

MARKETBEAT COLUMBUS



Industrial Q3 2022

	YoY Chg	12-Mo. Forecast
3.7% Vacancy Rate	▲	▲
835K Net Absorption, SF	▼	▲
\$5.70 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
1.1M Columbus Employment	▲	▲
3.1% Columbus Unemployment Rate	▼	▲
3.5% U.S. Unemployment Rate	▼	▲

Source: BLS, Moody's Analytics

ECONOMY

The unemployment rate in Greater Columbus shifted significantly from 4.2% in Q3 2021 to 3.1% as of Q3 2022. Local unemployment was also lower than the national rate of 3.5%.

Following the new \$20 billion Intel computer chip research and manufacturing campus in New Albany, Governor Mike Dewine recently announced another major manufacturing project for Central Ohio. Honda and LG will partner to build a \$4.0 billion electric vehicle battery plant, which will be located along Interstate-71 in Fayette County, south of the metro area.

SUPPLY AND DEMAND: Vacancy rate increased to nearly 4.0%

After reaching an all-time low early in 2022 of less than 1.5%, overall industrial vacancy in Greater Columbus increased to 3.7% in Q3 2022. On a year-over-year (YOY) basis, vacancy increased by 100 basis points (bps). Much of the quarterly and yearly vacancy increase could be attributed to 6.8 million square feet (msf) of newly-delivered construction in Q3. Of the 6.8 msf in new inventory, 3.8 msf was vacant at delivery. Despite a significant number of deliveries, more than 14.0 msf was under construction at the end of Q3. The vast majority of those construction projects are located outside of Franklin County (Outlying Counties).

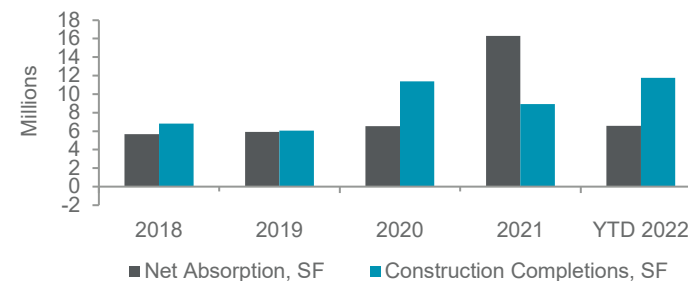
While positive, quarterly net absorption in Greater Columbus reached its lowest level in more than two years at 835,000 sf (square feet). Year-to-date (YTD) 2022 net absorption increased to nearly 6.6 msf. Many of the largest tenant move-ins of the third quarter were a result of newly-delivered construction. ODW Logistics took occupancy of the 583,000-sf facility at 1594 London Groveport Road in the Southeast submarket. In New Albany, AmplifyBio moved into the 352,000-sf building at 9885 Innovation Campus Way, while Cardinal Health moved into 208,000 sf at 6275 Seeds Road in Grove City.

Aside from net absorption, gross leasing activity in Q3 2022 was 2.6 msf and YTD leasing reached nearly 11.0 msf. The largest new lease of the third quarter took place in Commercial Point, a growing area south of Rickenbacker Airport in Pickaway County. HanesBrands leased the entire newly-built 1.2 msf Rickenbacker Exchange at Commercial Point – Building 2. Leasing activity is comprised of new lease signings over a given period, which are an indicator of future positive net absorption in later quarters.

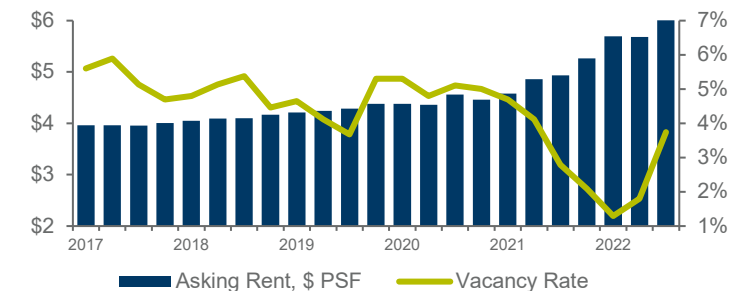
PRICING: Asking rents grew significantly along with construction deliveries

With the delivery of 6.8 msf of new construction in the third quarter alone, the impact of new speculative modern bulk buildings on asking rates was significant. The average overall asking rate grew by 29.0% YOY to a record-level \$5.70 per-square-foot (psf) net.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT COLUMBUS

Industrial Q3 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	33,675,449	488,867	1.5%	-19,394	332,134	1,024,729	0	N/A	\$8.52	\$5.46	\$5.75
Northeast	53,486,508	1,036,031	1.9%	-168,499	89,075	947,736	234,000	N/A	\$8.64	\$6.49	\$6.98
Southwest	32,634,869	465,238	1.4%	114,928	767,045	332,515	208,241	N/A	\$6.75	\$6.61	\$6.62
Southeast	85,867,999	4,128,817	4.8%	289,236	1,066,469	980,603	4,214,885	\$5.65	\$9.14	\$5.57	\$5.57
Outlying Counties	94,048,079	5,083,542	5.4%	618,893	4,333,383	10,866,553	7,106,002	\$3.85	\$6.07	\$5.59	\$5.55
COLUMBUS TOTALS	299,712,904	11,202,495	3.7%	835,164	6,588,106	14,152,136	11,763,128	\$4.74	\$8.23	\$5.65	\$5.70

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	35,317,789	307,392	0.9%	272,221	702,500	393,886	315,000	\$4.74
Office Service / Flex	6,908,319	328,485	4.8%	-56,501	-19,240	117,450	0	\$8.23
Warehouse / Distribution	257,486,796	10,566,618	4.1%	619,444	5,904,846	13,640,800	11,448,128	\$5.65
Modern Bulk Distribution	105,243,895	7,394,213	7.0%	1,462,203	5,339,583	13,620,800	10,522,479	\$5.87
Traditional Bulk Distribution	51,962,797	568,074	1.1%	-223,615	336,261	0	0	\$4.64
TOTAL Bulk Distribution	157,206,692	7,962,287	5.1%	1,238,588	5,675,844	13,620,800	10,522,479	\$5.80

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

Jarrett Hicks

Director of Research

+1 513 322-3802

jarrett.hicks@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com