



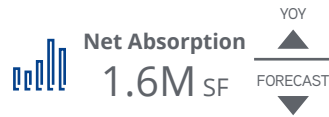
Columbus

Industrial

23Q1

Key Takeaways

- Net absorption for Q1 is 1.6 million square feet
- Vacancy stayed low at just under 3.9 percent
- 322,500 SF of construction broke ground this quarter



Regional Summary

The Columbus industrial market had a solid first quarter with ten construction completions and over 1.6 million square feet of net absorption for the first quarter. The vacancy rate is 3.86 percent with asking rates steady at \$6.96. Overall construction activity decreased from last quarter. With a total of 5,051,067 square feet completed in the first quarter, 14,725,285 square feet remains under construction. We expect speculative construction to slow but build-to-suit construction to remain steady. The available sublease space has increased compared to last quarter with nearly one percent of inventory available for sublease.

Market Indicators



3.75%
Columbus
Unemployment
Rate



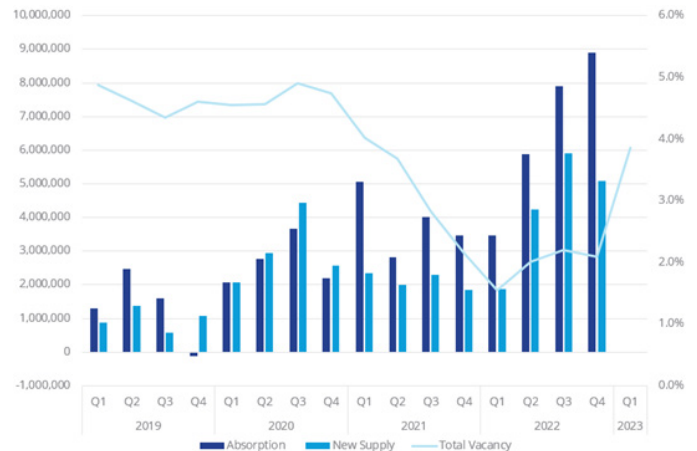
1.06%
Columbus GDP-
Quarterly %
change yr/yr



3.48%
U.S. 10 Year
Treasury Note

	23Q1 Current
Total Inventory	325,673,548*
New Supply	5,051,067
Net Absorption	1,646,875
Overall Vacancy	3.86%
Under Construction	14,725,285
Overall Asking Lease Rates (NNN)	\$6.96

Market Graph



The industrial market has seen consistent development and positive absorption in recent years.

*A new statistics set for reporting trends was created at the beginning of 2023. Please note that when comparing current trends to past quarters, there will be discrepancies. Properties Colliers | Columbus tracks are 10,000 square feet and above, industrial and flex properties, single and multi-tenant and now includes owner occupied buildings.

Recent Transactions



User Sale
3600 Etna Pkwy
Licking | 1.09M SF



Investment Sale
1417 Rail Southern Ct
Southeast | 582K SF



**Investment
Multi-Property Sale**
5730/5830 Saltzgaber Rd
Southeast | 488K SF



Investment Sale
1050 Dearborn Dr
North | 407K SF



Investment Sale
1770-1826 Joyce Ave
North | 340K SF



Investment Sale
2099 John Glenn Ave
Southeast | 165K SF



Vacancy

The vacancy rate this quarter is 3.86 percent. The submarkets with the highest vacancy rates are largely in part to construction completions that are not yet leased. The Madison submarket has the highest rate at 9.60 percent. The Licking submarket has the second highest vacancy rate with 9157 Mink Street being delivered this quarter. The CBD and Fairfield submarkets had the lowest vacancy rates both under one percent.

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 over 3.3 million square feet.

Construction

Construction activity remains consistent this quarter. The majority of submarkets are tracking well over 800,000 square feet under construction. The Licking submarket leads with seven projects underway, six of them being modern bulk buildings. Six of these projects are in New Albany near the Intel campus. While speculative construction comprises most of the activity at 74 percent, we anticipate a shift into a build-to-suit market as interest rates remain high.

Completions

The market saw approximately five million square feet of completions this quarter. The Pickaway submarket saw the most growth adding 10302 Transport Street, 4023 and 4229 Raymond Ave totaling over two million square feet. The Licking and Southeast submarkets both saw two projects deliver. The East, Madison and North submarkets each came in with one completion.

Sales

The first quarter showed strong sales volume for the beginning of 2023. Over 3.8 million square feet sold in the greater Columbus area this quarter alone. The majority of sales were in the Southeast and Southwest submarkets.

Invenergy purchased Red Chip Farms (3600 Etna Parkway) for over \$100 million (\$92 PSF), coming in as the largest sale of the quarter. Transwestern Investment Group bought 1417 Rail Southern Court with over half a million square feet for \$52 million (\$89 PSF) near the end of the quarter. Groveport Logistics Center Buildings One and Two traded for \$45 million (\$92 PSF).

Significant Sales Activity

Address	Size	Buyer	Seller	Sales Price
3600 Etna Pkwy	1,092,000	Invenergy	Westport Capital Partners, LLC	\$100,924,000
1417 Rail Southern Ct	582,400	Transwestern Investment Group	Prologis	\$52,000,000
5730/5830 Saltzbager Road	488,000	Sarofirm Realty Advisors	Paul Hemmer Companies	\$45,000,000
1050 Dearborn Drive	407,325	1050 Dearborn, LLC	Vertiv	\$16,576,869
1770-1826 Joyce Ave	340,000	W.P. Carey Inc.	Plaskolite	\$22,525,050
2099 John Glenn Ave	165,000	Apollo Realty Income Solutions, Inc.	Crawford Hoying	\$49,552,623
340 O' Neill Drive	125,000	Hebron Real Estate Partners, LLC	G & C Diversified, LLC	\$6,800,000
100 Colomet Drive	36,222	Ohio Steel Industries	Chroma Color Corporation	\$2,500,000

Significant Lease Activity

Address	Size	Tenant	Landlord	Type
3420-3450 Urbancrest Industrial Drive	112,523	Lowe's Home Centers	Prologis	New
3188 Toy Road	106,754	Ferguson Enterprises, LLC	Molto Properties	New
4545 Fisher Road	80,484	CLB Logistics Group, LLC	IRG Realty Advisors	New
1711-1715 Georgesville Road	72,600	Pride Delivery and Installation LLC	Cabot Properties	New
1655 Watkins Road	64,720	AS America, Inc.	IKO Industries LTD	New
0 Horizon Ct - Bldg 10	50,983	Lansing Building Products, LLC	New Albany Data Center SPE, LLC	New
6275 Winchester Blvd	44,820	JJ Haines & Company LLC	Tenby	New

Bold Denotes Colliers Represented Transaction

Submarket	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries	Avg Direct Asking Rate (NNN)
CBD	2,723,729	32.00%	0.00%	0.45%	4.67%	-	-	859,240	-	\$7.38
East	35,035,560	5.02%	0.18%	2.85%	1.92%	(143,443)	(143,443)	1,101,904	178,886	\$6.90
Fairfield	10,527,207	14.06%	3.24%	0.67%	1.57%	(29,000)	(29,000)	1,034,472	-	\$6.22
Licking	39,260,769	14.52%	0.67%	7.06%	0.72%	876,930	876,930	3,646,039	742,860	\$5.86
Madison	19,134,140	14.85%	0.00%	9.60%	2.78%	-	-	1,004,500	747,520	\$6.54
North	13,112,632	11.73%	0.65%	8.99%	2.15%	(318,101)	(318,101)	410,244	707,940	\$8.31
Delaware	15,150,964	4.02%	0.38%	1.08%	1.60%	(567)	(567)	837,943	-	\$7.99
Pickaway	17,334,490	21.98%	6.89%	7.05%	0.00%	598,754	598,754	1,483,072	2,038,767	\$5.95
Southeast	96,088,515	5.97%	0.42%	3.75%	3.28%	558,776	558,776	1,610,186	635,094	\$6.06
Southwest	22,829,184	4.37%	0.82%	0.83%	1.46%	(14,182)	(14,182)	398,748	-	\$7.49
Union	11,666,208	3.22%	0.44%	0.71%	1.83%	16,854	16,854	1,531,174	-	\$8.03
West	42,810,150	6.34%	0.54%	1.03%	1.60%	100,854	100,854	910,549	-	\$7.48
TOTAL	325,673,548	8.73%	0.88%	3.86%	2.09%	1,646,875	1,646,875	14,725,285	5,051,067	\$6.96

*Deviations in comparing the previous quarter vacancy rates are due to the formation of the new statistic set.

Property Type	Total Inventory SF	Availability Rate	Sublease Availability Rate	Direct Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries	Avg Direct Asking Rate (NNN)
R&D Flex	7,925,272	5.64%	0.08%	3.59%	2.00%	8,358	8,358	99,774	-	\$9.16
General Industrial	235,913,052	4.48%	0.56%	1.95%	2.37%	(158,838)	(158,838)	5,254,732	1,566,920	\$6.84
Modern Bulk	81,835,224	21.29%	1.90%	9.40%	2.00%	1,797,355	1,797,355	9,473,565	3,484,147	\$5.33
TOTAL	325,673,548	8.73%	0.88%	3.86%	2.09%	1,646,875	1,646,875	14,725,285	5,051,067	\$6.96



Available Sublease Space Increases

Industrial sublease space has increased over the last quarter. Since the beginning of 2022, available sublease space has increased by almost 46 percent and is projected to continue to rise. Amanda Ortiz, Colliers Director, National Industrial Research, stated that occupiers could have overestimated “the amount of space needed to satisfy a just-in-case inventory strategy.” This could influence the demand for industrial space. The surplus of space leased throughout the pandemic no longer seems essential for some occupants.

Source: Globe St.

FOR MORE INFORMATION
 Brooke Ferman
 Research Analyst
 Columbus
 +1 614 436 9800
brooke.ferman@colliers.com

Copyright © 2023 Colliers
 The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.