, the Columbus industrial market had 3.0 million square feet of negative absorption following 631,901 square feet of positive absorption in Q3. This quarter's negative absorption can be primarily attributed to Big Lots vacating 3.8 million square feet at 300-550 Phillipi Road. In addition, the next two biggest tenants to vacate space were Amazon who vacated 514,490 square feet at 3538 Tradeport court and Hyperion who vacated 418,787 square feet at 5300 Crosswind Drive. Three other tenants occupying over 200,000 square feet also vacated their space this quarter. In contrast, eight tenants over 200,000 square feet occupied space this quarter. The most significant is DSV build-to-suite space for 1.2 million square feet, and Tarkett which occupied 610,479 square feet at the US 40 Gateway Logistics Center. While industrial vacancy is at a cyclical peak in Columbus, a pullback in deliveries and increased leasing volume point toward market stabilization heading into 2025, where we will most likely see more positive absorption.

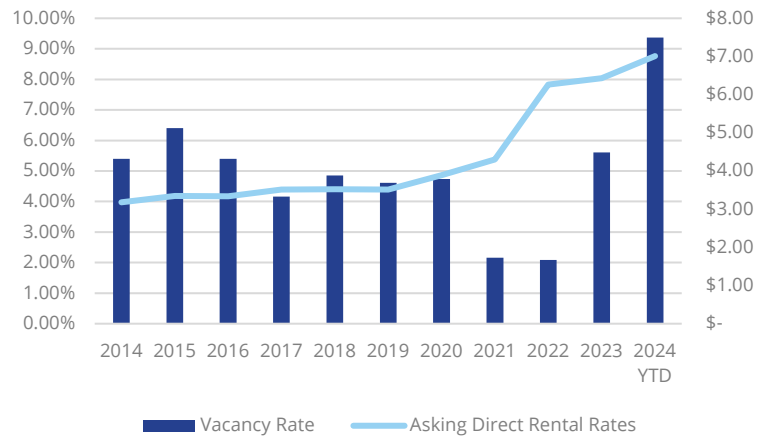
Supply and Demand



Vacancy & Market Rents

Even without Big Lots vacating, the rise in speculative projects coming online and remaining unoccupied has further contributed to the increased vacancy rate. Since 2020, the average time to fully lease a newly constructed building above 100,000 square feet is 10.35 months. Lack of capital markets movement, and high construction costs have kept construction starts near an all-time low, which could, in turn, help stabilize the rise in vacancy. Direct asking rates showed a weighted rent of \$6.74, while the market rents reflect a decrease compared to the previous quarter; year-over-year rent is up 4.6%. The lower average asking rent is reflective of older buildings coming available with lower asking rents.

Vacancy Rate & Direct Asking Rate



Sales Activity

The Columbus industrial market's sales volume remains at its lowest level in two years. However, sale prices per square foot have reached a two-year high, underscoring the sustained demand for well-located, modern industrial facilities, particularly those near major transport hubs. Sales volume totaled \$172 million in the fourth quarter. However, half of this quarter's sales volume can be attributed to one portfolio sale of four properties. The largest sale was Ares REIT, which bought four properties from Becknell Industrial in the Southwest submarket for \$92.85 million (\$92.63 PSF). The other notable sale was 9885 Innovation Campus Way, a 351,000-square-foot building bought by Vitrian from Scannell Properties for \$35.85 million (\$102.14 PSF).

Sales Volume & Market Price Per SF



Under Construction

100,000 SF or Greater

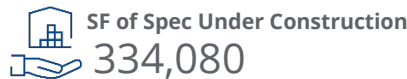
The buildings in the table below represent the developments currently underway in Columbus' industrial market.

Business Park/Address	Submarket	RBA	% Leased/ Owned	Est. Delivery Date	Developer/ Owner/Tenant
Intel	Licking	3,000,000*	100%	Q4 2025+	Intel
Cardinal Health Build-to-Suit	Pickaway	351,120	100%	Q1 2025	Prologis
2600 International St Expansion	West	318,900	100%	Q1 2025	Simpson Strong Tie
Edge Industrial Park - Building 2	Licking	255,000	0%	Q1 2025	Leveck Development

*Includes the first 2 phases of Intel

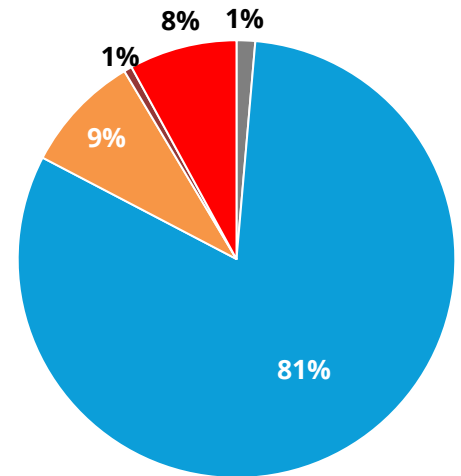
Construction Activity

Columbus Industrial Construction

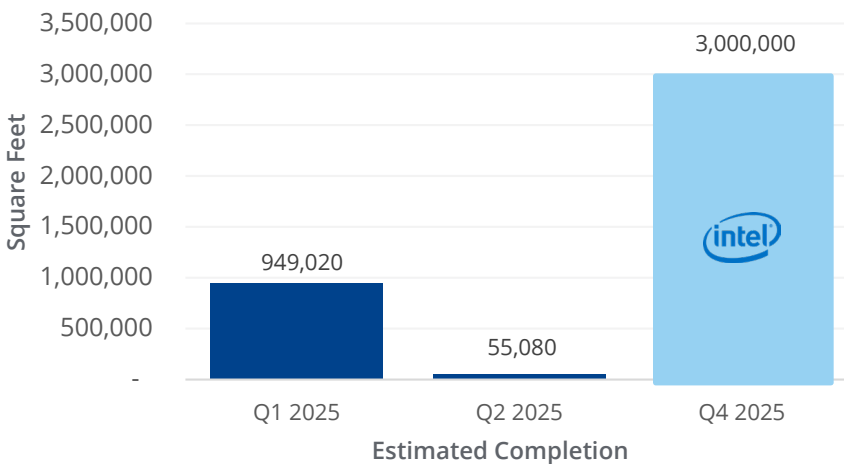


*Includes BTS projects

Construction by Submarket



Future Deliveries



■ East ■ Licking ■ Pickaway ■ Union ■ West

10 Year Snapshot

Year	Net Absorption (YTD #'s - SF)	Construction Deliveries (SF)	Lease Rate (\$)	Vacancy Rate
2024	-1.84M	8.80M	\$6.74	9.37%
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%

Notable Sales Activity

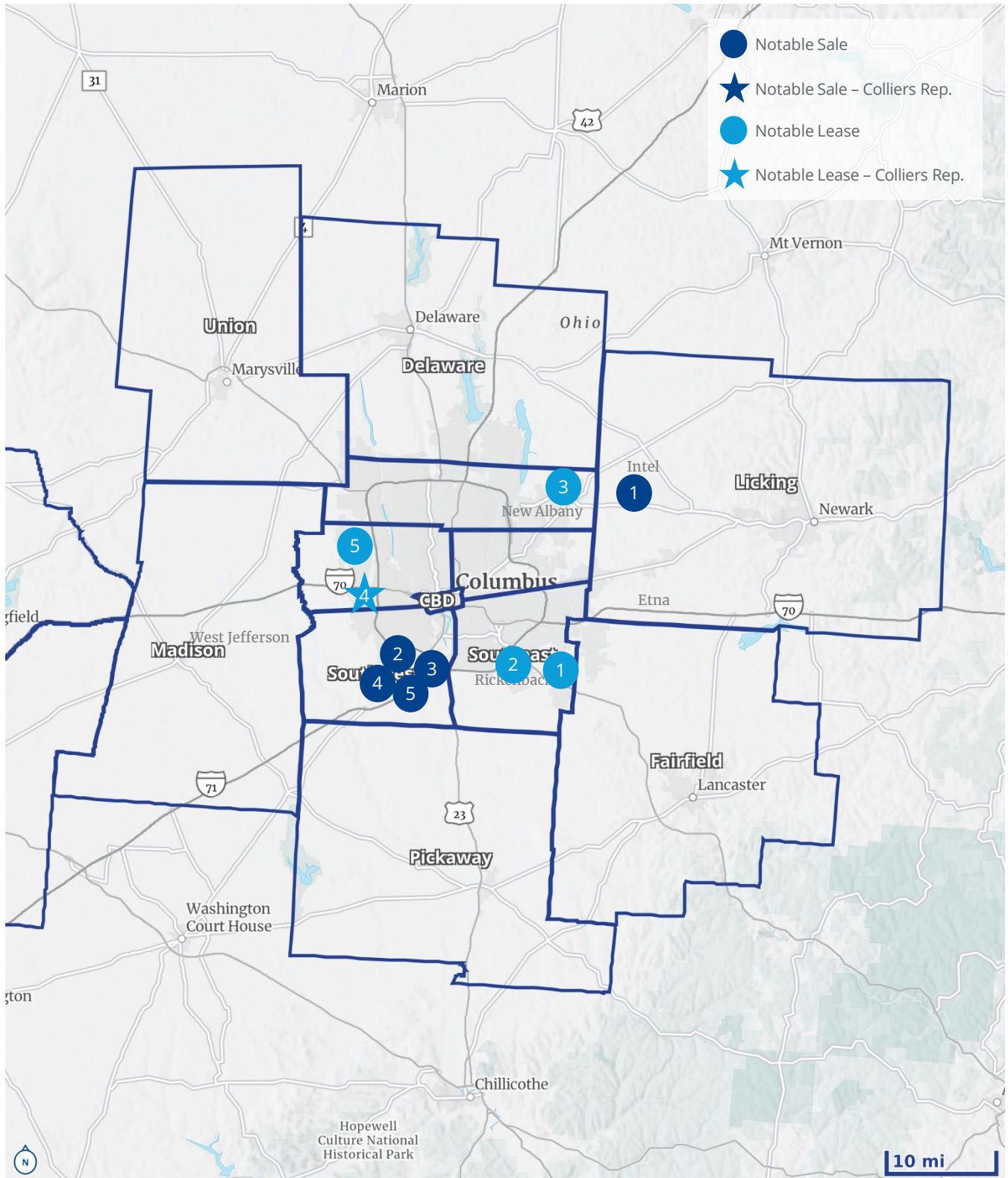
#	Address	Size	Buyer	Price	Price/SF	Submarket
1	9885 Innovation Campus Way	351,000	Vitrian	\$35,850,000	\$102.14/SF	Licking
2	3280 Southpark Pl	324,000	Ares REIT	\$29,487,240	\$91.01/SF	Southwest
3	3265 Southpark Pl	322,000	Ares REIT	\$29,305,220	\$91.01/SF	Southwest
4	6335 Seeds Rd	208,241	Ares REIT	\$20,300,000	\$97.48/SF	Southwest
5	3563 Southpark Pl	151,200	Ares REIT	\$13,760,712	\$91.01/SF	Southwest

Notable Lease Activity

#	Address	Size	Tenant	Type	Submarket
1	4450 S Hamilton Rd	327,200	Beitler Logistics	New Lease	Southeast
2	*2155 Rohr Rd	320,190	Circle K	New Lease	Southeast
3	*7915 Smith's Mill Rd	223,872	Nefco	New Lease	Licking
4	*780-860 Hilliard-Rome	183,679	MEI Rigging & Crating	New Lease	West
5	*2865 Charter St	179,170	Mclane	New Lease	West

Bold/Blue Colliers Represented Either Tenant or Landlord in Transaction
*Will Not Occupy Their Space This Quarter

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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	230,086,622	6.97%	0.38%	5.94%	3.10%	(5,686,883)	(6,474,204)	373,980	427,687	\$6.79
Flex	10,792,718	8.95%	0.64%	7.28%	4.95%	59,836	(97,196)	24,000	453,290	\$10.47
Modern Bulk	121,763,732	14.61%	0.40%	14.81%	14.13%	2,598,518	4,723,176	3,606,120	8,089,575	\$6.45
TOTAL	362,643,072	9.74%	0.40%	8.98%	6.80%	(3,028,529)	(1,848,224)	4,004,100	8,940,552	\$6.74

CBD										
General Industrial	3,294,856	13.02%	0.00%	13.02%	13.02%	-	87,394	-	-	\$8.45
Flex	157,318	7.76%	0.00%	7.76%	7.76%	-	-	-	-	\$13.00
Modern Bulk	822,040	72.87%	0.00%	72.87%	72.28%	-	223,000	-	223,000	\$7.50
TOTAL	4,274,214	24.33%	0.00%	24.33%	24.33%	-	310,394	-	223,000	\$7.93

East										
General Industrial	32,062,495	3.16%	0.00%	2.64%	2.81%	200,516	281,776	55,080	151,000	\$9.67
Flex	1,308,932	10.35%	1.98%	7.58%	1.31%	(35,963)	(41,979)	-	56,504	\$9.34
Modern Bulk	3,235,603	6.28%	0.00%	12.12%	15.96%	150,826	389,356	-	412,480	-
TOTAL	36,607,030	3.69%	0.12%	3.65%	4.12%	315,379	629,153	55,080	468,984	\$9.64

Fairfield										
General Industrial	10,133,422	5.24%	0.00%	4.95%	4.95%	-	43,000	-	-	\$4.04
Flex	176,568	0.00%	0.00%	0.00%	0.00%	-	12,134	-	-	-
Modern Bulk	1,790,114	68.14%	0.00%	68.14%	25.96%	(755,160)	420,381	-	755,160	-
TOTAL	12,100,104	14.47%	0.00%	14.23%	8.22%	(755,160)	475,515	-	755,160	\$4.04

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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	21,471,882	2.78%	0.09%	2.68%	2.81%	34,920	246,502	-	-	\$5.90
Flex	755,837	3.02%	0.00%	3.02%	3.18%	1,171	(12,000)	-	-	\$7.00
Modern Bulk	25,807,931	15.37%	0.00%	15.37%	19.72%	2,265,904	3,031,836	3,255,000	2,891,420	\$6.74
TOTAL	48,035,650	9.55%	0.04%	11.68%	11.68%	2,301,995	(521,385)	3,255,000	2,891,420	\$6.67
Madison										
General Industrial	4,837,293	5.86%	0.00%	5.86%	0.00%	(283,584)	(283,584)	-	-	-
Flex	37,474	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
Modern Bulk	16,449,817	16.46%	0.00%	16.46%	20.17%	610,479	(237,801)	-	-	\$5.54
TOTAL	21,324,584	14.03%	0.00%	14.03%	15.56%	326,895	(521,385)	-	-	\$5.54
North										
General Industrial	12,093,355	4.36%	0.16%	2.84%	2.66%	(21,546)	(148,649)	-	-	\$8.84
Flex	3,468,913	3.83%	0.62%	1.48%	2.28%	18,187	(30,891)	-	-	\$10.20
Modern Bulk	2,911,457	24.31%	0.00%	24.31%	24.31%	-	-	-	-	-
TOTAL	18,473,715	7.40%	0.22%	5.97%	6.00%	(3,359)	(179,540)	-	-	\$9.43
Delaware										
General Industrial	12,767,336	7.43%	0.00%	6.96%	6.76%	28,165	(382,078)	-	-	\$9.20
Flex	1,333,194	3.79%	0.00%	3.79%	4.25%	6,000	26,000	-	-	\$11.78
Modern Bulk	3,005,490	4.25%	0.00%	4.25%	0.00%	127,947	551,947	-	679,947	\$9.00
TOTAL	17,106,020	6.59%	0.00%	6.24%	5.46%	162,112	195,869	-	679,947	\$9.49
Pickaway										
General Industrial	5,717,217	8.46%	0.00%	10.11%	6.33%	(216,401)	(294,417)	-	-	-
Flex	96,641	21.52%	0.00%	21.52%	21.52%	-	-	-	-	\$8.95
Modern Bulk	13,222,000	29.88%	3.60%	22.42%	13.47%	(514,490)	(639,490)	351,120	773,114	\$6.50
TOTAL	19,035,858	23.40%	2.50%	18.72%	11.27%	(730,891)	(933,907)	351,120	773,114	\$6.54

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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	6.36%	1.01%	3.92%	1.98%	(583,428)	(599,406)	-	-	\$5.68
Flex	990,740	4.14%	0.00%	4.14%	9.76%	55,731	(11,600)	-	-	\$9.14
Modern Bulk	45,681,176	7.53%	0.03%	8.20%	6.75%	713,012	1,451,947	-	2,046,314	\$5.31
TOTAL	101,620,668	6.86%	0.56%	5.84%	4.18%	185,315	840,941	-	2,046,314	\$5.54
Southwest										
General Industrial	18,281,447	10.15%	0.56%	8.13%	4.72%	(652,448)	(836,934)	-	66,233	\$11.78
Flex	308,208	45.44%	0.00%	45.44%	0.00%	-	5,000	-	135,000	-
Modern Bulk	4,945,417	4.97%	0.00%	16.18%	16.18%	-	(468,000)	-	-	\$7.00
TOTAL	23,535,072	11.51%	0.44%	10.29%	7.11%	(652,448)	(1,299,934)	-	135,000	\$8.33
Union										
General Industrial	11,387,004	2.51%	0.21%	2.29%	2.10%	(22,4468)	(75,434)	-	16,385	\$8.39
Flex	461,241	14.44%	0.00%	13.35%	14.22%	4,000	(14,068)	24,000	55,000	\$12.31
Modern Bulk	2,424,040	0.00%	0.00%	0.00%	0.00%	-	-	-	308,140	-
TOTAL	14,272,285	2.47%	0.17%	2.26%	2.13%	(18,468)	(89,502)	24,000	379,525	\$9.26
West										
General Industrial	43,091,563	12.96%	0.27%	12.33%	2.21%	(4,170,609)	(4,435,868)	318,900	194,069	\$7.67
Flex	1,697,652	20.20%	1.22%	17.12%	6.66%	10,710	(29,792)	-	206,786	\$10.52
Modern Bulk	1,468,657	41.95%	0.00%	54.46%	54.46%	-	-	-	-	\$9.50
TOTAL	46,357,872	14.15%	0.30%	13.84%	4.02%	(4,159,889)	(4,542,166)	318,900	194,069	\$8.62

FOR MORE INFORMATION
Collin Fitzgerald
Research Manager
Columbus
+1 614 436 9800
collin.fitzgerald@colliers.com

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