



Columbus Industrial Market

Strong Demand Set Another Record Low Vacancy Rate

The Columbus industrial market ended the first quarter of 2022 with its lowest vacancy rate in the last five years. The market continued a downward trend in vacancy by recording positive absorption above 4 million square feet, dominated by warehouses and distribution centers. In fact, for three consecutive quarters, the market recorded positive absorption above 4 million square feet, indicating a high demand for industrial space, especially for warehouses and logistics centers. These factors demonstrate that the Columbus industrial market has shown resiliency during the pandemic.

Several large new lease occupations paced the positive absorption. Home Depot occupied the largest space this past quarter with over 1 million square feet at 70 Enterprise Pkwy. in the Madison submarket, followed by Owens Corning occupied at 840 Thornwood Dr. with 750,000 square feet in the Licking County submarket. In addition, Honeywell Intelligrated occupied 507,398 square feet at 4100 Lockbourne Industrial Pkwy. in the Rickenbacker submarket. Whiplash, a Los Angeles-based third-party logistics company, occupied 437,589 square feet at 1225 Southgate Pkwy. in the Licking County submarket.

By maintaining net absorption above 4 million square feet, developers have been encouraged to build new projects. During the first quarter of 2022, 15.2 million square feet of industrial space was under construction across 34 properties, with deliveries scheduled by the end of this year.

Current Conditions

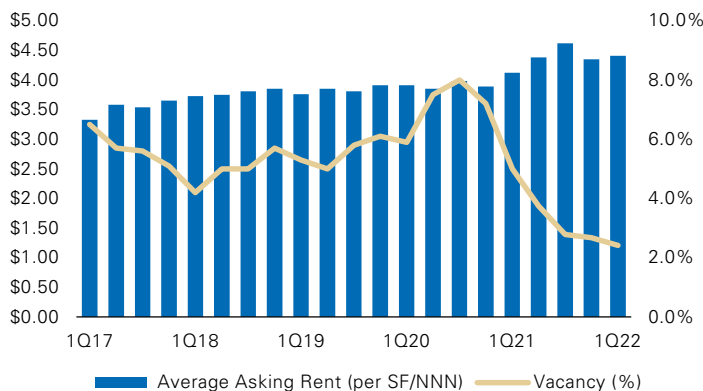
- The vacancy rate declined 27 basis points from the previous quarter and recorded its lowest tally in the past five years at 2.42%, indicating high demand with limited supply.
- The industrial market maintained a total absorbed space of over 4 million square feet, with an annual rental rate growth of 7.0%.
- With its strategic location, Columbus is attractive for new industrial developments, with 15.2 million square feet of industrial space under construction.

Market Summary

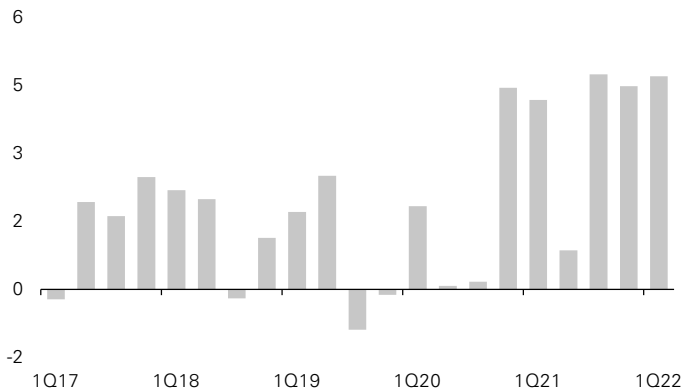
	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Total Inventory (SF)	263M	261M	255M	↑
Vacancy Rate	2.42%	2.69%	5.05%	↓
Quarterly Net Absorption (SF)	4.7M	4.4M	4.4M	↑
Average Asking Rent/SF	\$4.41	\$4.35	\$4.12	→
Under Construction (SF)	15.2M	16.4M	7.8M	↑

Market Analysis

ASKING RENT AND VACANCY RATE



NET ABSORPTION (SF, Millions)



Sales Activity

The total industrial space sold in the first quarter of 2022 was 2.7 million square feet. Industrial Logistic Properties Trust (ILPT) recorded the two most significant investment sales, in terms of price per square foot, with the largest transaction taking place at 8341 Industrial Pkwy., followed by 747 Mill Park Dr. ILPT bought both properties from Monmouth Real Estate Investment Corporation. 8341 Industrial Parkway was the largest property, square footage-wise, that was sold this past quarter. In addition, Cantor Fitzgerald Income Trust bought the 465,256 square feet of the cold storage building located at 5303 Fisher Rd. Twelve of the buildings that sold in the first quarter of 2022 measured more than 100,000 square feet.

Leasing Activity

The total leased industrial space in the first quarter of 2022 was approximately 6.5 million square feet. Home Depot leased the most amount of space at 1.1 million square feet at 70 Enterprise Pkwy. in the Madison County submarket. Hyperion leased 418,787 square feet at the former Columbus Dispatch printing plant located at 5300 Crosswind Dr. Hyperion plans to create nearly 700 local jobs. The Rickenbacker submarket was the most active submarket, with leases totaling 2.5 million square feet.

Construction Delivery in Columbus

As the first quarter of 2022 concluded, there were 34 projects under construction, with a total supply of 15.2 million square feet spread across 10 submarkets in the Columbus industrial market. The Rickenbacker submarket will dominate future supply for industrial space, with 6.2 million square feet of under-construction projects.

The largest development underway during the first quarter of 2022 was in Commercial Point at 521 Exchange Way. This VanTrust project is situated near the Rickenbacker Logistics Hub in Pickaway County and had 1.2 million square feet of industrial space under construction on a 90-acre lot. 521 Exchange Way is set for completion in the second quarter of 2022.

With increasing demand for industrial space, developers continued to propose future industrial projects, many speculative. So far this year, there have been 63 proposed projects, totaling 31.1 million square feet. This proposed industrial space will likely attract potential tenants with continued warehouse and logistics demand in the region.

Select Sales Transactions

Building/Address	Submarket	Sale Price	Price/SF	Square Feet
8341 Industrial Parkway	Union County	\$117,033,614	\$239.87	487,900
747 Mill Park Drive	Fairfield County	\$19,792,518	\$129.36	153,000
3101 Agler Road	East	\$20,000,000	\$125.00	160,000
5303 Fisher Road	West	\$58,000,000	\$124.66	465,256
2849 Moreland Avenue SE	West	\$41,713,356	\$96.96	430,212
3775 Zane Trace Drive	West	\$5,625,000	\$93.75	60,000
161 N. Grant Avenue	Central	\$5,000,057	\$93.62	53,408

Select Lease Transactions

Tenant	Submarket	Building/Address	Type	Square Feet
Home Depot	Madison County	70 Enterprise Parkway	Direct	1,122,212
Treehouse Foods	Rickenbacker	3099 Rohr Road	Direct	717,717
Cardinal Health	Rickenbacker	9756 Heartland Court	Direct	574,560
ODW Logistics	Rickenbacker	5465 Centerpoint Parkway	Renewal	470,190
Hyperion	Southwest	5300 Crosswind Drive	Direct	418,787
UCS Logistics	Southwest	3500 Urbancrest Industrial Court	Direct	100,000
Walgreens	Southeast	6215 Winchester Boulevard	Direct	71,643

RESEARCH Q1 2022

Submarket Statistics (Overall)						
Submarket	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr. Absorption (SF)	YTD Absorption (SF)	Total Average Asking Rent (Price/SF)
Central	23,505,378	-	2.29%	137,891	137,891	\$5.16
Delaware County	11,362,008	-	0.90%	13,030	13,030	\$6.71
East	15,996,692	144,000	4.71%	(176,366)	(176,366)	\$5.69
Fairfield County	7,748,130	-	2.55%	(76,148)	(76,148)	\$4.25
I-70 East	8,095,447	-	2.22%	53,064	53,064	\$7.10
Licking County	23,668,587	3,912,980	1.49%	1,456,373	1,456,373	\$3.50
Madison County	16,754,851	1,090,000	3.13%	1,122,212	1,122,212	\$3.75
Morrow County	1,609,847	-	-	-	-	-
Northeast	15,070,305	1,515,933	1.39%	25,574	25,574	\$5.30
Northwest	1,826,015	142,109	11.62%	(8,628)	(8,628)	\$7.90
Pickaway County	5,366,669	1,194,865	3.12%	-	-	\$3.50
Rickenbacker	52,342,835	6,254,212	1.27%	866,780	866,780	\$3.82
Southeast	18,506,362	474,000	2.44%	846,601	846,601	\$4.58
Southwest	18,804,068	316,241	7.13%	68,717	68,717	\$4.75
Union County	11,210,009	-	1.08%	19,889	19,889	\$6.95
West	31,030,104	136,140	1.79%	357,519	357,519	\$5.00
Market	262,897,307	15,180,480	2.42%	4,706,508	4,706,508	\$4.41

Property Type Statistics						
Property Type	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr. Absorption (SF)	YTD Absorption (SF)	Total Average Asking Rent (Price/SF)
General Industrial	36,317,192	954,289	3.34%	(38,259)	(38,259)	\$4.56
R&D/ Flex	8,127,771	1,292,318	3.99%	144,785	144,785	\$8.33
Warehouse/ Distribution	218,458,344	12,933,873	2.21%	4,599,982	4,599,982	\$4.71
Market	262,897,307	15,180,480	2.42%	4,706,508	4,706,508	\$4.41

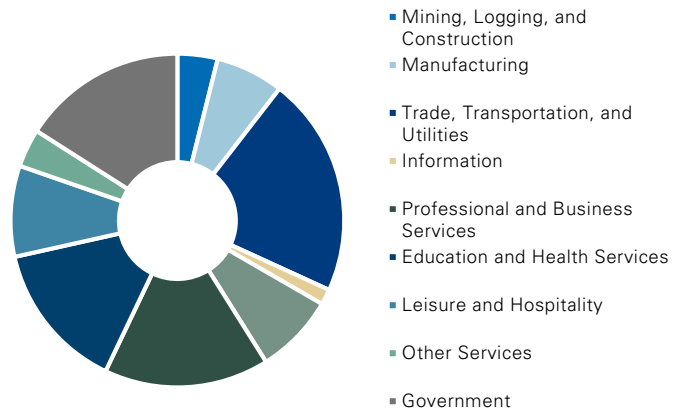
Economic Conditions

The Greater Columbus economy started strong in the first quarter of 2022, with the unemployment rate registering lower than the national and state level. The unemployment rate was 3.8%, down from 5.3% in January 2021. Columbus also showed an increase in the change of total payroll employment to 1.9% compared to the previous period, which fell by 4.2%. The Consumer Price Index for Columbus was up 7.9% year over year.

Another indicator that showed the occurrence of economic recovery in Columbus was employment growth based on the industrial sector. Only three sectors saw employment loss: financial activities at -0.6%; professional and business services at -1.0%; and government at -2.0%. The leisure and hospitality industry showed a rebound to pre-pandemic levels, with the highest employment growth of 13.0%, followed by the information sector at 8.6% and other services at 5.2%.

Employment by Industry

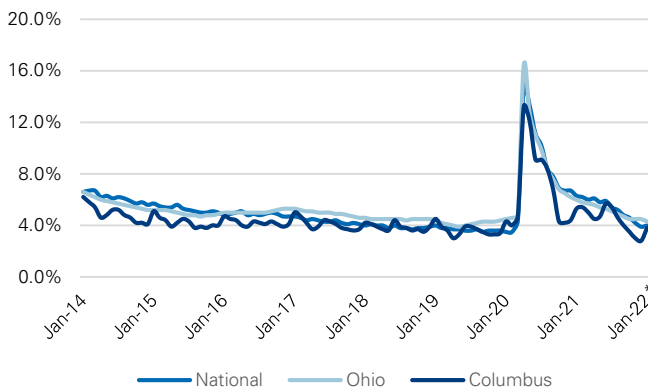
COLUMBUS



Source: U.S. Bureau of Labor Statistics

Unemployment Rate

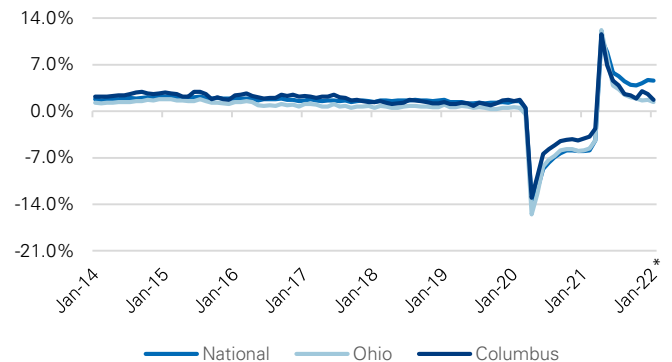
SEASONALLY ADJUSTED



Source: U.S. Bureau of Labor Statistics (*preliminary)

Payroll Employment

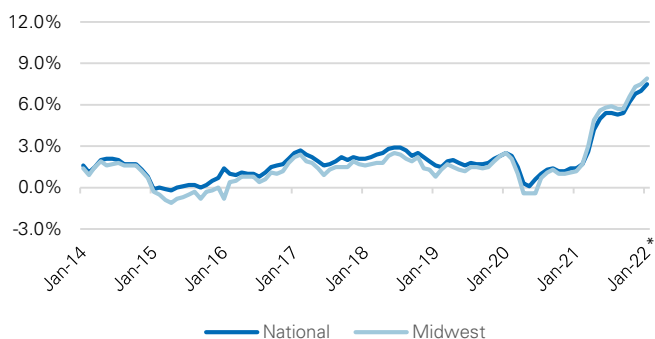
TOTAL NONFARM, NOT SEASONALLY ADJUSTED, 12-MONTH % CHANGE



Source: U.S. Bureau of Labor Statistics (*preliminary)

Consumer Price Index (CPI)

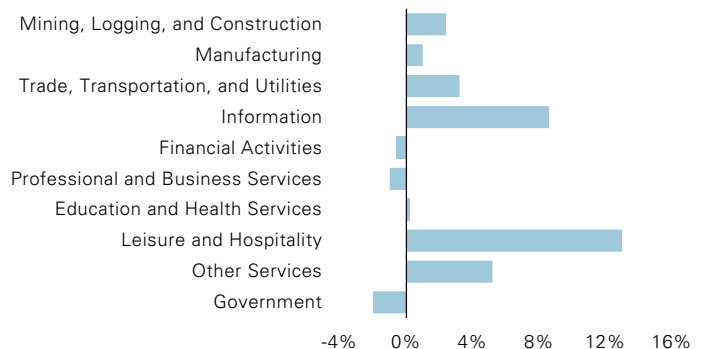
ALL ITEMS, NOT SEASONALLY ADJUSTED, 12-MONTH % CHANGE



Source: U.S. Bureau of Labor Statistics (*preliminary)

Employment Growth by Industry

COLUMBUS, Jan. 2022 (preliminary) 12-MONTH % CHANGE, SEASONALLY ADJUSTED

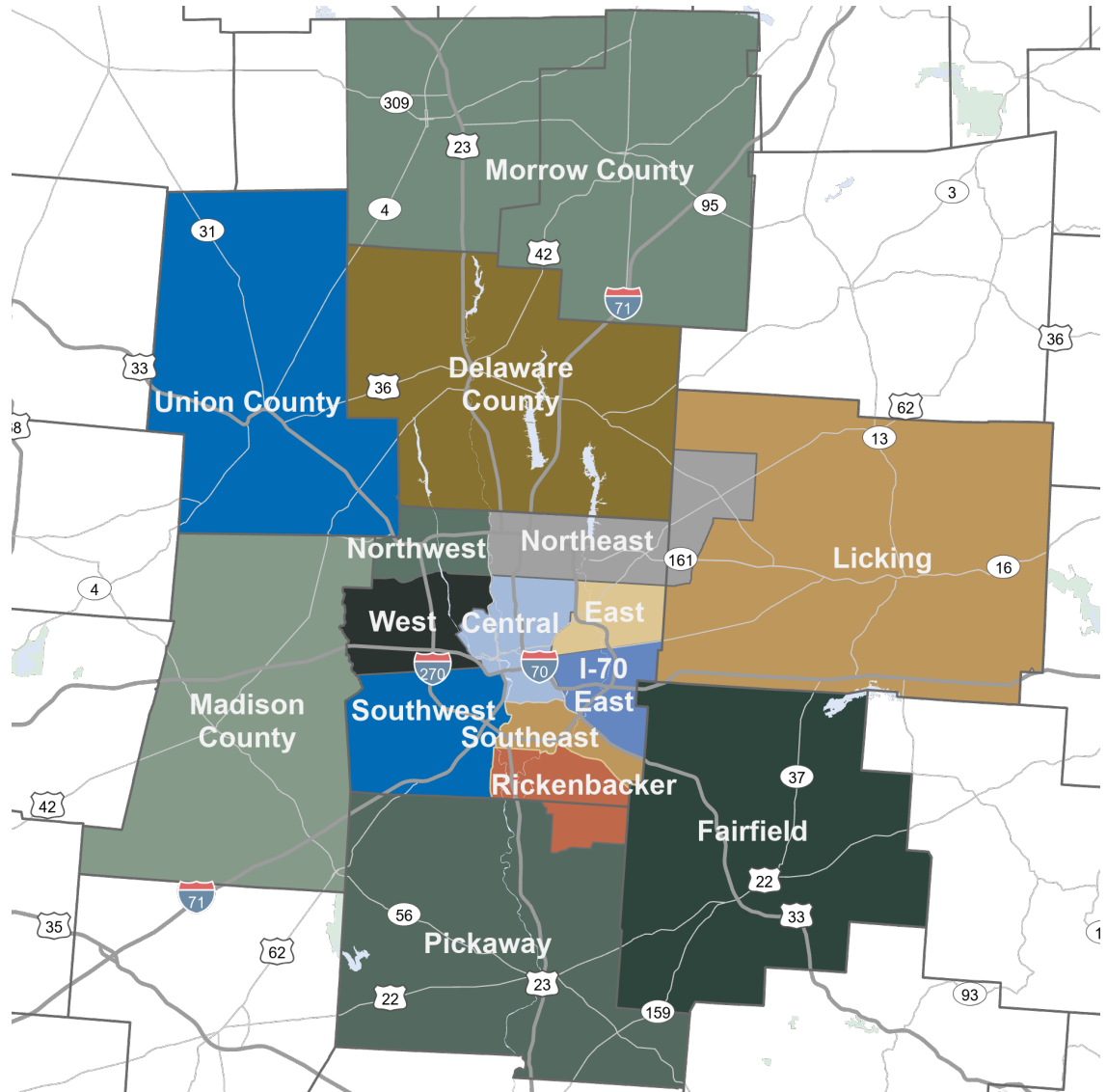


Source: U.S. Bureau of Labor Statistics

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