

MARKETBEAT COLUMBUS



Industrial Q2 2022

YoY
Chg

12-Mo.
Forecast

1.9%

Vacancy Rate



2.0M

Net Absorption, SF



\$5.17

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2022

YoY
Chg

12-Mo.
Forecast

1.1M

Columbus
Employment



3.2%

Columbus
Unemployment Rate



3.6%

U.S.
Unemployment Rate



Source: BLS, Moody's Analytics

ECONOMY

The unemployment rate in Greater Columbus shifted significantly from 4.9% in Q2 2021 to 3.2% as of Q2 2022. Local unemployment was lower than the national rate of 3.6%.

Site Selection Magazine recently released its annual "Governor's Cup" rankings for economic development and new corporate facility projects. Among major metropolitan areas in the East North Central region, Greater Columbus placed fourth overall for major corporate capital investment / construction projects, ahead of areas such as Minneapolis, St. Louis and Louisville.

SUPPLY AND DEMAND: Vacancy remained under 2.0%

Industrial vacancy in Greater Columbus set at an all-time low of 1.5% in Q1 2022. While overall vacancy increased over the prior quarter, the Q2 2022 vacancy rate was just 1.9%. On a year-over-year (YOY) basis, vacancy fell by more than 200 basis points (bps). Vacancy was less than 2.0% despite the delivery of 4.8 million square feet (msf) of new construction so far in 2022. Over and above those deliveries, an impressive 19.0 msf was under construction at the end of Q2, mostly in speculative modern bulk buildings located outside of Franklin County (Outlying Counties).

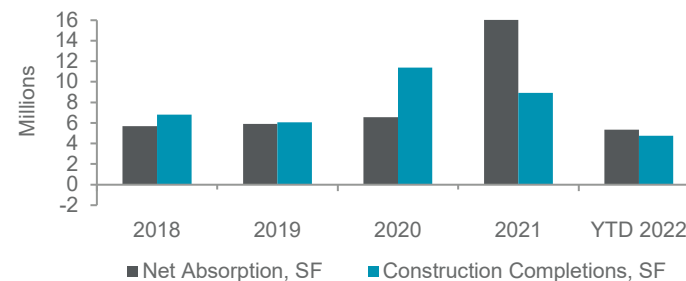
While lower on both a quarterly and yearly basis, Q2 2022 net absorption was still solid at 2.0 msf. Construction deliveries were the major driver of Q2 absorption. An international e-commerce tenant took occupancy of a new 800,000-sf build-to-suit facility in New Albany, while Moen moved into a 339,000-sf bulk distribution building in West Jefferson. In the Southeast submarket, DHL moved into the new 582,000-sf bulk facility located adjacent to Rickenbacker Airport at 1417 Rail Court.

In parallel with the net absorption trend, gross leasing activity in Q2 2022 decreased YOY to 3.1 msf. Significant new leases in Q2 included ODW Logistics, which pre-leased the 583,000-sf Rickenbacker Global Logistics Park-1594 under construction on London Groveport Road. Similarly, biomedical research firm AmplifyBio pre-leased the 352,000-sf facility under construction at 9885 Innovation Campus Way in New Albany. Leasing activity is comprised of new lease signings over a given period, which are an indicator of future positive net absorption later in the year.

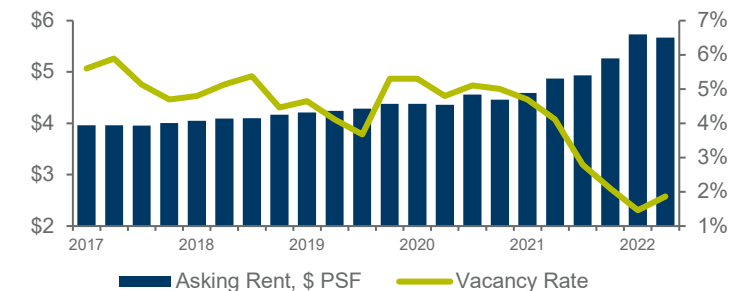
PRICING: Asking rents remained over \$5.00 psf

For the second consecutive quarter, the average overall asking rate continued to exceed the \$5.00 per-square-foot (psf) net threshold. On a year-over-year basis, asking rates grew by 18.0%, from \$4.37 in Q1 2021 to \$5.17 in Q2 2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT COLUMBUS

Industrial Q2 2022



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT (TOTAL)
Northwest	33,699,609	618,401	1.8%	43,199	202,600	86,400	0	\$4.95	\$8.22	\$5.14	\$5.18
Northeast	52,999,508	885,977	1.7%	-156,943	17,257	645,336	0	N/A	\$10.41	\$6.07	\$7.57
Southwest	32,419,040	371,925	1.1%	118,294	652,117	208,241	0	N/A	\$6.75	\$4.68	\$4.78
Southeast	82,877,814	1,258,946	1.5%	605,278	758,955	4,157,988	1,037,500	\$5.54	\$11.02	\$3.72	\$3.89
Outlying Counties	90,893,301	2,324,355	2.6%	1,413,489	3,714,490	13,569,226	3,727,922	\$3.95	\$9.95	\$5.05	\$5.03
COLUMBUS TOTALS	292,889,272	5,459,604	1.9%	2,023,317	5,345,419	18,667,191	4,765,422	\$4.96	\$10.09	\$4.84	\$5.17

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (TOTAL)
Manufacturing	35,132,680	264,613	0.8%	-2,173	430,279	708,886	0	\$4.96
Office Service / Flex	6,932,479	296,429	4.3%	-11,497	24,944	117,450	0	\$10.09
Warehouse / Distribution	250,824,113	4,898,562	2.0%	2,036,987	4,890,196	17,840,855	4,765,422	\$4.84
Modern Bulk Distribution	98,736,838	1,986,230	2.0%	1,983,004	3,643,380	17,647,206	4,015,422	\$4.87
Traditional Bulk Distribution	51,962,797	458,886	0.9%	137,480	445,449	0	0	\$4.30
TOTAL Bulk Distribution	150,699,635	2,445,116	1.6%	2,120,484	4,088,829	17,647,206	4,015,422	\$4.76

NOTE: Modern and Traditional Bulk Distribution are sub-categories within the Warehouse / Distribution product type
 Modern Bulk = Large distribution buildings typically constructed since 1994, with ceiling clear heights of at least 28 feet
 Traditional Bulk = Large distribution buildings typically constructed before 2000, with ceiling clear heights less than 28 feet

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