

Columbus Industrial Market Overview

Market Observations



- The Columbus metro’s economy gained a modest number of jobs in year-over-year percentages in March through May of 2025. The MSA’s total nonfarm employment increased annually by 0.9% in May after rising 1.1% in March and 1.6% in April. National nonfarm employment increased by 1.1% in May, holding steady from 1.1% in March and April.
- Columbus’s most recent unemployment rate in May 2025 came in at 4.7%, which was the highest it has been since July of 2021, where it was also 4.7%.
- The industrial-using employment sector of Mining, Logging, and Construction led all industries in annual job growth at 3.3% in May for the Columbus MSA, with the Manufacturing sector also posting a gain at 0.8%. The Trade, Transportation, and Utilities sector came in at negative 1.7% year-over-year.



- New leases and a couple of renewals highlighted the second quarter of 2025. Boren Logistics led the quarter’s lease transactions with a new 1.3 million SF lease at 12530 Refugee Rd. SW in the Licking County submarket, where the company will use the space as a solar distribution facility. Another logistics firm, Ryder Logistics, signed a 766,633 SF lease at 167-183 Heritage Dr., also in the Licking County submarket. HD Supply in the Rickenbacker submarket and Hims & Hers in the Northeast submarket signed lease renewals of 437,256 SF and 302,880 SF, respectively. Axiom Plastics inked a new 318,865 SF lease at 7915 Smith's Mill Rd. in the Northeast submarket.
- Notable sale transactions this past quarter include: Eaton Vance’s (a subsidiary of Morgan Stanley) \$67.4 million acquisition of the McKesson-occupied 429,188 SF warehouse located in the Rickenbacker submarket at 4448 Rickenbacker Pkwy. E for \$157.09/SF; VanTrust’s New Albany Tech Park warehouse located at 11555 Briscoe Pkwy. in the Licking County submarket trading to Elm Tree Funds for just under \$136.0 million, or \$113.33/SF; and an owner-user sale where Kansai Helios Coatings purchased its 135,688 SF facility at 231 Commerce Blvd. in the Northeast submarket for \$14.6 million, or \$107.88/SF.



Leasing Market Fundamentals

- Class A warehouse leasing represented 51.2% of overall activity in the first half of 2025, up from 45.9% in the first quarter and 49.3% in 2024. At the current pace, Class A leasing volume could eclipse both 2023 and 2025, which is a positive sign for the market going forward.
- The Columbus industrial market recorded 205,013 SF of positive net absorption in the second quarter, keeping the overall vacancy rate unchanged at 8.7%. The second quarter’s average direct asking rental rate was \$6.11/SF, up \$0.26/SF from the previous quarter.



Outlook

- After several quarters dominated by owner-user sales, investment transactions took center stage in the Columbus market during the second quarter of 2025. Average industrial sale prices held steady at \$102.00/SF, representing a modest \$9.00/SF decline from the previous quarter. This slight drop is largely due to the unusually high pricing recorded in the first quarter, driven by Apollo Realty Income Solutions' purchase of a fully-occupied cold storage facility at 2865 Charter St. in the West submarket for \$422.63/SF. These recent trends underscore strong investor and occupier confidence in the Columbus industrial sector, reinforcing its status as an attractive destination for capital.
- Speculative projects are not dead in Central Ohio, underscoring the region's strong appeal for industrial growth. As the second quarter wrapped up, several notable projects were either proposed or moving through the approval pipeline. Highlights include: Core5 Industrial Partners unveiling plans for a \$78.5 million, three-phase project totaling over 820,000 SF at 7460 Taylor Road in the Licking County submarket; Velocis, partnering with KBC Advisors, seeking incentives for a 141,000 SF speculative flex-industrial facility in the Northeast submarket; and New Albany Company acquiring approximately 1,200 acres in Union County with the goal of attracting advanced manufacturers and top-tier industrial tenants. Meanwhile, Fed One is seeking approvals in Delaware County to construct a warehouse or multiple warehouses totaling up to 240,160 SF at 115 Innovation Ct.

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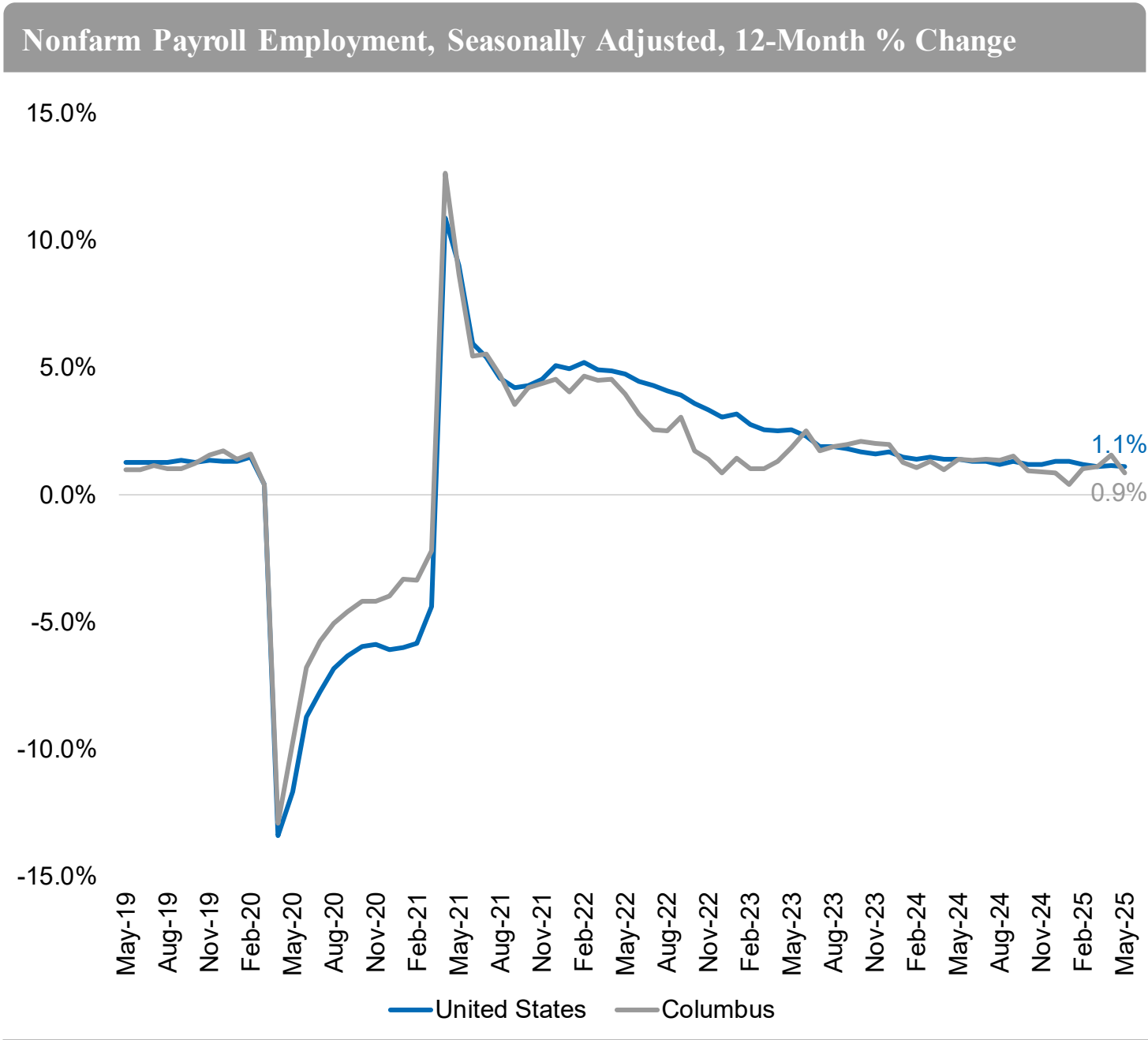
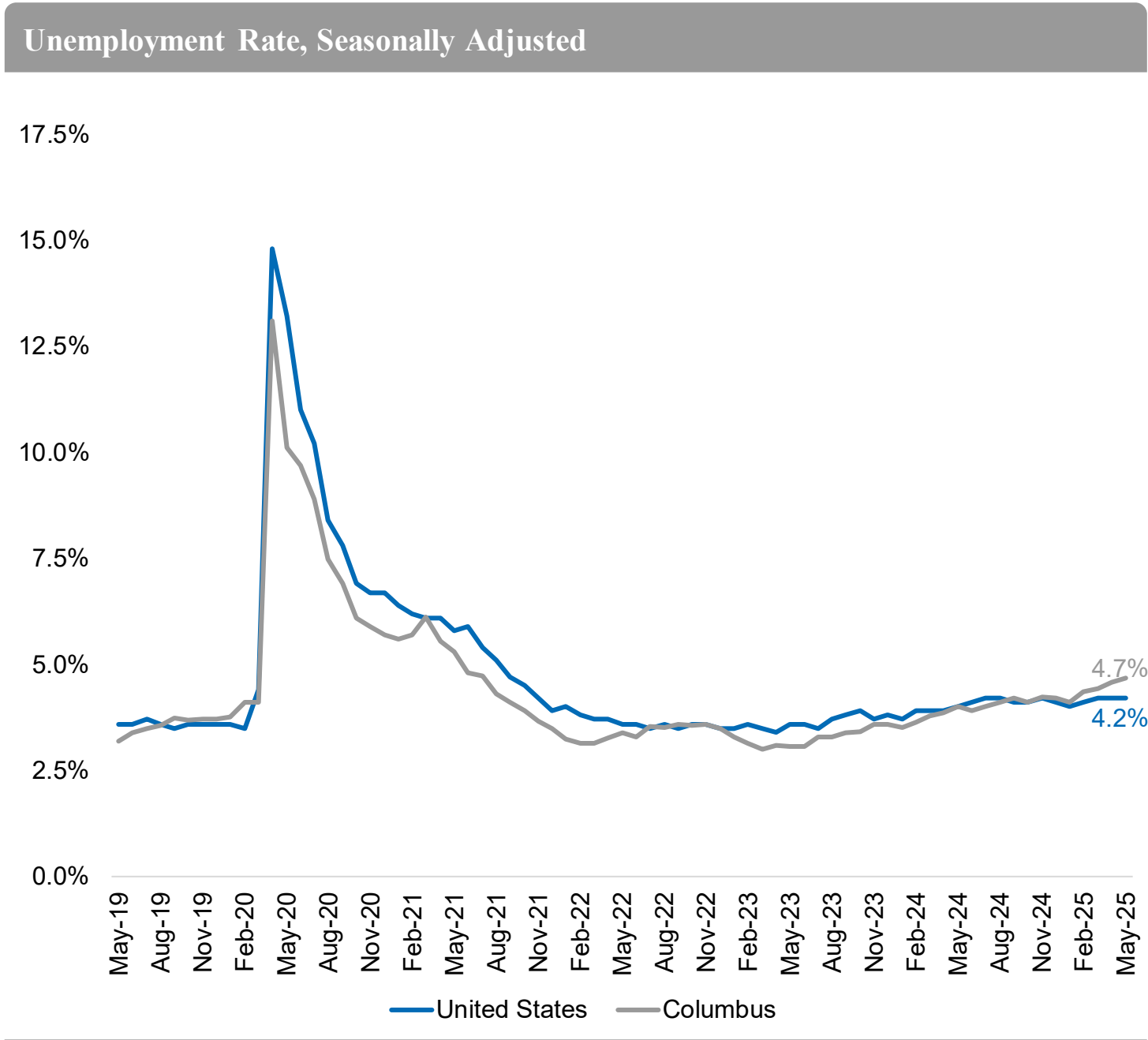
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Economy



Columbus and United States Unemployment and Nonfarm Employment Trends

The Columbus metro’s economy gained a modest number of jobs in year-over-year percentages in March through May of 2025. The MSA’s total nonfarm employment increased annually by 0.9% in May after rising 1.1% in March and 1.6% in April. National nonfarm employment increased by 1.1% in May, holding steady from 1.1% in March and April. Columbus’s most recent unemployment rate in May 2025 came in at 4.7%, which was the highest it has been since July of 2021, where it was also 4.7%. By comparison, the national unemployment rate has held steady at 4.2% from March through May.

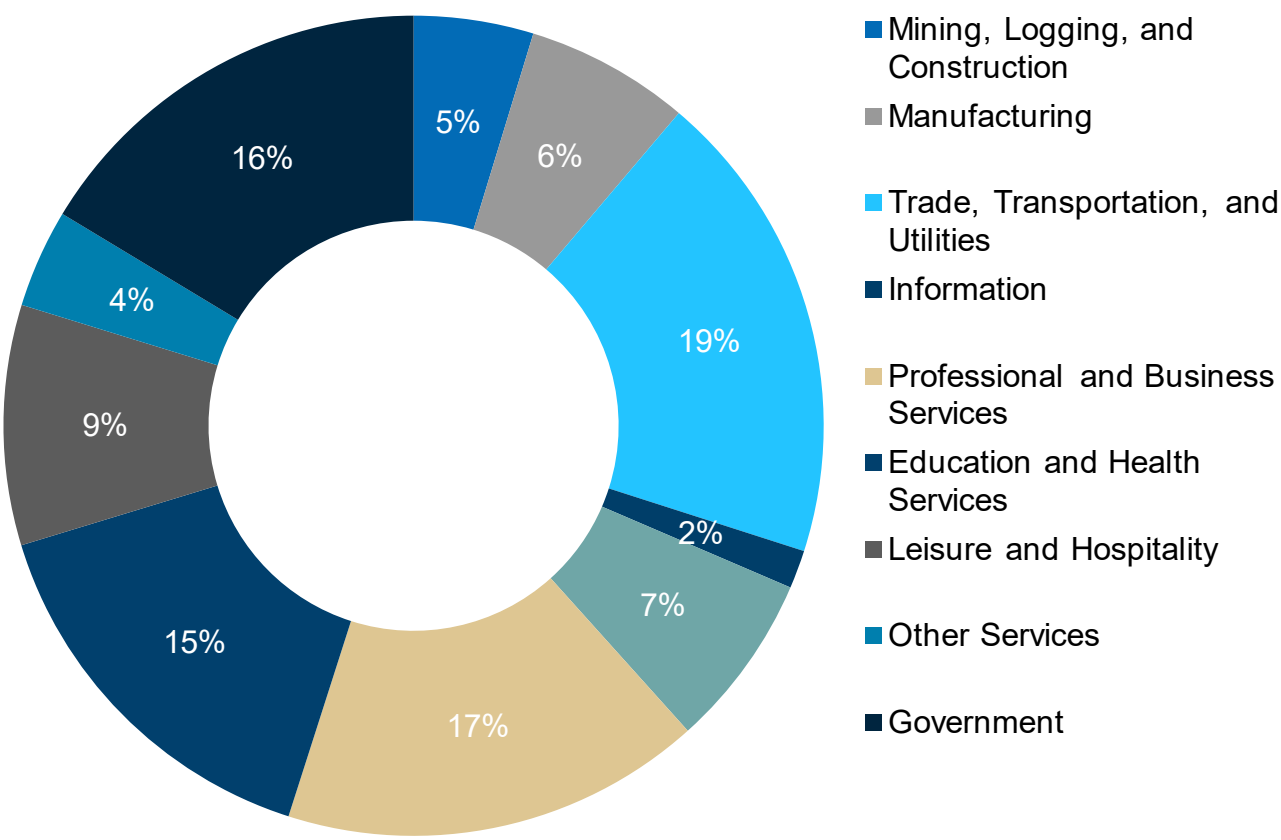


Source: U.S. Bureau of Labor Statistics, Columbus MSA

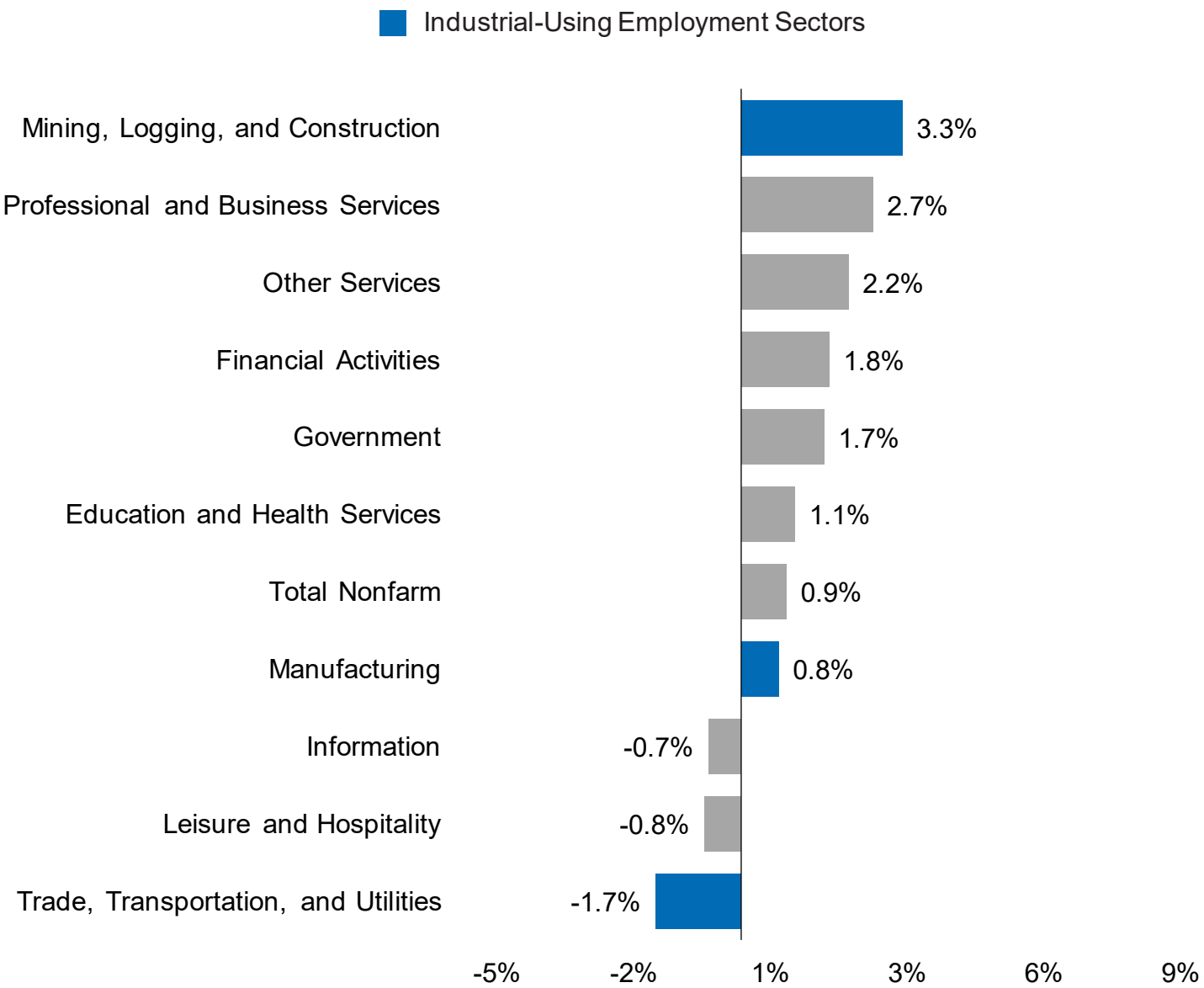
Job Gains in Two of Three Industrial-Using Employment Sectors

The industrial-using employment sector of Mining, Logging, and Construction led all industries in annual job growth at 3.3% in May for the Columbus MSA. Eight of 11 industry sectors in the market saw employment gains from May 2024 to May 2025. Overall, two of the three industrial-using employment sectors experienced annual job gains, with the Manufacturing sector also posting a gain at 0.8%. The Trade, Transportation, and Utilities sector came in at negative 1.7% year-over-year and was the worst performing sector.

Employment by Industry, May 2025



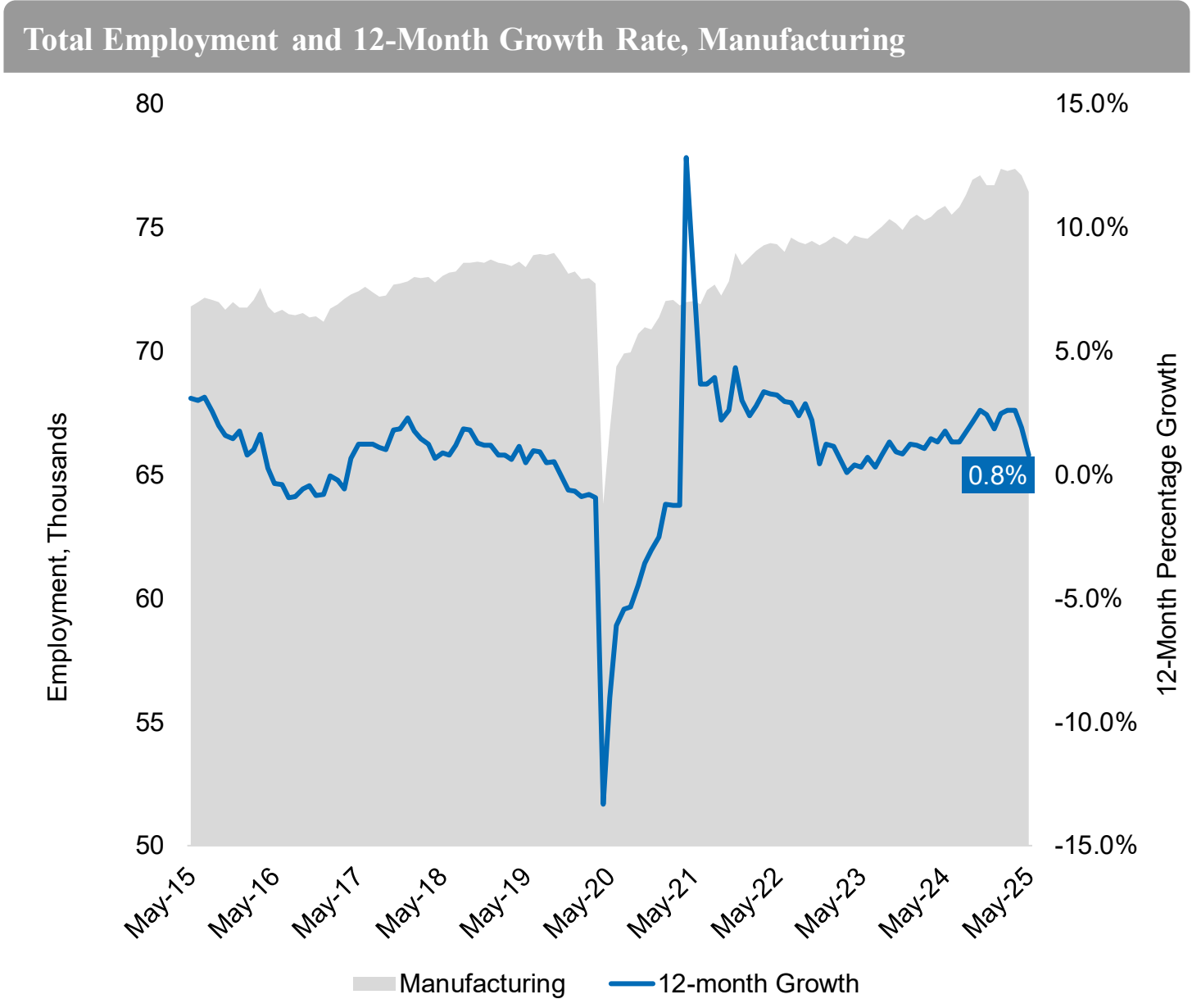
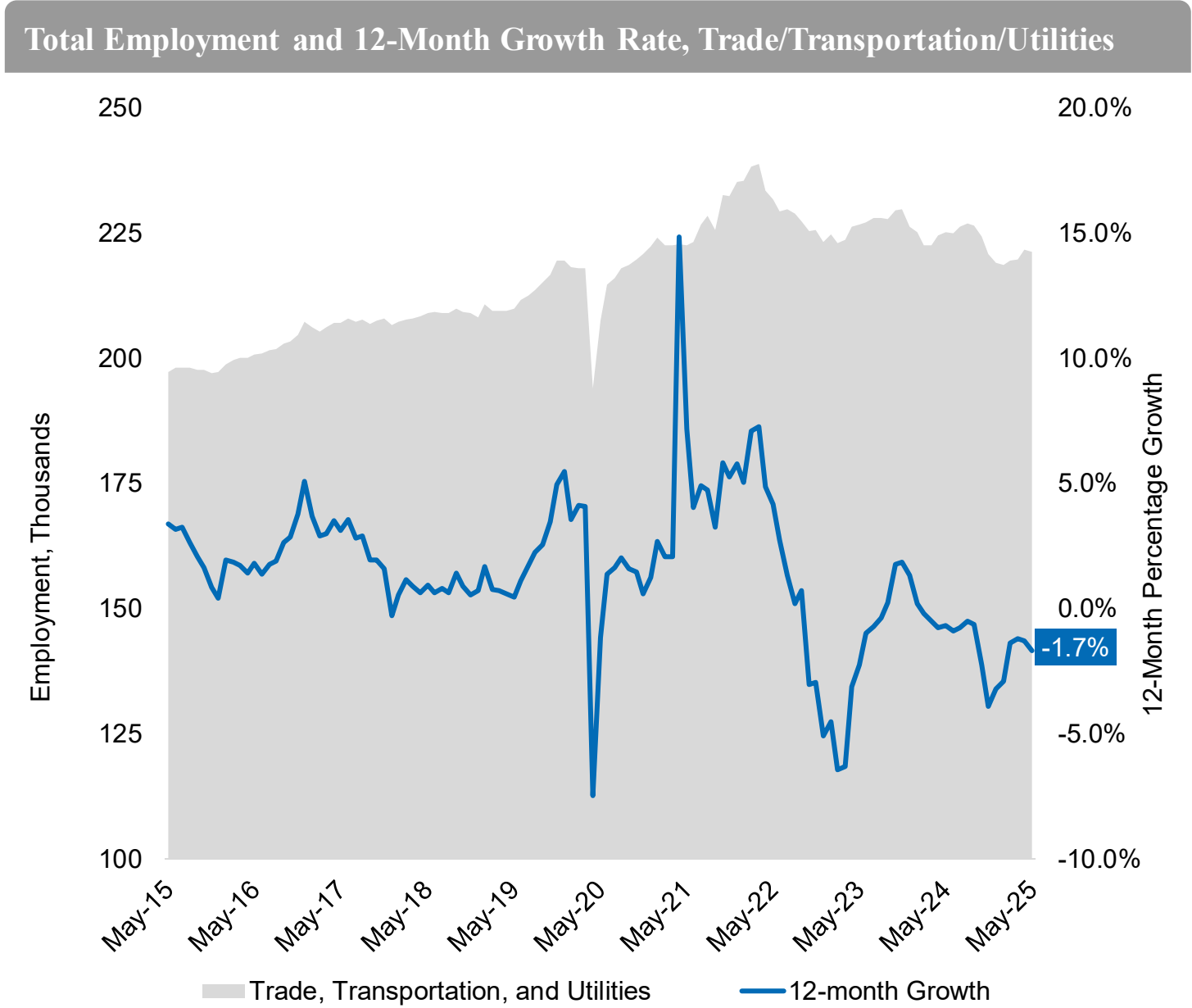
Employment Growth by Industry, 12-Month % Change, May 2025



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

Manufacturing Sector Up Slightly, Trade/Transportation/Utilities Loses Jobs

Over the past year, the Columbus manufacturing sector saw a modest 0.8% increase in jobs, showing resilience despite broader economic challenges. By contrast, employment in the Trade, Transportation, and Utilities sector declined by 1.7% over the same period. Ongoing changes in tariff policies likely contributed to these losses, especially in May, though this sector has faced consistent declines since February 2024. While manufacturing has so far avoided major setbacks, last quarter marked its smallest year-over-year job gain since November 2023. Meanwhile, the Trade, Transportation, and Utilities sector continues to struggle, with no signs yet of a turnaround.



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

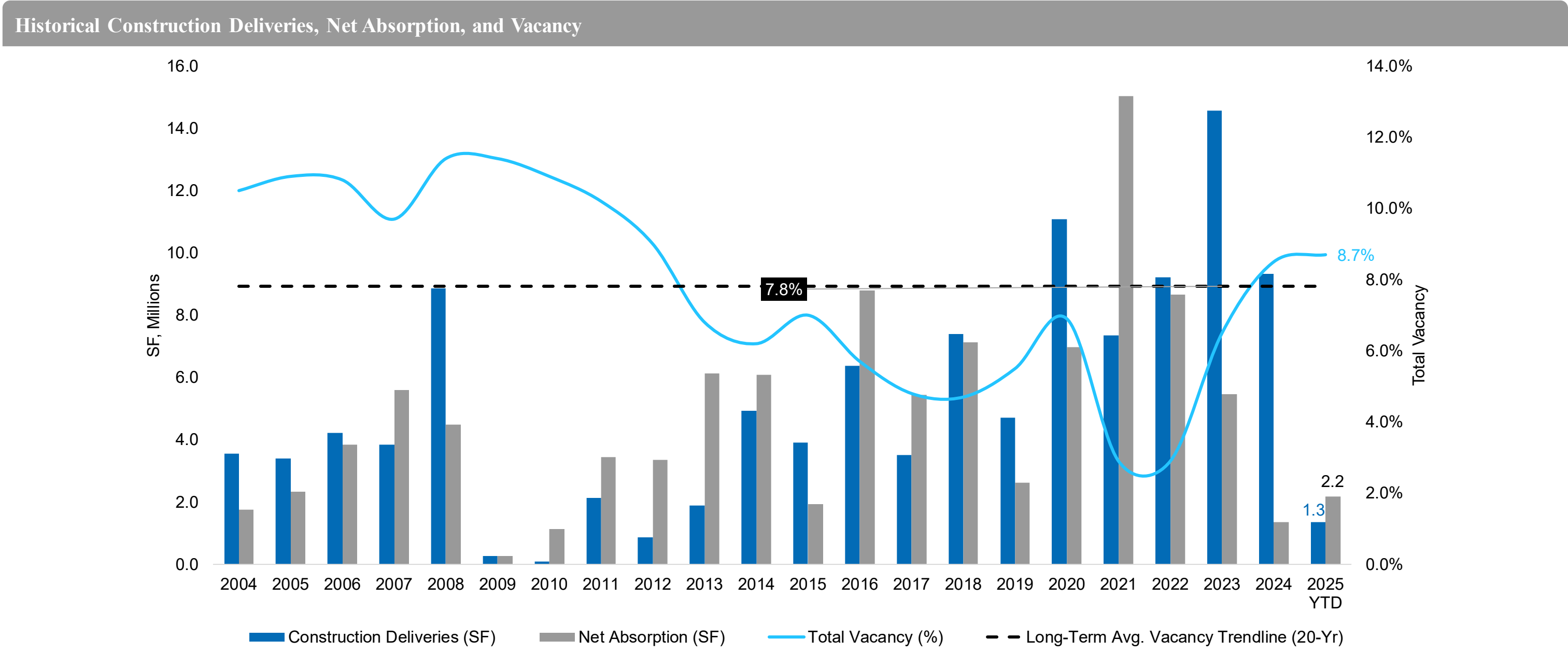
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Leasing Market Fundamentals



Columbus Industrial Market Holds Steady as Major Lease Offsets Key Move-Outs

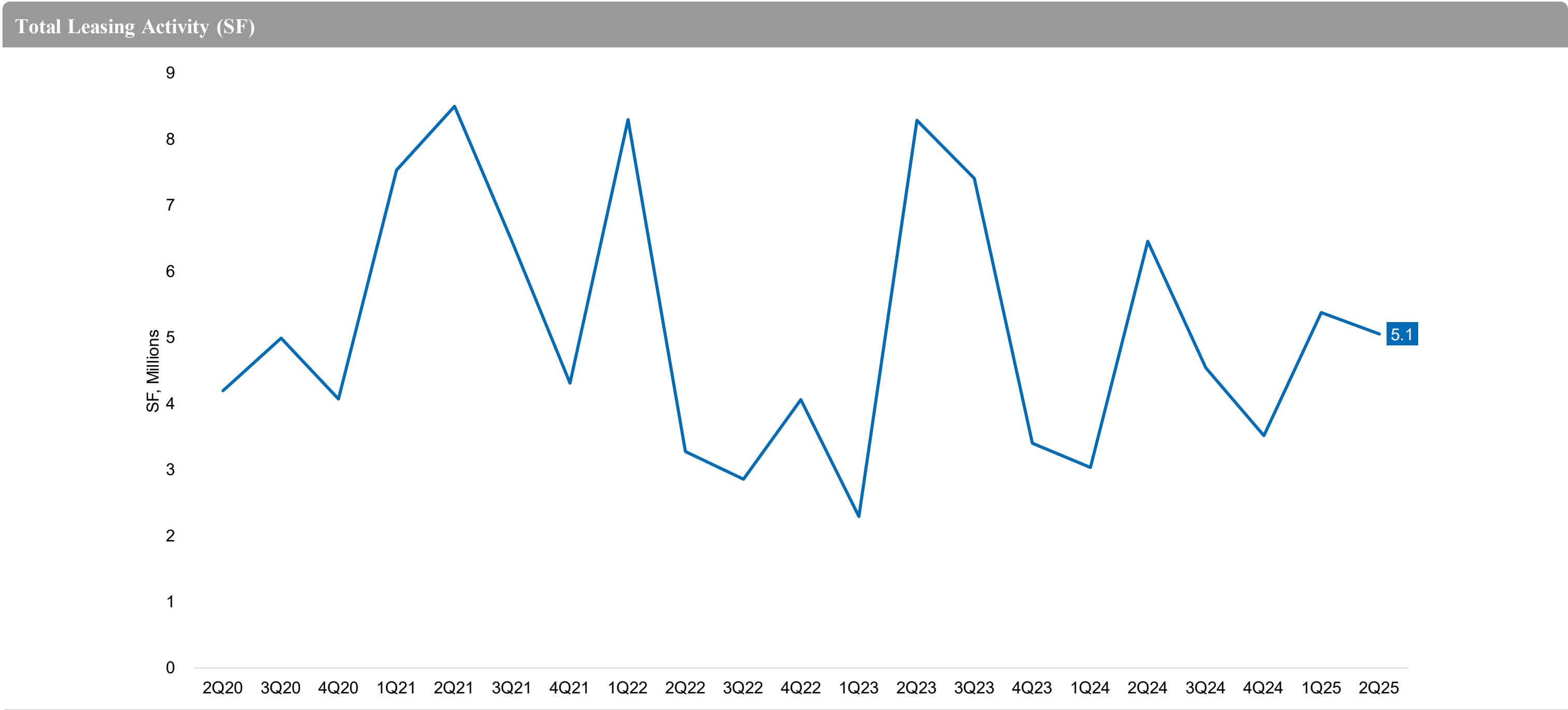
The Columbus industrial market recorded 205,013 SF of positive net absorption in the second quarter, keeping the overall vacancy rate unchanged at 8.7%. This figure, however, remains above the long-term average of 7.8% at the midway point of 2025. Despite a greater number of move-outs and closures than new occupancies, significant activity by Boren Logistics—leasing and occupying 1.3 million SF at 12530 Refugee Rd. SW in the Licking County submarket—provided much-needed stability. On the downside, the market faced notable vacancies due to the closure of JoAnn Inc.’s 832,600 SF facility in the Madison County submarket following bankruptcy, the shutdown of AmplifyBio’s 351,000 SF operation in the Northeast submarket, and Nationwide’s departure from a 139,807 SF space in the Southwest submarket. While construction completions from previous years continue to outpace 2025 totals, a promising pipeline of proposed new projects signals that development activity could pick up in the coming quarters.



Source: Newmark Research, CoStar

2025 Leasing Activity Dips in Q2 but Remains on Track for Strong Annual Return

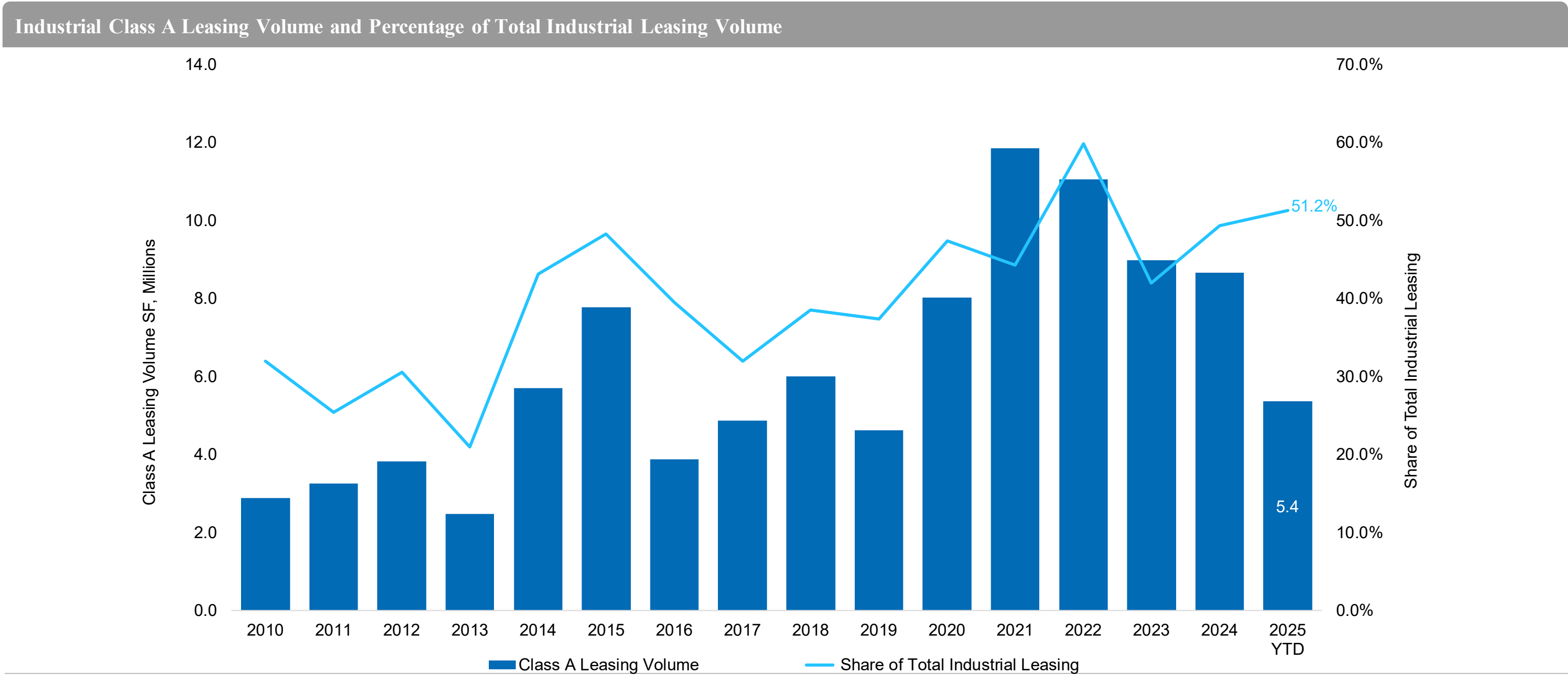
Leasing activity in the second quarter of 2025 declined to approximately 5.1 million SF, compared to 5.4 million SF in the previous quarter. Historically, the second quarter has often been a standout period for industrial leasing in the Columbus industrial market, but this trend did not hold true this year. Despite the recent dip, year-to-date leasing volume in 2025 is on pace to surpass both 2022's total of 18.5 million SF and 2024's 17.5 million SF, and is approaching the strong number set in 2023 of 21.4 million SF leased.



Source: Newmark Research, CoStar

Class A Warehouse Leasing Volume Signals Potential Market Upturn

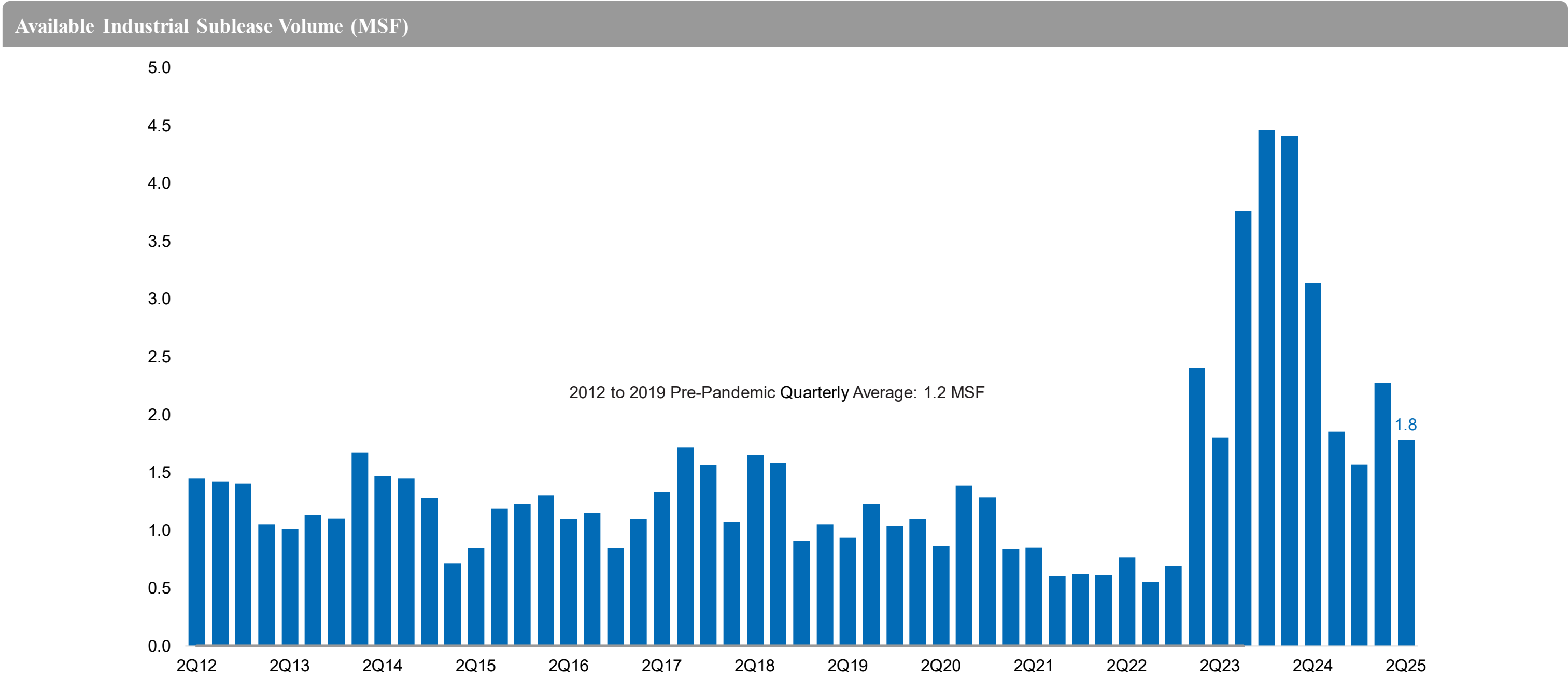
Class A warehouses helped drive leasing activity in the first half of 2025, accounting for 51.2% of all deals—an increase from 45.9% in the first quarter and 49.3% in 2024. At this accelerated pace, Class A leasing could surpass levels seen in both 2023 and 2024, offering an encouraging outlook for the market. Leasing activity reached its peak in 2021 and 2022, a period marked by a rapid wave of new construction. However, much of this new space initially remained unleased, leading to an oversupply that has kept demand trailing supply ever since. Despite the recent upswing in Class A warehouse demand, vacancies in the general industrial and manufacturing sector remained notably lower at just 3.2% in the second quarter, compared to a 9.6% vacancy rate across all classes of warehouse and distribution properties. As predicted last quarter, improved economic conditions are fueling a leasing rebound for Class A warehouse space, pushing the market closer to equilibrium and signaling a potential turnaround for the sector.



Source: Newmark Research, CoStar

Sublease Space Contracts Amid Tariff Ambiguity, Still Above Pre-Pandemic Levels

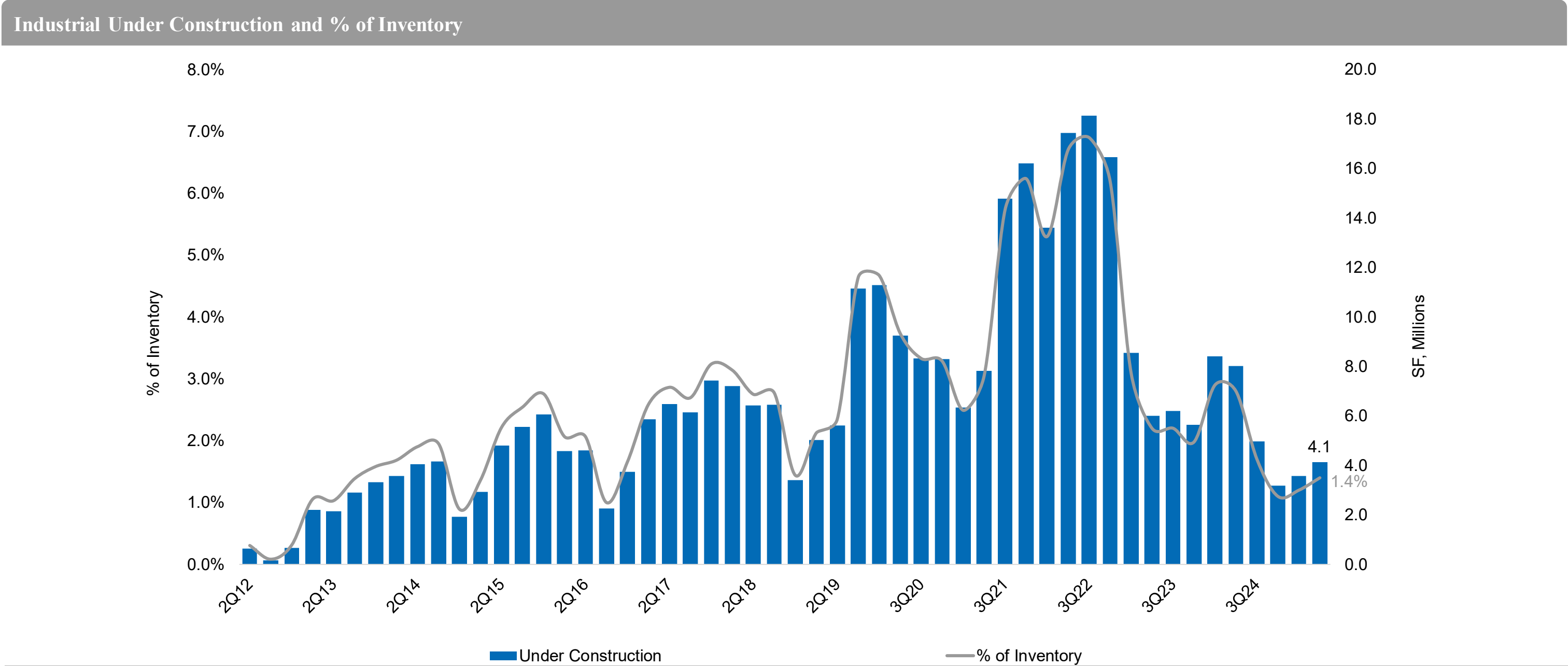
Sublease availability declined to 1.8 million SF in the most recent quarter, down from 2.3 million SF previously. Despite this decrease, sublease space remains above the long-term pre-pandemic average seen between 2012 and 2019. This contraction suggests that many companies are opting for short-term sublease arrangements as they adopt a cautious holding pattern in response to ongoing uncertainties surrounding U.S. tariffs.



Source: Newmark Research, CoStar

Industrial Construction Increases

Just 135,000 SF of industrial space was completed in the second quarter of 2025, bringing the year-to-date total to just over 1.3 million SF. 4.1 million SF, 1.4% of inventory, was under construction in the second quarter, up slightly from the first quarter's total. Notable projects that began in the second quarter include Amgen's \$900 million, 418,000 SF expansion at 4150 Ganton Pkwy. in the Northeast submarket, as well as the 121,680 SF warehouse project at 9490 Innovation Campus Way and the 215,247 SF project at 9500 Innovation Campus Way, both also in the Northeast submarket. The pace of industrial construction in the Columbus market has markedly dropped over the last 10 quarters, though speculative projects are not dead in Central Ohio, underscoring the region's strong appeal for industrial growth. As the second quarter wrapped up, several notable projects were either proposed or moving through the approval pipeline.

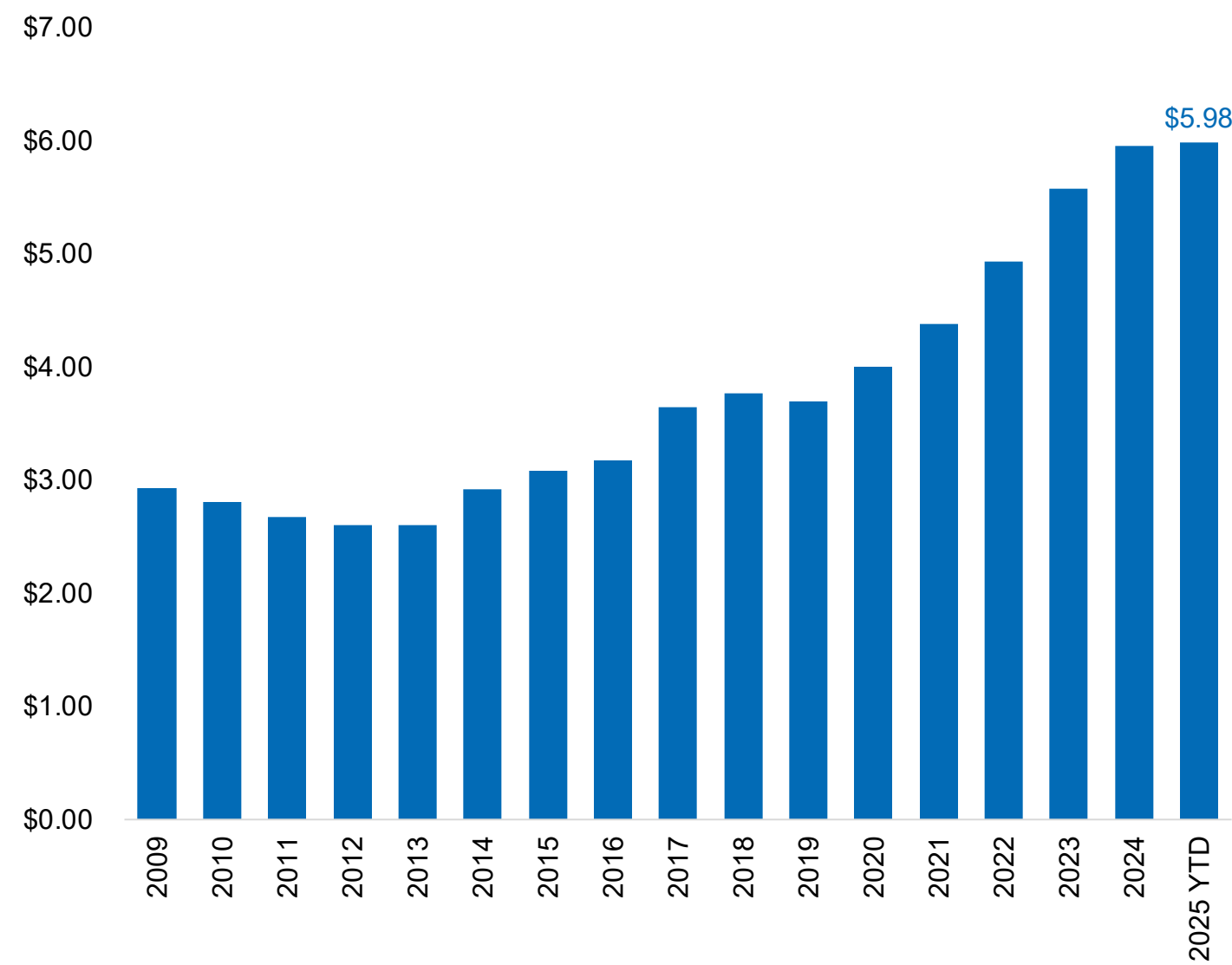


Source: Newmark Research, CoStar

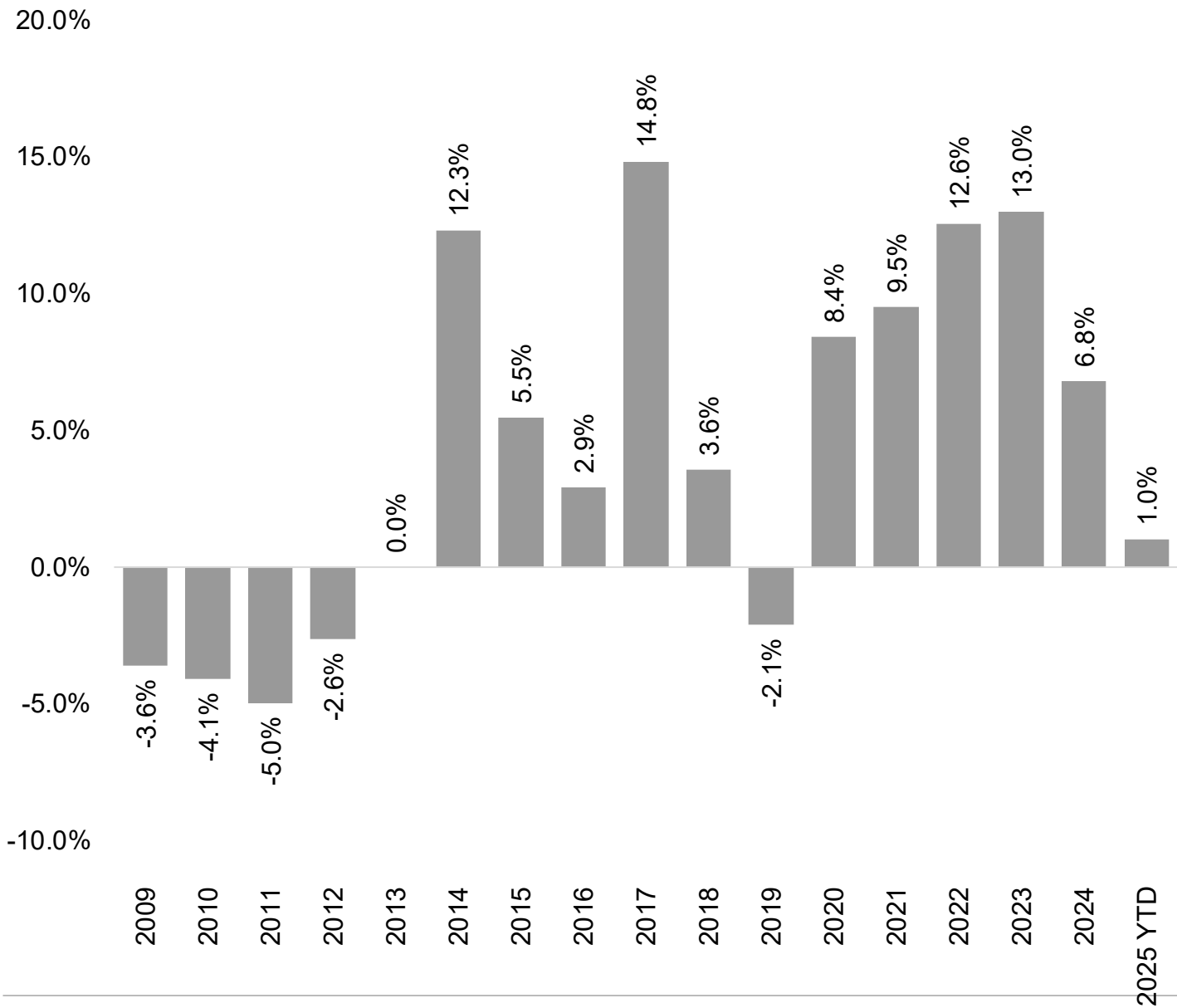
Asking Rental Rates Up Slightly at Halfway Point of the Year

Through the first two quarters of 2025, industrial direct average asking rents were 1.0% higher than the year 2024, a modest increase compared to the previous five years of solid growth. Rent growth should continue to resume through 2025, but at a slower rate as the industry continues to stabilize. The direct average asking rent for the first half of 2025 stood at \$5.98/SF, which was an increase of \$0.13/SF from the first quarter, and \$0.03/SF higher than the yearly total for 2024’s \$5.95/SF. The second quarter’s average direct asking rental rate was \$6.11/SF, up \$0.26/SF from the previous quarter.

Industrial Direct Average Asking Rent, \$/SF, NNN



Year-over-Year Direct Asking Rent Growth Rate % Change



Source: Newmark Research, CoStar

Lease and Sale Transactions in 2Q25

Select 2Q25 Lease Transactions					
Tenant	Building(s)	Submarket	Type	Square Feet	
Boren Logistics	12530 Refugee Rd. SW	Licking County	Direct	1,277,851	
Ryder Logistics	167-183 Heritage Dr.	Licking County	Direct	766,633	
HD Supply	6200 Commerce Center Dr.	Rickenbacker	Renewal	437,256	
Axium Plastics	7915 Smith's Mill Rd.	Northeast	Direct	318,865	
Hims & Hers	9750 Innovation Campus Way	Northeast	Renewal	302,880	
Chadwell Supply	6111 Bixby Rd.	I-70 East	Expansion	130,630	
Match Point Pickleball (GMD Group of Ohio LLC)	350 McCormick Blvd.	East	Direct	125,725	
Select 2Q25 Sale Transactions					
Buyer	Building	Submarket	Sale Price	Square Feet	Price Per SF
Eaton Vance, affiliate of Morgan Stanley Management	4448 Rickenbacker Pkwy. E	Rickenbacker	\$67,419,000	429,188	\$157.09
Elm Tree Funds	11555 Briscoe Pkwy.	Licking County	\$135,997,904	1,200,000	\$113.33
Ares Industrial Real Estate Income Trust	2315 Creekside Pkwy.	Rickenbacker	\$27,664,000	253,680	\$109.05
Kansai Helios Real Estate America LLC	231 Commerce Blvd.	Northeast	\$14,637,812	135,688	\$107.88
Ares Industrial Real Estate Income Trust	2500 Creekside Pkwy.	Rickenbacker	\$26,670,000	253,664	\$105.14
Jason Acq LLC Creekway Investments LLC, Bob and Sheila Trust Acq LLC, Michael Acq LLC	2536-2540 Creekway Dr.	Southeast	\$2,525,000	25,360	\$99.57
Plymouth Industrial REIT	Dalfen/Investcorp Industrial Portfolio (21 total buildings; 5 CBUS)	Multiple	\$193,000,000	1,950,856	\$98.93
Six Twenty Properties LLC	620 E. Weber Rd.	Central	\$1,650,000	18,025	\$91.54
M M Airport Industrial LLC	Multi-Property Small Industrial Gahanna Portfolio	East	\$15,286,880	188,714	\$81.01
Steve Lindsay, Lindsay Automotive Inc.	4500 Groves Rd.	I-70 East	\$6,450,000	120,116	\$53.70

Source: Newmark Research, CoStar

2Q25

Appendix



Industrial Prices Stay Above \$100 Per Square Foot

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Historical Statistical Overview



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Submarket Overview

Submarket Statistics – All Classes



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Columbus - Submarket Map

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Additional Market Statistics

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