
4Q24

Columbus Industrial Market Overview

With Supplemental Slides

NEWMARK

Market Observations

Economy

- The Columbus metro’s economy lost jobs in year-over-year percentages in September through November. The MSA’s total nonfarm employment decreased annually by 0.3% in November after falling 0.3% and 0.5% in September and October, respectively. National nonfarm employment increased by 1.4% in November.
- Columbus’s unemployment rate in November of 2024 came in at 4.0%, which was flat from October after remaining steady at 4.2% from July to September.
- The Mining, Logging, and Construction sector led all industries in annual job growth at 8.0% in November for the Columbus MSA. All other sectors, including the two other industrial-using employment sectors or adjacent industries, saw annual job losses. The Manufacturing sector tallied a negative 2.0% loss and Trade, Transportation, and Utilities had a job decrease of 3.7% over the last 12 months.

Major Transactions

- Renewals once again dominated the top of the past quarter’s lease signings. Staples, Crane Worldwide Logistics, NFI Industries, Kamps, and Total Distribution, Inc. all signed renewals over 200,000 SF. Beitler Logistics inked a new 327,200 SF lease at 4450 S. Hamilton Rd. in the Southeast submarket, while a 223,872 SF direct lease was signed at 7915 Smith's Mill Rd. by Nefco in the Northeast submarket.
- The DSV build-to-suit in the Licking County submarket measuring 1.2 million SF delivered in the fourth quarter. Also delivering to the market was the 400,000 SF Coca-Cola Consolidated distribution center and the 350,000 Cardinal Health Consumer Health Logistics Center, both in the Rickenbacker submarket. In total, just under 2.4 million SF of new product came to inventory in the fourth quarter.
- AREIT and EQT Exeter were both active buyers in the fourth quarter, with each investor adding four Columbus-area properties to its overall portfolio. The top sale of the past quarter in terms of price per square foot was the MSG Ohio LLC purchase of the 130,000 SF warehouse located at 9360 Innovation Campus Way for \$21.9 million, or \$168.46/SF, from Tenby Partners.

Leasing Market Fundamentals

- Despite finishing the year at positive 1.2 million SF in net absorption, the Columbus industrial market’s 2024 tally was its lowest since 2010. The fourth quarter netted negative 600,744 SF feet of absorption, and the market’s 9.1% vacancy rate increased by 90 basis points from the prior quarter, which brought the rate for the year to 8.2%, and kept it higher than the 20-year long-term average vacancy rate of 7.7%.
- The closing of the 3.8 million SF Big Lots distribution center in the West submarket, along with Amazon moving out of 514,490 SF at 3538 Tradeport Ct. in the Rickenbacker submarket, put a damper on an otherwise solid quarter for the Columbus industrial market.
- Yearly rental rates have continued to go up since 2019, but growth has regressed. In fact, the fourth quarter’s average asking rental rate was \$5.80/SF, down for the second straight quarter, and by \$0.11/SF from the previous quarter.

Outlook

- Most of the speculative construction starts for proposed Class A warehouse projects continued to be delayed. Build-to-suit construction continued to be the dominant type that is underway.
- Interest in general industrial/manufacturing properties soared in 2024, as this property subtype achieved 1.4 million SF in positive absorption for the year. On the other hand, warehouse/distribution properties finished the year in the negative. This trend will likely continue as companies with tariff concerns look stateside, and especially in Ohio, in bids to onshore their operations and avoid additional costs.
- As 2024 ended there was about a year’s worth of warehouse space available. The market assumed leasing would slow significantly, and it did, but not as badly as expected, and without the delivery of as many new speculative properties as in the recent past. As developers continue to hit the brakes on spec warehouses, 2025 will be a tenant’s market, but if current trends continue landlords with empty warehouse space in 2026 could end up charging a premium.

1. Economy
2. Leasing Market Fundamentals
3. Appendix / Tables

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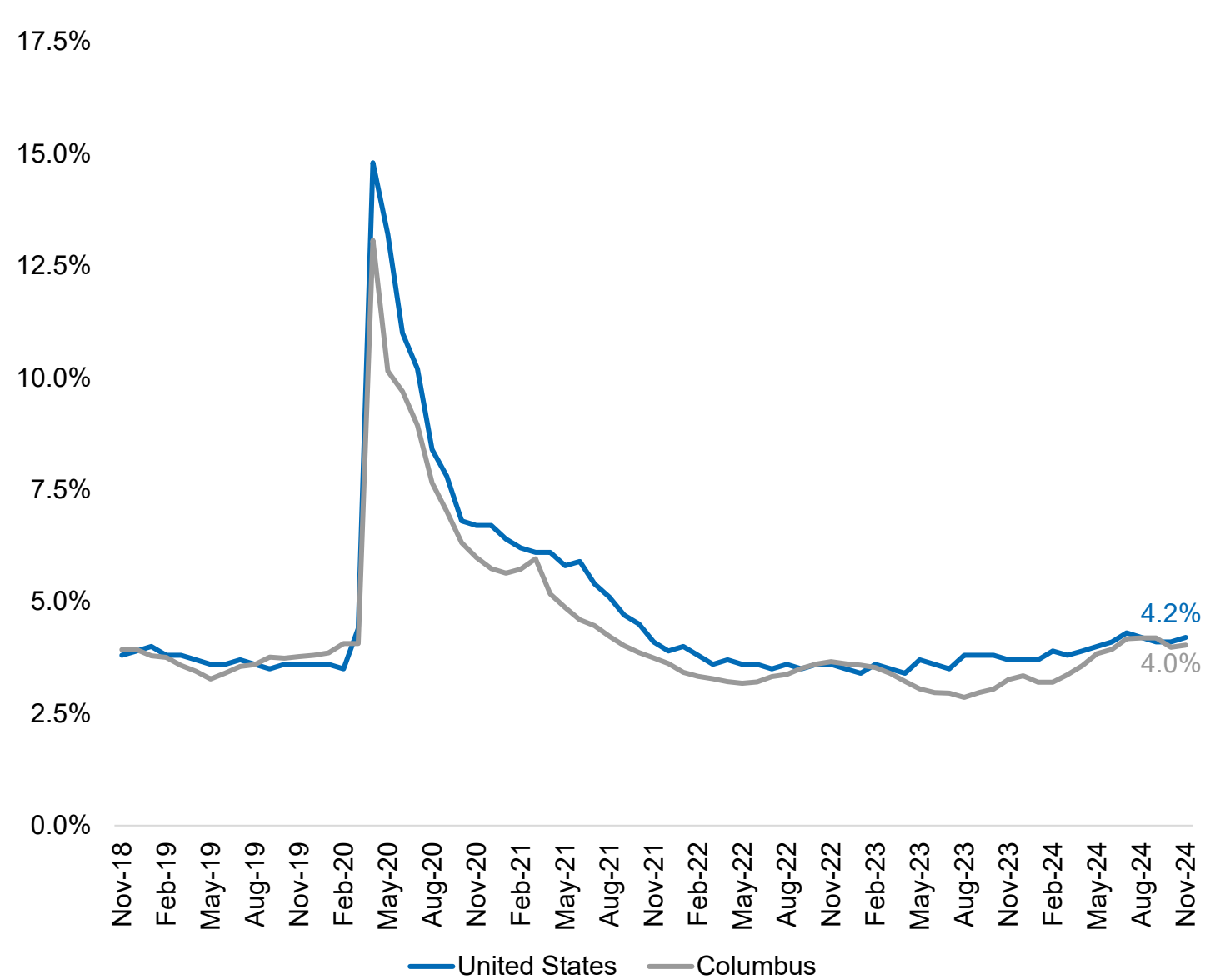
Economy



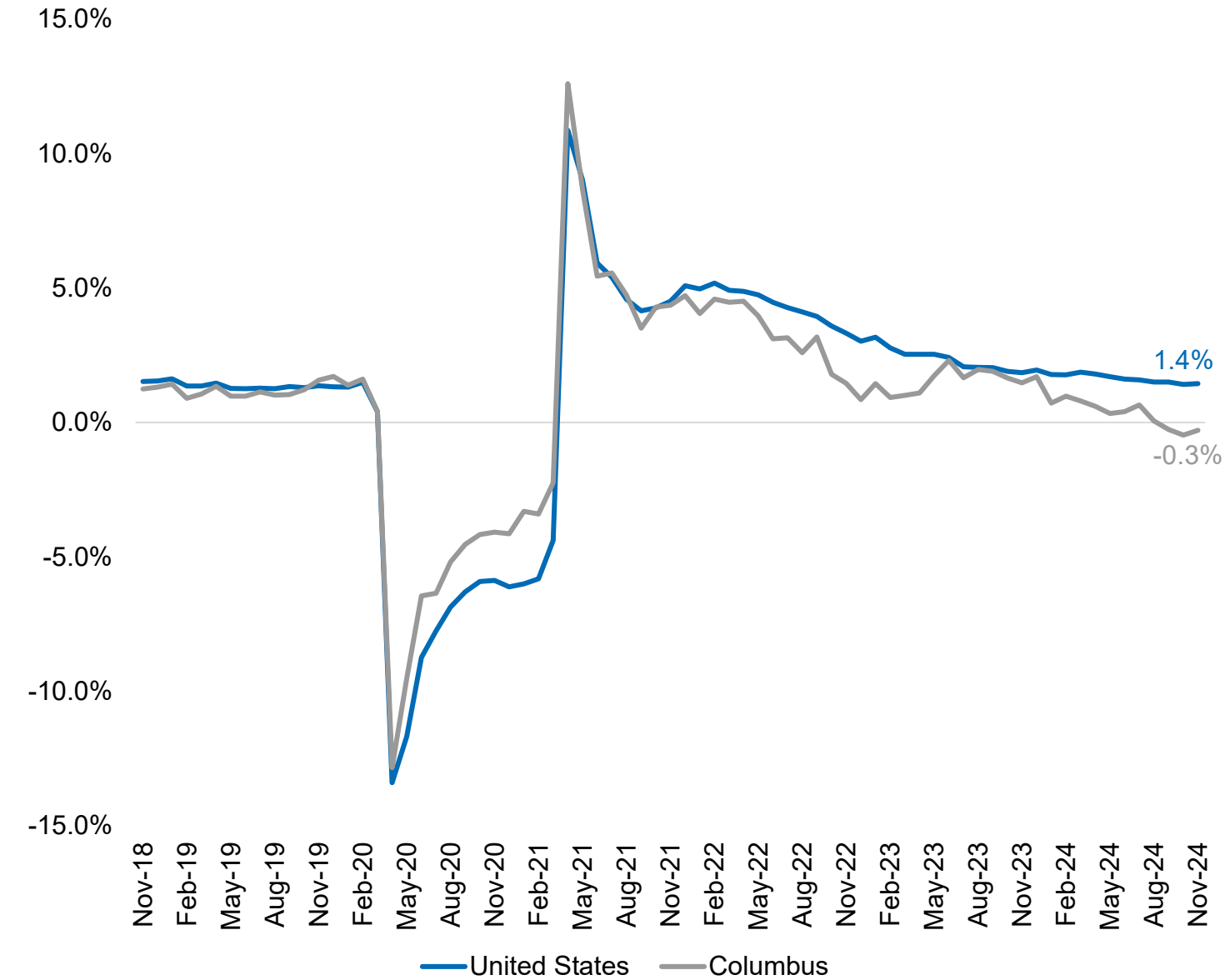
Columbus and United States Unemployment and Nonfarm Employment Trends

The Columbus metro's economy lost jobs in year-over-year percentages in September through November. The MSA's total nonfarm employment decreased annually by 0.3% in November after falling 0.3% and 0.5% in September and October, respectively. National nonfarm employment increased by 1.4% in November. Columbus's unemployment rate in November of 2024 came in at 4.0%, which was flat from October after remaining steady at 4.2% from July to September. The national unemployment rate rose higher than Columbus in October, to 4.1% and then up to 4.2% in November.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

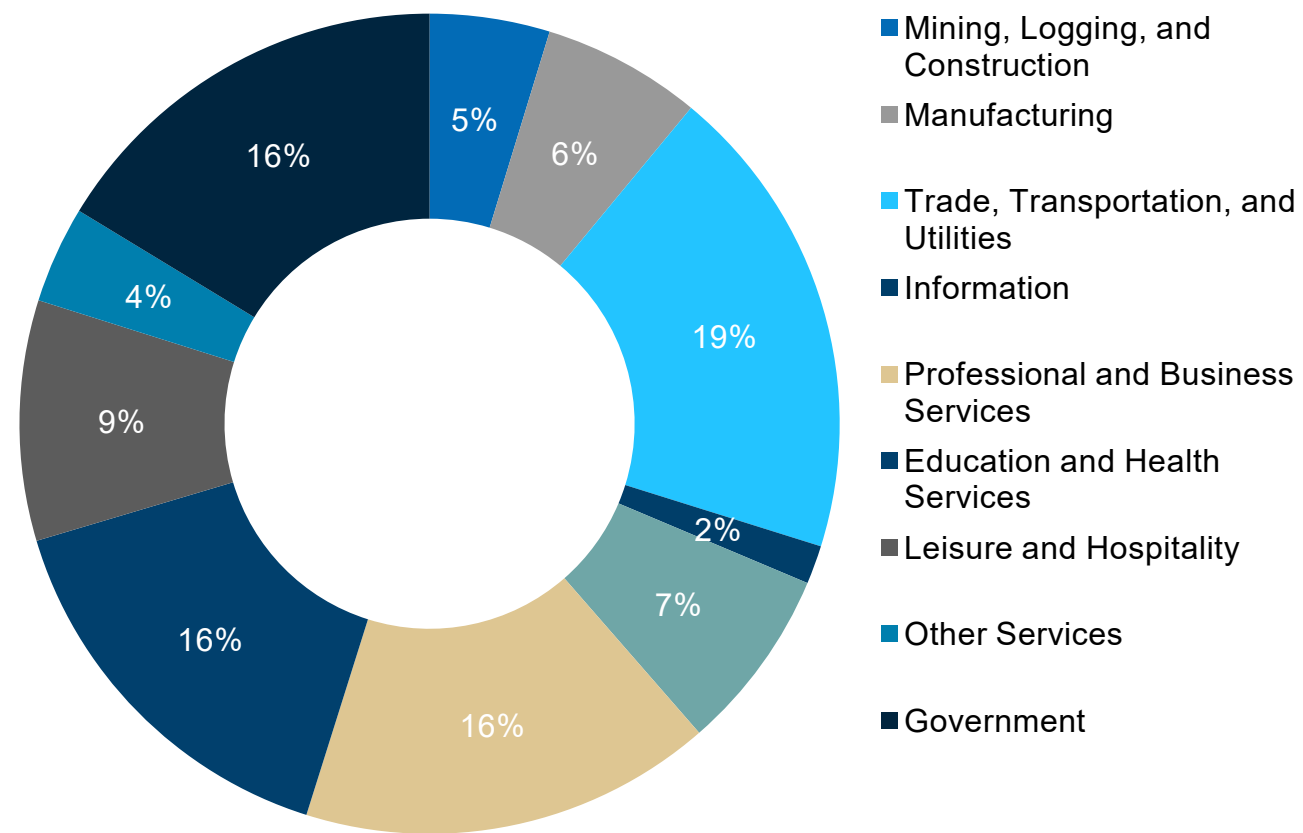


Source: U.S. Bureau of Labor Statistics, Columbus MSA

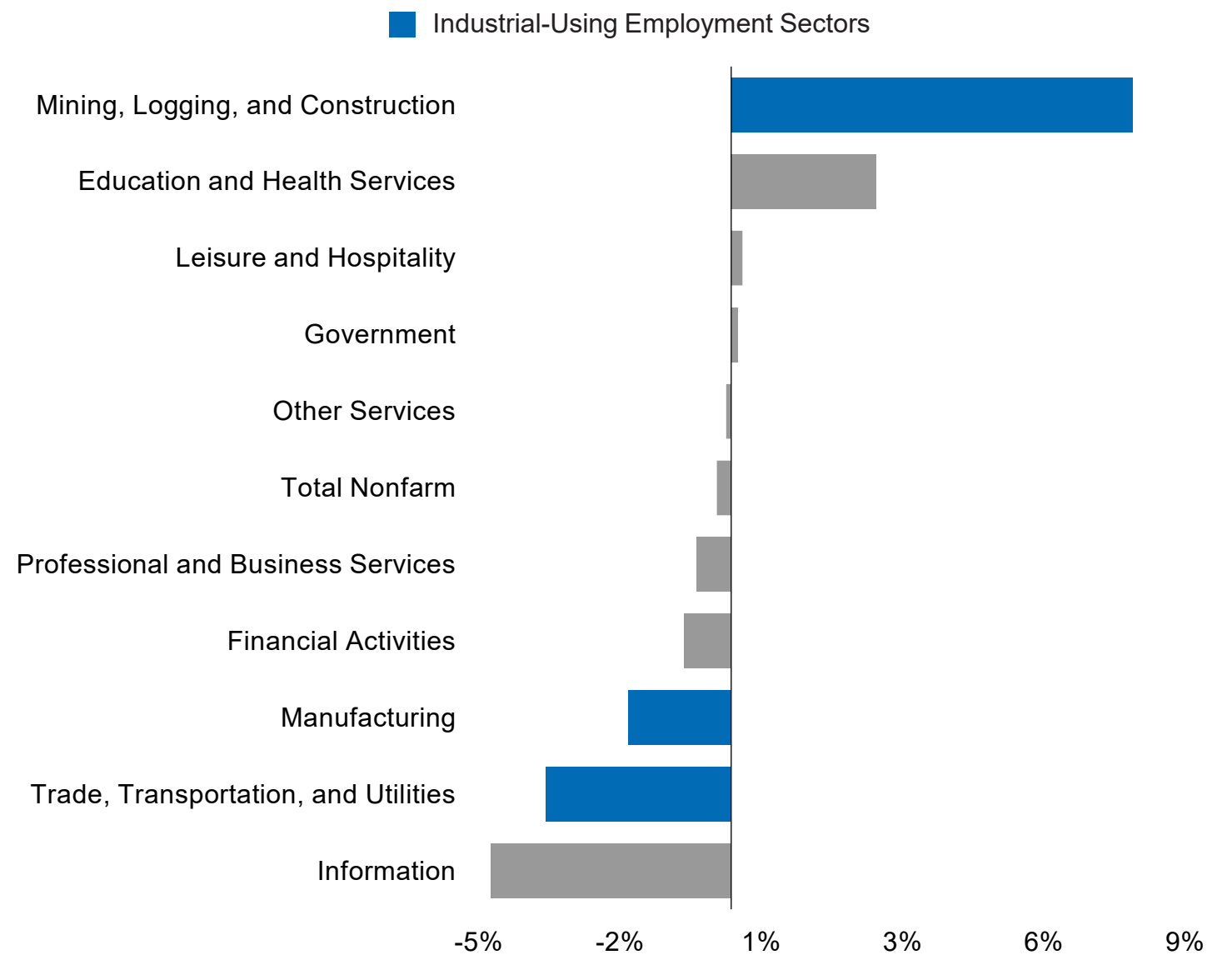
Mining, Logging, and Construction Sector Leads Job Growth Year Over Year

The Mining, Logging, and Construction sector led all industries in annual job growth at 8.0% in November for the Columbus MSA. Education and Health Services grew by 2.9%, Leisure and Hospitality increased by 0.2%, and the Government sector had 0.1% growth. All other sectors, including the two other industrial-using employment sectors or adjacent industries, saw annual job losses. The Manufacturing sector tallied a negative 2.0% loss and Trade, Transportation, and Utilities had a job decrease of 3.7% over the last 12 months.

Employment by Industry, November 2024



Employment Growth by Industry, 12-Month % Change, November 2024

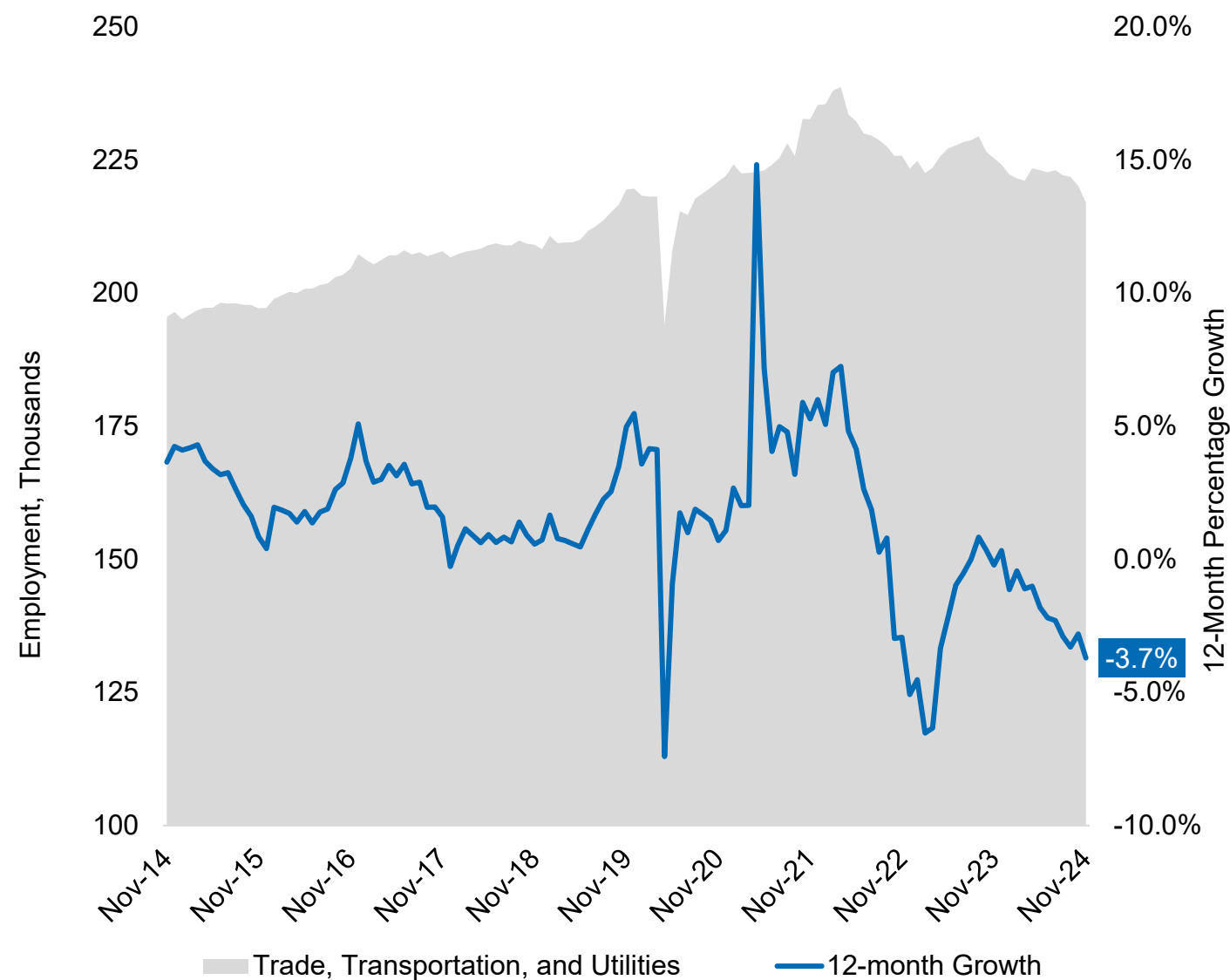


Source: U.S. Bureau of Labor Statistics, Columbus MSA

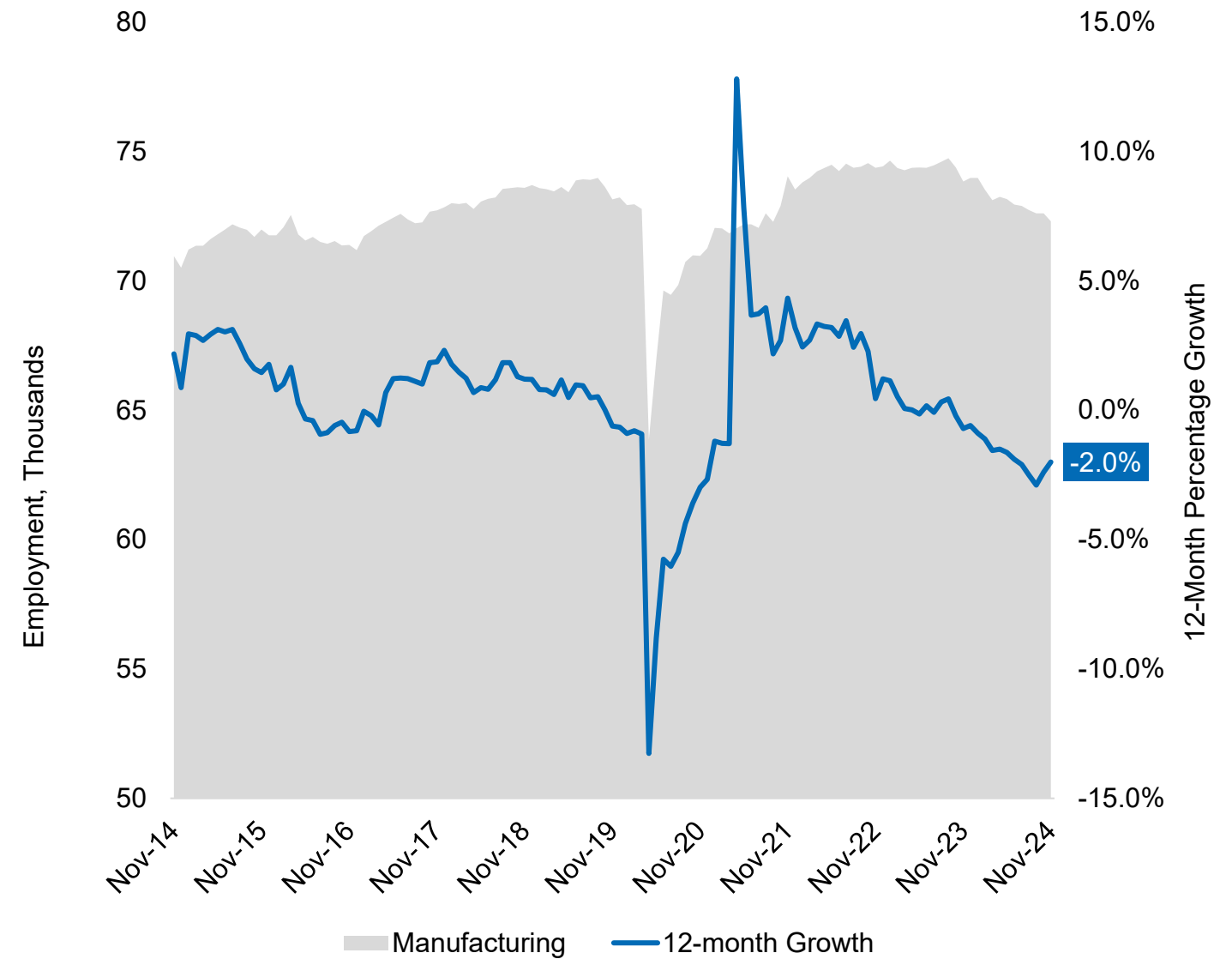
Two Significant Industrial Using Employment Sectors See Job Losses

Industrial using sectors saw losses year-over-year as decreased demand for goods and services directly impacted sectors like manufacturing and trade, transportation, and utilities. These industries are principally susceptible to ongoing supply chain disruptions and economic slowdowns. The Manufacturing sector tallied a negative 2.0% loss and Trade, Transportation, and Utilities had a job decrease of 3.7% over the last 12 months. Predicting the future performance of a specific sector, such as manufacturing in Columbus, involves considering a variety of factors, including current economic trends, policy changes, technological advancements, and global market conditions. As the overall economy rebounds from past disruptions, and as increased onshoring potentially takes hold as a result of the new administration's forecasted tariff policies, there may be increased demand for manufactured goods, as well as trade/transportation/utilities needs, which can drive growth in those sectors.

Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities



Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics, Columbus MSA

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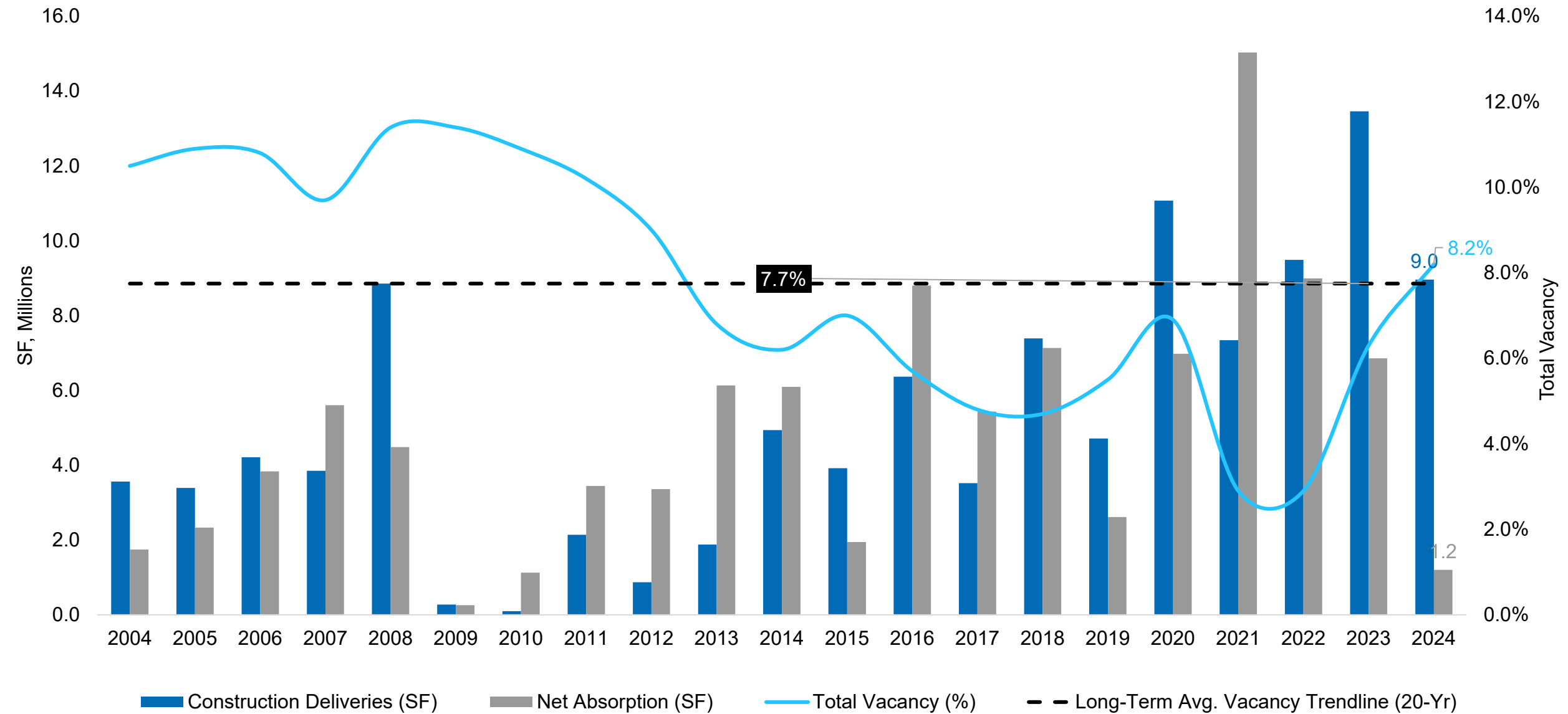
Leasing Market Fundamentals



Vacancy Up, Net Absorption in 2024 Lowest Since 2010

Despite finishing the year at positive 1.2 million SF in net absorption, the Columbus industrial market's 2024 tally was its lowest since 2010. The fourth quarter netted negative 600,744 SF feet of absorption. The shuttering of the 3.8 million SF Big Lots distribution center in the West submarket, along with Amazon moving out of 514,490 SF at 3538 Tradeport Ct. in the Rickenbacker submarket, put a damper on an otherwise solid fourth quarter. The fourth quarter's 9.1% vacancy rate did increase by 90 basis points from the prior quarter, which brought the rate for the year to 8.2%, and kept it higher than the 20-year long-term average vacancy rate of 7.7%. 2024 did see just under 9.0 million SF of new inventory deliver, which was down from the last two years, but amongst the highest in the last 20 years.

Historical Construction Deliveries, Net Absorption, and Vacancy

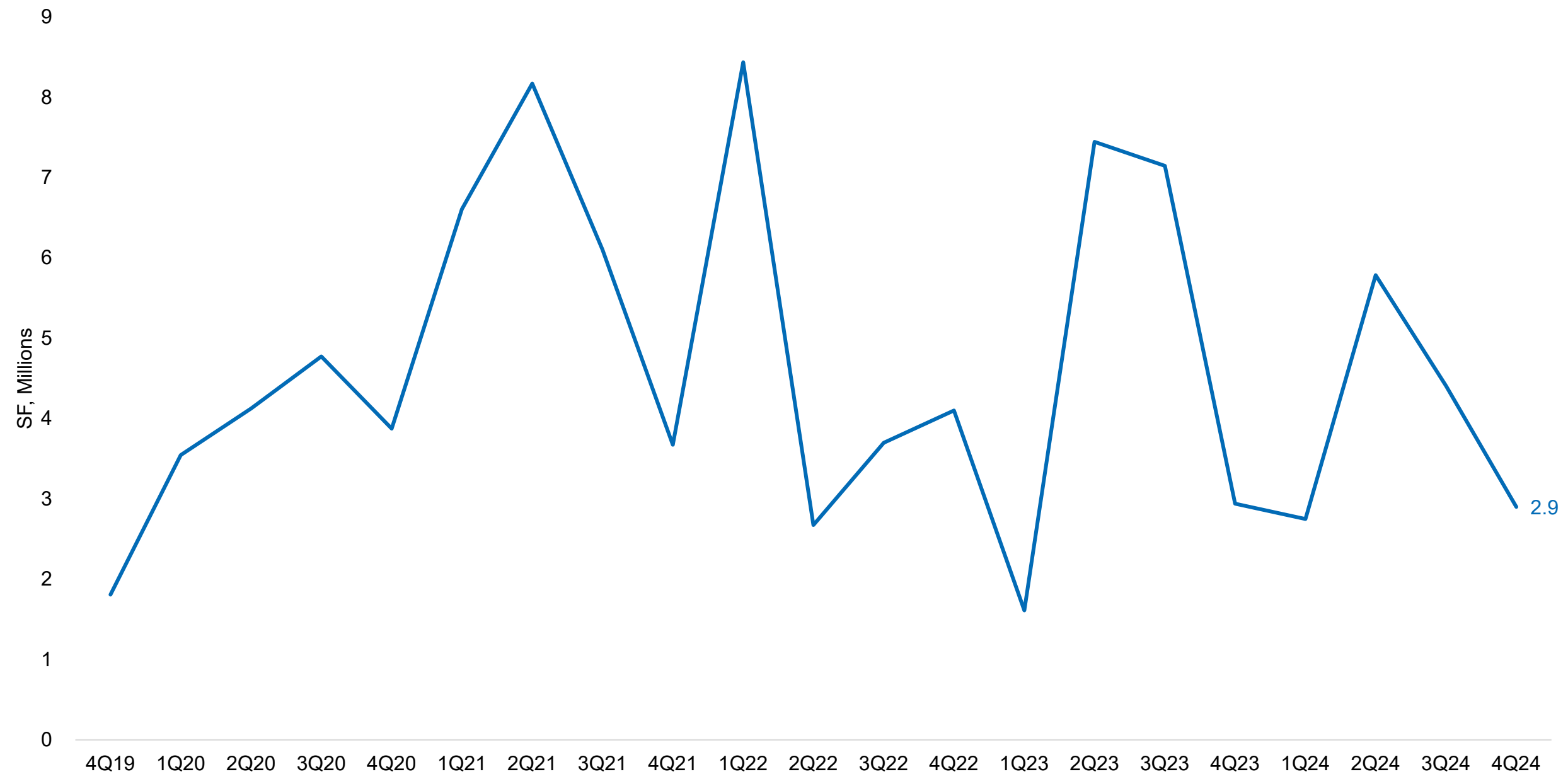


Source: Newmark Research, CoStar

Industrial Leasing Down as Year Ends

Leasing activity in the first quarter started the year off slow, and after the second and third quarter picked back up, the fourth quarter's totals came back town to 2.9 million SF, a level just above where the year began. 2024's overall tenant demand was still subdued compared to the Columbus industrial market's recent high points in the second quarters of 2021, 2022, and 2023. It is expected that the market will wake up as warehouse development and the onshoring of manufacturing should accelerate in 2025 and 2026. The market assumed leasing would slow significantly, which it did, but without the delivery of many new speculative buildings the future is predictably on the side of rightsizing.

Total Leasing Activity (SF)

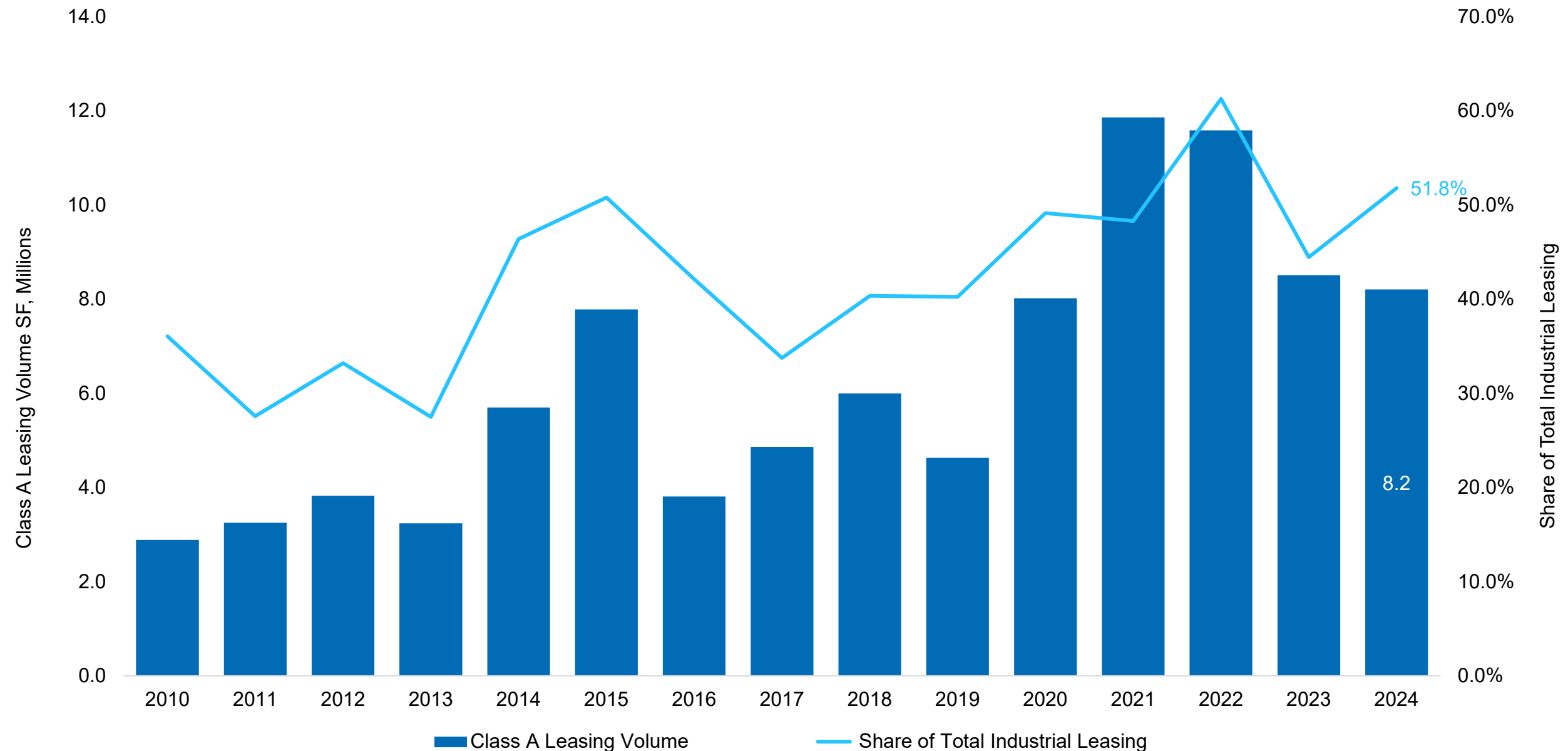


Source: Newmark Research, CoStar

Class A Warehouse Leasing Volume Down From Recent Years

Class A warehouse leasing volume finished the fourth quarter at 1.8 million SF, rebounding with an increase of nearly 300,000 SF from the third quarter. For the year 2024, Class A leasing volume measured 8.2 million SF, the lowest yearly total since 2020. Manufacturing deals continue to be increasingly more prevalent as onshoring continues in Ohio and across the country. In fact, interest in general industrial/manufacturing properties soared in 2024, as this property subtype achieved 1.4 million SF in positive absorption for the year. On the other hand, warehouse/distribution properties of all classes finished the year in the negative. Class A warehouses still managed to accrue a 51.8% share of overall leasing, however, and should recalibrate over the year 2025 and into 2026.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume

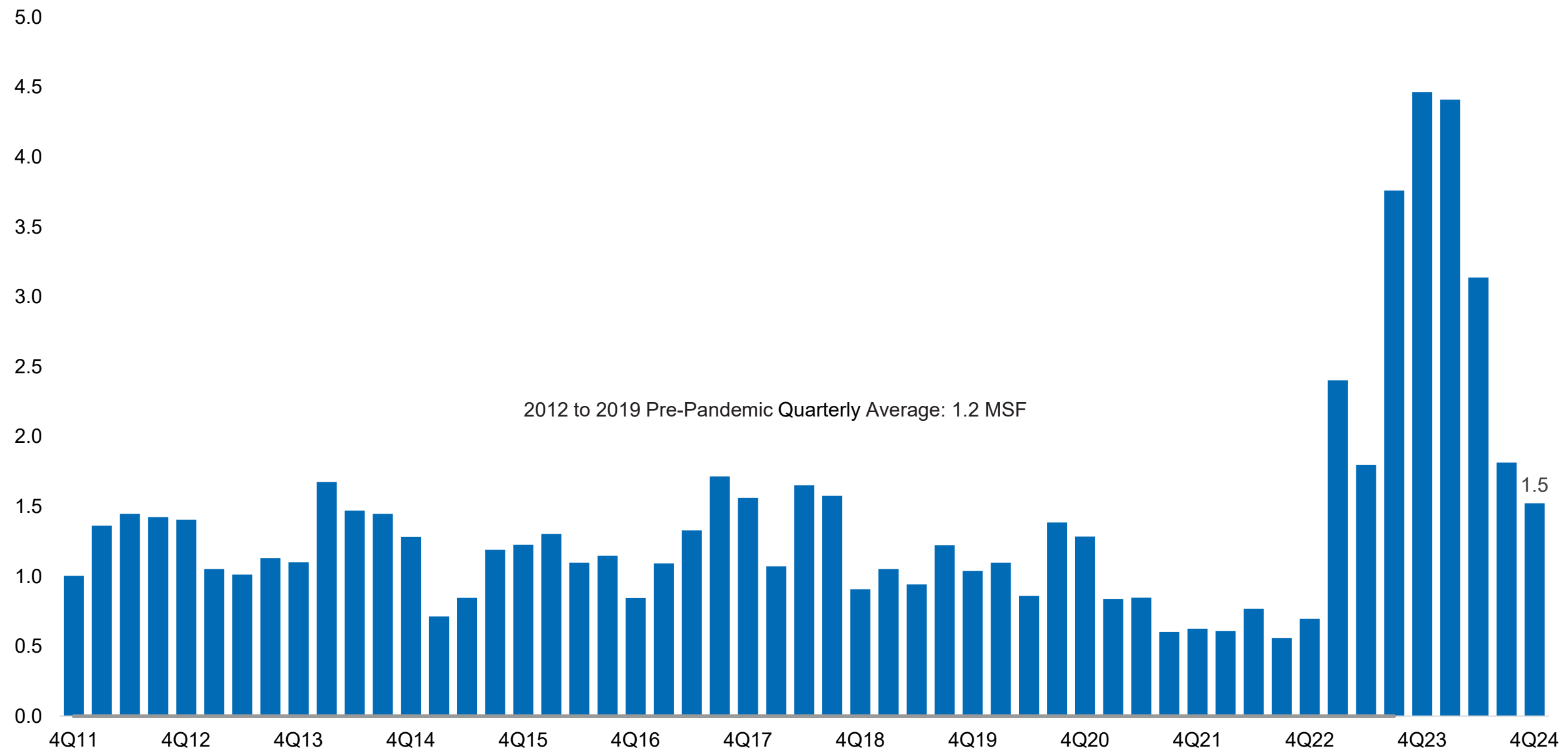


Source: Newmark Research, CoStar

Industrial Sublease Availability Down

After reaching a historical high just one year ago, sublease availability was down this past quarter for the fourth straight time, with 1.5 million SF available. This was the lowest total since the fourth quarter of 2022 after a reduction in space availability from the previous quarter of approximately 291,000 SF. Sublet listings being removed, as well as some smaller sublease deals helped contribute to the reduction in availability, including Ohio Transmission LLC's sublet of 20,881 SF at 2580 Westbelt Dr. in the West submarket.

Available Industrial Sublease Volume (msf)

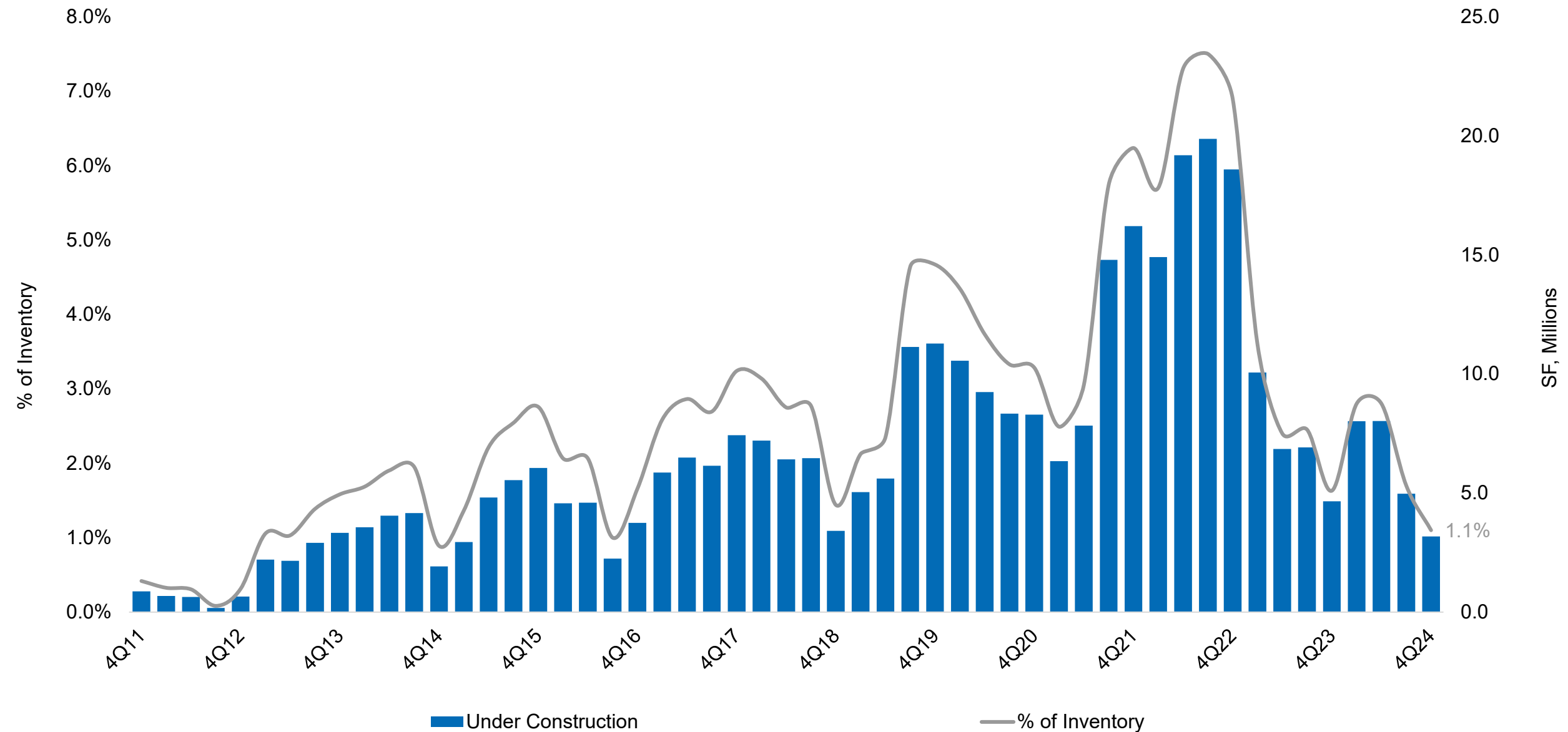


Source: Newmark Research, CoStar

Industrial Construction Down

As 2024 closed, industrial construction in the Columbus market was just under 3.2 million SF, and made up 1.1% of the total inventory, the lowest percentage since the third quarter of 2016. The majority of speculative construction starts for proposed projects continued to be delayed and build-to-suit construction comprised a significant portion of projects that remain underway, even though a handful delivered in the fourth quarter – signifying restraint from developers as the market continues to weather socioeconomic headwinds and a continued rebalancing. The DSV build-to-suit in the Licking County submarket measuring 1.2 million SF delivered in the fourth quarter. Other notable build-to-suit projects delivering to the market were the 400,000 SF Coca-Cola Consolidated distribution center and the 350,000 Cardinal Health Consumer Health Logistics Center, both in the Rickenbacker submarket.

Industrial Under Construction and % of Inventory

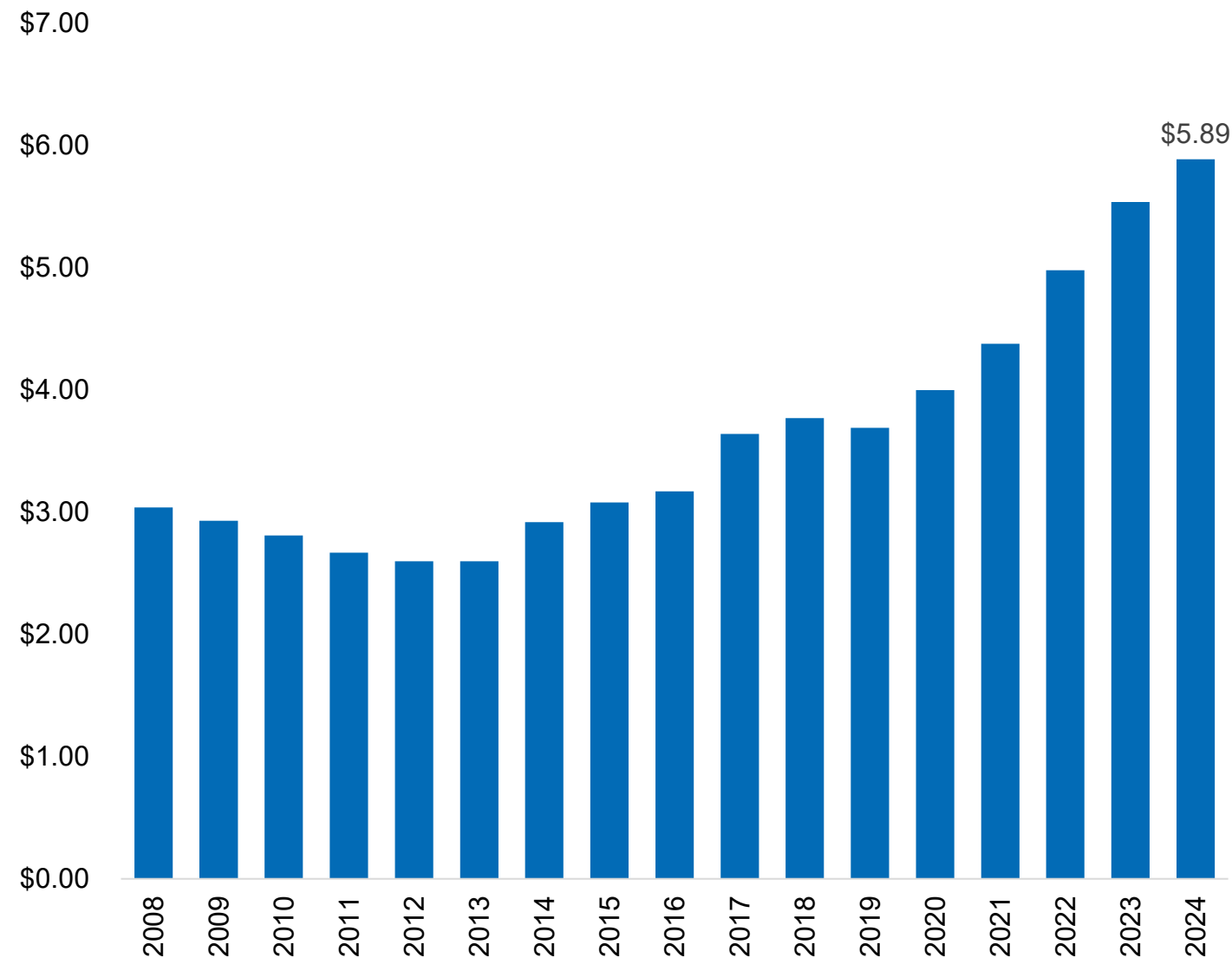


Source: Newmark Research, CoStar

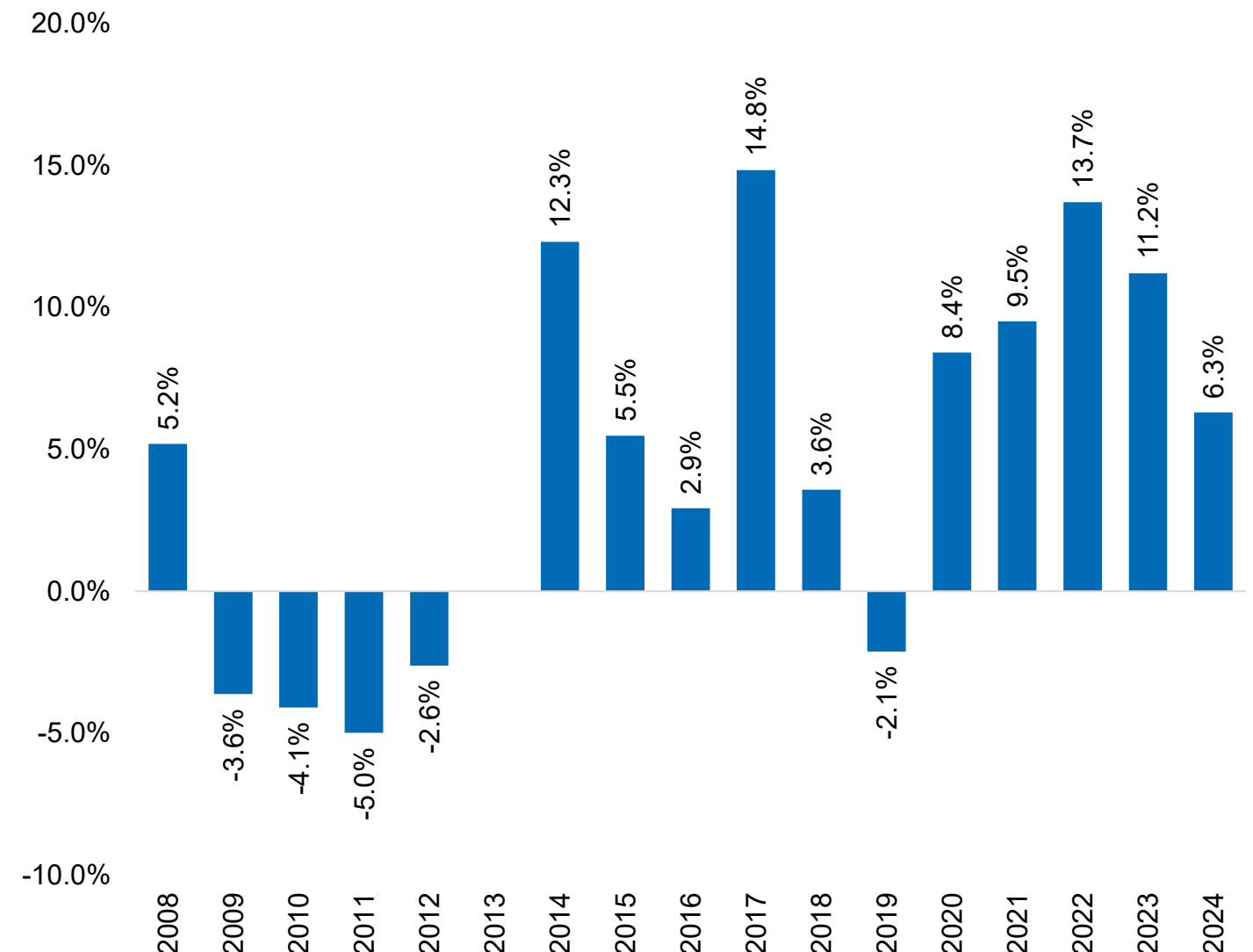
Asking Rental Rates Dip For Second Straight Quarter, Still Rising Slowly Annually

Yearly rental rates have continued to go up since 2019, but growth has regressed. In fact, the fourth quarter's average asking rental rate was \$5.80/SF, down for the second straight quarter, and by \$0.11/SF from the previous quarter. The fourth quarter's rate impacted the yearly total, as the 2024 rental rate stood at \$5.89/SF at year's end, down by \$0.03/SF from the previous year-to-date average. Industrial average asking rents for 2024 grew by a combined 6.3% year-over-year.

Industrial Average Asking Rent, \$/SF, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Lease and Sale Transactions in 4Q24

Select 4Q24 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Staples	3125-3325 Lewis Centre Way	Southwest	Renewal	340,704
Beitler Logistics	4450 S. Hamilton Rd.	Southeast	Direct	327,200
Crane Worldwide Logistics	6500 Pontius Rd.	Rickenbacker	Renewal	324,493
NFI Industries	4458 Alum Creek Dr.	Southeast	Renewal	306,000
Kamps	4338-B Janitrol Rd.	West	Renewal	231,638
Total Distribution, Inc.	4370 Alum Creek	Southeast	Renewal	230,265
Nefco	7915 Smith's Mill Rd.	Northeast	Direct	223,872

Select 4Q24 Sale Transactions

Buyer	Building	Submarket	Sale Price	Square Feet	Price Per SF
MSG Ohio LLC	9360 Innovation Campus Way	Northeast	\$21,900,000	130,000	\$168.46
Curaleaf	150 Commerce Blvd.	Northeast	\$4,000,000	32,000	\$125.00
AREIT	3563 Southpark Pl.	Southwest	\$15,950,000	151,200	\$105.49
Mendel New Albany Property Owner LLC	9885 Innovation Campus Way	Northeast	\$35,850,000	354,640	\$101.09
AREIT	6335 Seeds Rd.	Central	\$20,300,000	208,144	\$97.53
AREIT	3280 Southpark Pl.	Southwest	\$28,600,000	322,000	\$88.82
AREIT	3265 Southpark Pl.	Southwest	\$28,000,000	322,000	\$86.96
EQT Exeter	1260 London Groveport Rd. (part of a 1.6 MSF portfolio)	Rickenbacker	\$18,533,120	231,664	\$80.00
EQT Exeter	1302 London Groveport Rd. (part of a 1.6 MSF portfolio)	Rickenbacker	\$84,720,000	1,059,000	\$80.00
EQT Exeter	1302 London Groveport Rd. (part of a 1.6 MSF portfolio)	Rickenbacker	\$10,905,200	136,315	\$80.00
EQT Exeter	6322 Collings Dr. (part of a 1.6 MSF portfolio)	Rickenbacker	\$13,079,440	163,493	\$80.00

Source: Newmark Research, CoStar

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Appendix



Submarket Overview (Supplemental Slide)

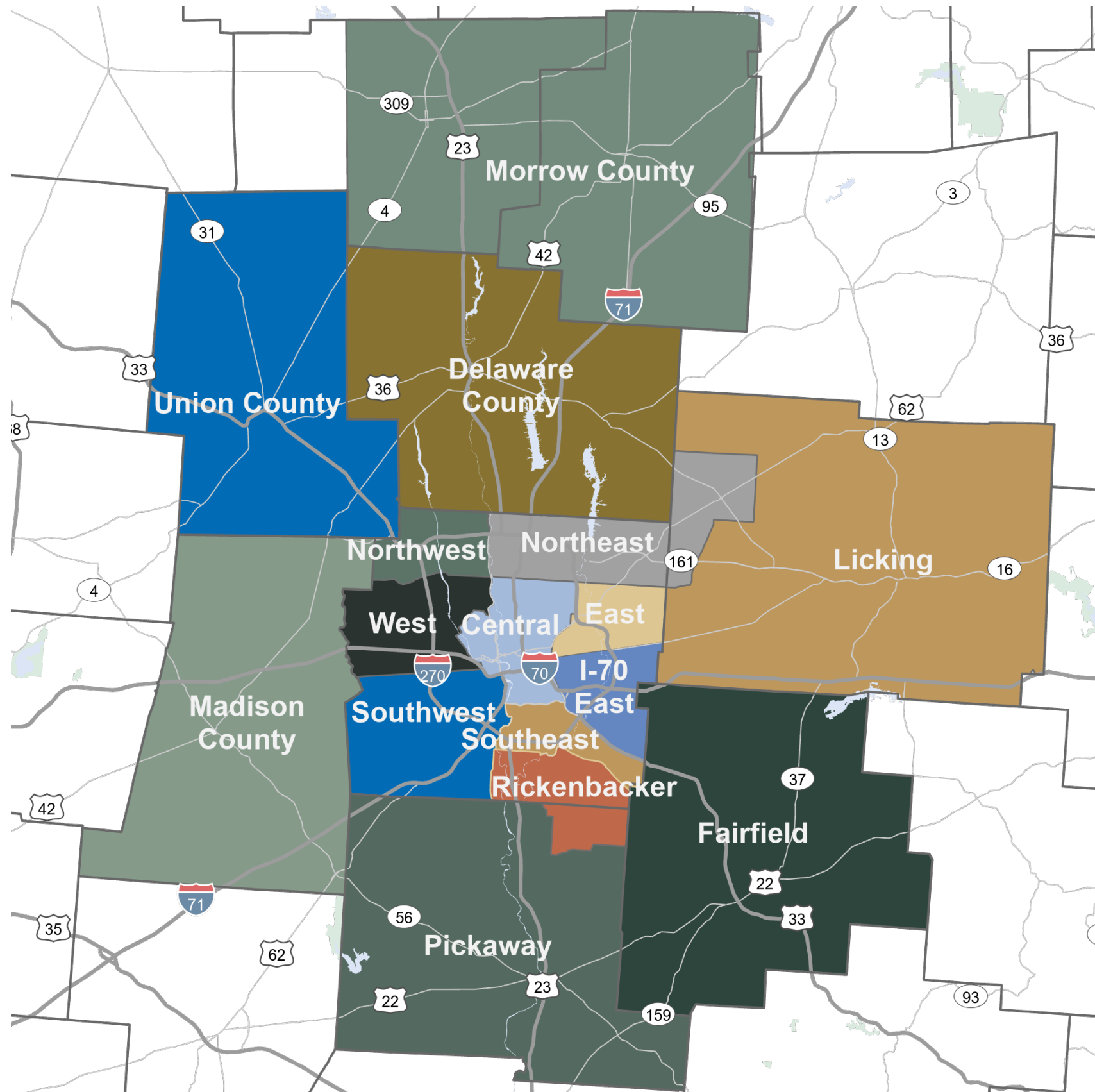
Submarket Statistics – All Classes

Submarket	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr. Absorption (SF)	YTD Absorption (SF)	Total Average Asking Rent (Price/SF)
Central	22,937,511	-	3.3%	18,066	(155,417)	\$6.33
Delaware County	12,769,674	-	7.0%	50,965	440,247	\$10.61
East	16,835,384	-	4.6%	321,829	755,435	\$5.28
Fairfield County	7,957,762	-	3.2%	782,738	370,551	\$3.50
I-70 East	8,254,002	-	2.7%	143,000	461,198	\$6.87
Licking County	31,255,438	2,005,000	11.0%	1,158,372	1,057,058	\$5.26
Madison County	18,914,871	-	12.6%	616,479	(219,801)	\$5.25
Morrow County	2,317,787	-	30.5%	-	-	-
Northeast	18,034,472	34,500	8.3%	(854)	252,930	\$8.07
Northwest	2,108,368	-	1.9%	3,018	68,423	\$12.51
Pickaway County	6,235,214	500,000	14.1%	757,719	679,703	-
Rickenbacker	63,843,216	-	7.4%	251,413	906,098	\$5.50
Southeast	21,675,186	-	12.3%	(486,245)	951,200	\$4.80
Southwest	18,959,212	135,000	8.1%	(80,064)	(332,860)	\$5.68
Union County	11,578,302	340,829	1.3%	(40,000)	236,797	\$6.25
West	32,698,877	158,100	18.3%	(4,097,180)	(4,270,453)	\$6.15
Market	296,375,276	3,173,429	9.1%	(600,744)	1,201,109	\$5.80

Submarket Statistics – Property Type

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	40,247,086	1,750,000	7.2%	1,132,805	1,409,139	\$4.42
R&D/ Flex	10,480,482	248,100	3.7%	(19,839)	49,592	\$10.49
Warehouse/ Distribution	245,647,708	1,175,329	9.6%	(1,713,710)	(257,622)	\$5.76
Market	296,375,276	3,173,429	9.1%	(600,744)	1,201,109	\$5.80

Columbus - Submarket Map (Supplemental Slide)



Additional Market Statistics (Supplemental Slide)

Industrial Statistical Summary

	Current Quarter	Prior Quarter	Year-Ago Period
Total Inventory (SF)	296.4M	294.2M	285.9M
Vacancy Rate	9.1%	8.2%	6.6%
Quarterly Net Absorption (SF)	(600,744)	2.8M	1.6M
Average Asking Rent/SF NNN	\$5.80	\$5.91	\$5.63
Under Construction (SF)	3.17M	4.97M	4.65M
Deliveries (SF)	2.38M	4.17M	3.43M

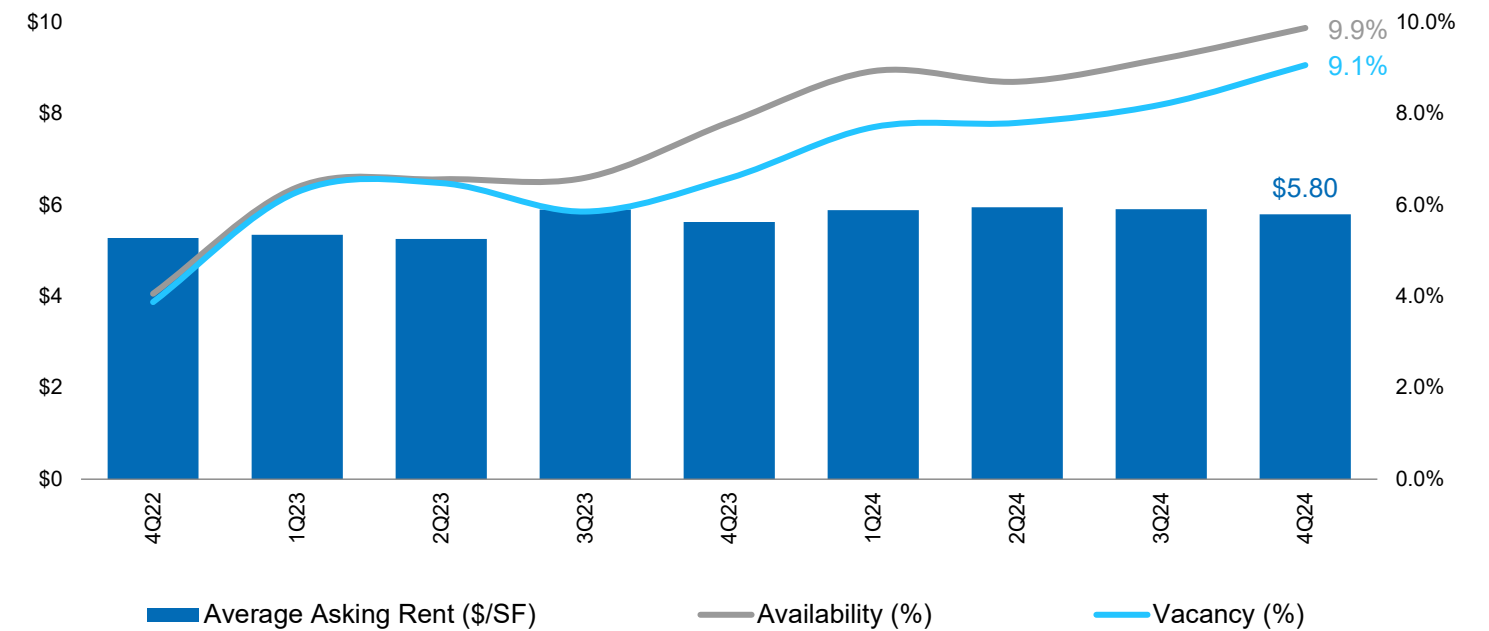
Select Industrial Buildings Listed For Sale During 4Q24

Building(s)	Submarket	Asking Price	Asking Price/SF	SF
300-500 Phillipi Rd.	West	Not Disclosed	Not Disclosed	3,876,506
231 Commerce Blvd.	Northeast	Not Disclosed	Not Disclosed	135,668
116 Enterprise Dr.	Licking County	Not Disclosed	Not Disclosed	84,000
5-31 Merritt St.	Central	\$1,700,000	\$42.73	39,786
4700 Northwest Pkwy.	West	Not Disclosed	Not Disclosed	30,876

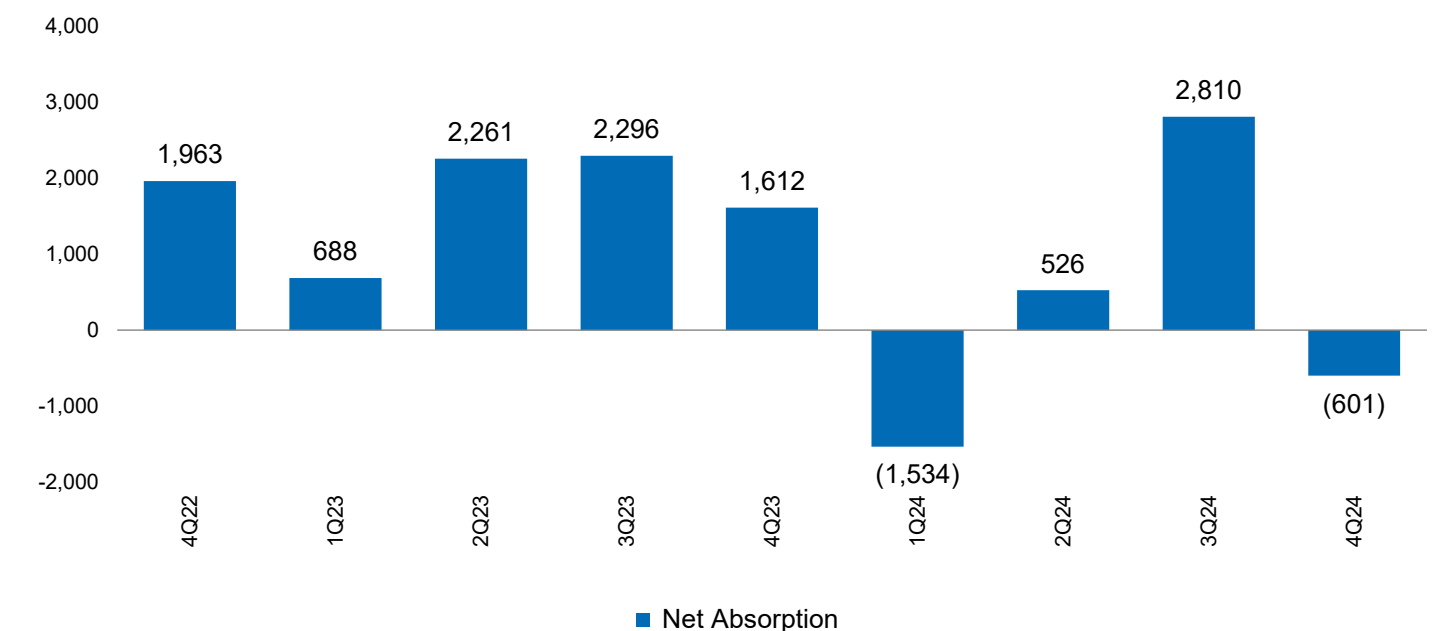
Largest Industrial Sublease Spaces Available as of 4Q24

Building	Submarket	Asking Rent/SF/Yr.	Contiguous SF Available
167-183 Heritage Dr.	Licking County	Withheld	766,633
521 Exchange Way	Pickaway County	Withheld	437,146
2727 London-Groveport Rd.	Rickenbacker	\$4.25/TBD	256,137
2950 Toy Rd.	Rickenbacker	\$7.50/NNN	141,790
711 Southwood Ave.	Central	\$5.25/MG	87,000
5700 N Green Pointe Dr.	Southeast	Withheld	80,145

Average Asking Rent, Availability and Vacancy by Quarter – 4Q22 to 4Q24



Net Absorption by Quarter (Square Feet, Thousands) – 4Q22 to 4Q24



Source: Newmark Research, CoStar

For more information:

Matthew Orgovan

Research Director

Cleveland and Ohio Research

Matthew.Orgovan@nmrk.com

Columbus

150 E. Broad St. Suite 500

Columbus, OH 43215

t 614-883-1200

New York Headquarters

125 Park Ave.

New York, NY 10017

t 212-372-2000

nmrk.com

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