

REGIONAL SUMMARY

The Columbus industrial market continued a strong year in the third quarter, recording 1,605,350 square feet of net absorption*. This brings year-to-date net absorption to over 5.3 million square feet - outpacing 2018's third quarter total by almost 1 million square feet. Due to strong leasing activity and consistent construction, Columbus experienced absorption greater than 1 million square feet for the ninth consecutive quarter. Vacancy continues to decline, dropping from 4.62 percent to 4.34 percent. Overall asking rates remained stable at \$3.52 per square foot, but rates for R&D/Flex properties rose slightly from \$6.15 to \$6.36 per square foot. This quarter, online retailers and logistics companies proved driving forces on the industrial market, with Walker Edison Furniture, ODW Logistics, Spartan Logistics and Startech.com all committing to warehouse space around the region. Growing demand in the Columbus market has led to sustained construction activity in recent years. There is currently 8.8 million square feet of product under construction, 6.9 million square feet in the pipeline and 2.8 million square feet completed year-to-date. Due to a tight labor market, the Columbus unemployment rate rose from 3.4 percent to 3.7 percent this quarter. This rate is forecasted to remain stable in coming months, as the city is considered at "full employment" level. Throughout the rest of 2019, Central Ohio can expect continued growth as large build-to-suit projects reach completion and global companies occupy space in the area.

*net absorption is calculated based on commencement date

VACANCY »

Due to significant positive absorption, the vacancy rate decreased this quarter from 4.62 percent to 4.34 percent. The Fairfield submarket saw the largest vacancy decrease to 1.94 percent, as an owner/user purchased and occupied 955 Mill Park Drive. The West submarket saw the most significant increase in vacancy to 6.32 percent, as large tenants vacated space at 4401 Equity Drive, 3950 Business Park Drive and 2111 International St.

MARKET ACTIVITY »

Market activity is often correlated to positive or negative absorption. However, in cases when a tenant leaves one space for another, the positive and negative absorption cancels out. The Market Activity Volume (MAV), which is the absolute sum of absorption change in the market, gives a better idea of overall activity. This quarter, the MAV was 6.3 million square feet - 1 million square feet higher than last quarter, and a strong indication that tenants are continuing to stay active in the market.

CONSTRUCTION ACTIVITY »

With warehouse space in high demand, construction numbers continue to grow. Development is at an all-time high, with 8.8 million square feet under construction this quarter. The Licking and Madison submarkets alone have a combined 5.3 million square feet currently underway.

Five buildings totaling 588,400 square feet reached completion this quarter. Two speculative projects at 1860 Walcutt Road and 4616 Bridgeway Ave. were finalized, adding 466,600 square feet of space to the industrial market. Build-to-suit warehouses for Nifco, Carr Supply and Hoshizaki also completed, totaling 121,800 square feet. With nearly 40 projects either underway or in the pipeline, Central Ohio can expect more large completions in coming quarters.

SALES ACTIVITY »

This quarter, 20 industrial properties totaling 1.2 million square feet sold in Central Ohio for a total sales volume of \$66.9 million, or an average price per square foot of \$56. Five more properties sold this quarter than last, demonstrating ongoing investor interest.

Industrial Logistics Property Trust purchased the Global Drive Portfolio for \$31.9 million, or \$81 per square foot - the largest sale of the quarter. Plymouth Industrial REIT bought the Orange Point Portfolio for \$11 million. 2300 Rickenbacker Industrial Pkwy. sold to Triumph Real Estate Corporation for \$5.9 million.

ECONOMIC DRIVERS

MARKET INDICATORS	QoQ	YoY
VACANCY		
RENTAL RATES		
MARKET ACTIVITY VOLUME		
CONSTRUCTION		
SALES VOLUME		
SALE PRICE		

UPDATE - Lease & Sale Transactions | Construction

LEASE Activity

PROPERTY ADDRESS	LEASE DATE	LEASED SF	TENANT	ASKING PRICE	TYPE	SUBMARKET
3800 Groveport Road	7/11/2019	705,600	Walker Edison	\$3.00	NNN	Southeast
5465 Centerpoint Pkwy.	8/29/2019	478,190	ODW Logistics	\$3.75	NNN	Southeast
3100 Creekside Pkwy.	8/26/2019	257,962	Spartan Logistics	\$2.95	NNN	Southeast
4450 S Hamilton Road	7/1/2019	253,900	Startech.com	-	-	Southeast
4000 Lockbourne Industrial Pkwy.	7/1/2019	253,700	Intelligrated	\$2.65	NNN	Southeast
8288 Green Meadows Drive	7/1/2019	200,000	Confidential	-	-	Delaware
6100 Opus Drive	8/12/2019	166,803	Geodis	\$3.25	NNN	Southeast
3657 Tradeport Ct.	9/1/2019	134,037	ODW Logistics	\$3.75	NNN	Pickaway
340 O'Neill Drive	7/31/2019	125,000	Owens Corning	\$3.25	NNN	Licking

SALE Activity

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE (SF)	BUYER	SELLER	PRICE PSF	TYPE	SUBMARKET
Global Drive Portfolio	8/22/2019	\$31,900,000	392,016	Industrial Logistics Properties Trust	Pizzuti	\$81.37	Investment	Southeast
Orange Point Portfolio	8/29/2019	\$11,041,250	217,289	Plymouth Industrial REIT	Quantum Investments	\$50.81	Investment	Delaware
2300 Rickenbacker Pkwy.	9/5/2019	\$5,957,500	162,667	Triumph Real Estate Corporation	Salsbury Industries	\$36.62	Investment	Southeast
955 Mill Park Drive	7/31/2019	\$2,880,000	160,000	CAM Logistics	Natwill Ltd.	\$18.00	Owner/User	Fairfield
590 N Hague Ave.	7/16/2019	\$1,400,000	20,927	Chris Brunton	Nickles Bakery	\$66.90	Owner/User	West
850 Harmon Ave.	8/6/2019	\$1,325,000	22,341	Saley Holdings	Graham Ford Power Products	\$59.31	Owner/User	Southwest

CONSTRUCTION Activity

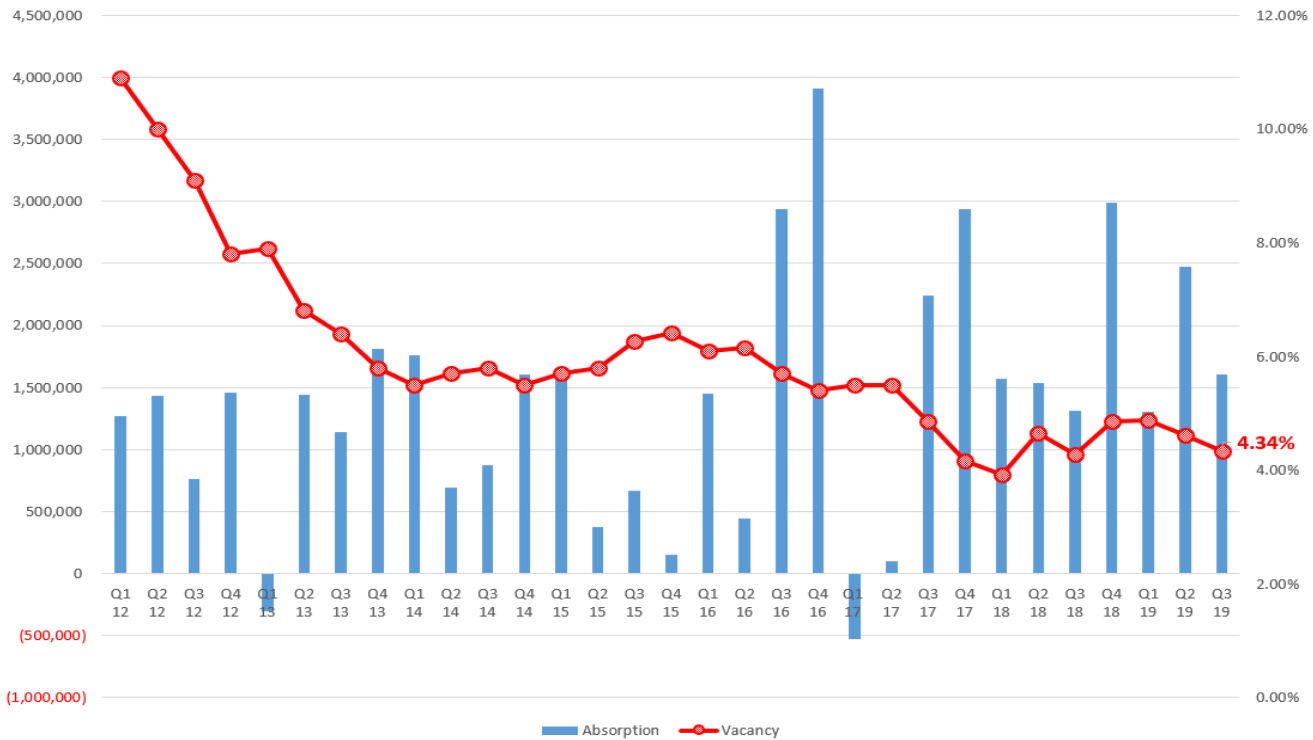
PROJECT NAME	SPEC/BTS	ADDRESS	SUBMARKET	TYPE	SIZE	OWNER	COMPLETION
I-70E Logistics Center	Spec	I-70E	Licking	Warehouse/Distribution	1,232,149	TPA	Q1 2020
Kohl's	BTS	SR-310 & I-70	Licking	Warehouse/Distribution	1,200,000	CRG	Q4 2019
The Hub 1	Spec	-	Southeast	Warehouse/Distribution	1,059,000	Xebec	Q4 2019
Medline	BTS	0 Broad St.	Madison	Warehouse/Distribution	855,000	Exeter	Q4 2019
Park West Building 1	Spec	220 Park West	Madison	Warehouse/Distribution	845,280	Hillwood	Q2 2020
West Jeff	Spec	1020 Enterprise Pkwy.	Madison	Warehouse/Distribution	832,010	Exeter	Q2 2020
8341 Industrial Pkwy.	Spec	8341 Industrial Pkwy.	Union	Warehouse/Distribution	488,000	42 Real Estate	Q1 2020
Centerpoint III	Spec	0 Centerpoint Pkwy.	Southeast	Warehouse/Distribution	324,245	Exxcel	Q2 2020
Northeast 302	Spec	0 Innovation Campus Way	Licking	Warehouse/Distribution	300,000	VanTrust	Q4 2019
Central Park Gahanna	Spec	870 Claycraft Road	East	Warehouse/Distribution	262,500	Fed One	Q4 2019
The Hub 2	Spec	-	Southeast	Warehouse/Distribution	231,664	Xebec	Q4 2019
6770 Shook Road	Spec	6770 Shook Road	Southeast	Warehouse/Distribution	201,000	Pinchal & Co	Q1 2020
The Hub 4	Spec	-	Southeast	Warehouse/Distribution	163,493	Xebec	Q4 2019
Magna	BTS	0 Magna Road	Fairfield	Warehouse/Distribution	153,000	SunCap	Q4 2019
3563 Southpark Pl.	Spec	3563 Southpark Pl.	Southwest	Warehouse/Distribution	151,200	Becknell	Q1 2020
The Hub 3	Spec	-	Southeast	Warehouse/Distribution	136,315	Xebec	Q4 2019
Cheryl's expansion	BTS	4465 Industrial Center Drive	Southeast	Warehouse/Distribution	135,000	-	Q4 2019
3400 Southwest Blvd.	Spec	3400 Southwest Blvd.	Southwest	General Industrial	108,000	-	Q2 2020
Nature's One	BTS	1455 James Pkwy.	Licking	Warehouse/Distribution	90,000	Elford	Q4 2019
MillTech	Owner/User	0 Diley Road	Fairfield	Warehouse/Distribution	60,000	DBS	Q4 2019
Granite Inliner	BTS	Weaver Ct. N	West	General Industrial	35,000	-	Q4 2019

MARKET OVERVIEW

ABSORPTION						CONSTRUCTION		ASKING PRICE			
SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED	WH/DIST	R&D/FLEX	GENERAL	BY PRODUCT TYPE
CBD	4,882,947	6,950	0.14%	(3,200)	(3,200)	-	-	-	-	-	-
East	21,012,658	946,049	4.50%	(3,002)	(268,280)	262,500	96,800	\$3.39	\$7.29	\$3.53	\$3.66
Fairfield	6,242,364	121,334	1.94%	160,000	210,400	213,000	-	\$3.50	-	-	\$3.50
Licking	23,937,007	947,618	3.96%	91,000	289,590	2,822,149	-	-	-	\$5.04	\$5.04
Madison	11,459,748	-	0.00%	-	300,000	2,532,290	-	-	-	-	-
North	18,383,909	383,905	2.09%	(7,784)	(646)	-	-	-	\$8.17	\$8.50	\$8.20
Delaware	9,071,109	273,000	3.01%	(138,000)	(121,900)	-	25,000	\$3.25	-	\$3.80	\$3.47
Pickaway	8,551,192	167,600	1.96%	134,037	2,536,341	-	-	-	-	\$2.25	\$2.25
Southeast	77,885,010	4,722,980	6.06%	1,540,276	2,261,610	2,250,717	175,000	\$3.38	\$5.11	\$3.07	\$3.37
Southwest	21,146,111	702,978	3.32%	32,203	737,947	259,200	-	\$3.57	\$6.00	-	\$3.58
Union	7,041,420	109,740	1.56%	8,000	4,000	488,000	-	-	\$4.83	\$3.25	\$3.97
West	36,399,758	2,300,902	6.32%	(208,180)	(565,436)	35,000	291,600	\$3.10	\$5.68	\$4.00	\$3.43
Grand Total	246,013,233	10,683,056	4.34%	1,605,350	5,380,426	8,862,856	588,400	\$3.31	\$6.36	\$3.41	\$3.52

ABSORPTION						CONSTRUCTION		ASKING PRICE	
PROPERTY TYPE	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED	BY PRODUCT TYPE	
R&D/Flex	20,296,996	609,422	3.00%	(56,133)	(111,975)	-	-	\$6.36	
General Industrial	74,035,142	2,344,467	3.17%	171,354	254,342	143,000	-	\$3.41	
Warehouse/Distribution	151,681,095	7,729,167	5.10%	1,490,129	5,238,059	8,719,856	588,400	\$3.31	
Grand Total	246,013,233	10,683,056	4.34%	1,605,350	5,380,426	8,862,856	588,400	\$3.52	

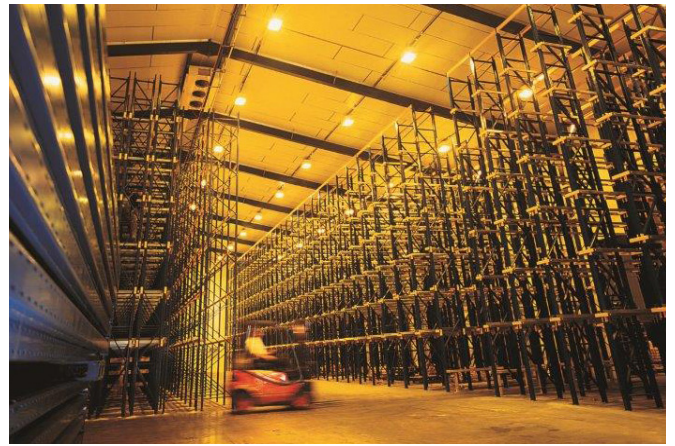
ABSORPTION & VACANCY RATES



A CLIMATE FOR CO-WAREHOUSING

Co-working and co-living are popular buzzwords in the real estate industry, but that list is quickly growing due to the recent trend of co-warehousing. According to Colliers International Knowledge Leader, co-warehousing is an alternative to the traditional warehouse that ensures companies are keeping up with global and industry changes. There is increasing demand for final-mile distribution, but this process carries a huge cost and there is a lack of inventory for such centers. Co-warehousing with 3PL providers is an option for companies looking to participate in final-mile distribution for their clients. Another reason that co-warehousing is growing in popularity is change in trade policy. Trade policy can create disruptions in various supply chains, making some companies wonder if long-term space is the way to go. Many are deciding on co-warehousing for short-term solutions, especially with the upcoming holiday season.

Source: Colliers International Knowledge Leader



Colliers | Columbus Statistics

Leased and Sold More than
\$564+ Million in Volume

Managed over
17.3 Million Square Feet

Completed More than
400 Transactions

110+ Professionals
working toward Accelerating Your
Success

Leased and Sold More than
23.8 Million Square Feet

All statistics are for 2018.

FOR MORE INFORMATION

Hannah Williams
Research Coordinator | Columbus
+1 614 436 9800
hannah.williams@colliers.com

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