

REGIONAL SUMMARY

The Columbus industrial market finished the second quarter of 2018 on a positive note, recording net absorption of 1,535,005 square feet. This marks the sixth quarter in a row of positive absorption, a testament to the consistent strength of the market. Due to significant added inventory and slightly less positive absorption than last quarter, the vacancy rate increased to 4.65 percent. This number is expected to decline throughout the year as leasing activity continues to grow. The market experienced a slight decrease in overall asking rates to \$3.48 per square foot from \$3.56 per square foot last quarter. However, asking rates for general industrial properties saw a \$0.05 increase to \$3.84 per square foot. Logistics and e-commerce firms remain the strongest influence on the market, demonstrating ongoing interest in warehouse space. The growing reputation of Columbus as an industrial hub has caused construction to surge, with over 5.5 million square feet of industrial space currently underway. With more job opportunities and the increased need for skilled labor, the unemployment rate in Columbus stands at 3.5 percent, down from 4.0 percent at the beginning of the year. Looking forward, economists anticipate steady growth for the area as large firms and investors are taking notice of Columbus as a critical link of the industrial supply chain.

VACANCY »»

Vacancy increased this quarter to 4.65 percent, due to added build-to-suit inventory and slightly less positive net absorption than last quarter. The vacancy rate is 100 basis points lower than in the second quarter of 2017, signifying that the market is indeed getting stronger. The North and Pickaway submarkets posted the largest decrease in vacancy from last quarter to 1.5 percent and 2.5 percent respectively. The Southwest submarket saw the largest increase to 6.82 percent, due to a large move-out at 3900 Gantz Road.

NET ABSORPTION »»

The industrial market experienced another quarter of positive net absorption, with 1,535,005 square feet positively absorbed. Strong leasing activity brings the total year-to-date net absorption to over 3 million square feet. The Pickaway submarket saw the largest occupancy gain by far, with 1.6 million square feet absorbed as Sofidel occupied their new building.

CONSTRUCTION ACTIVITY »»

The continuous increase of construction activity in Columbus indicates the high demand for industrial space. Currently there is over 5.5 million square feet of space under construction, with 3.2 million square feet of that being speculative development. The Southeast submarket is home to the largest developments, with five projects totaling over 3 million square feet under construction.

Sofidel's 1,600,000-square-foot plant on Pittsburgh Road and Taggart's 259,000-square-foot warehouse at 4712 Poth Road both completed this quarter, totaling 1.8 million square feet. With more than 20 development projects either proposed, planned or under construction, Columbus can expect more large completions over the next few years.

SALES ACTIVITY »»

During the second quarter, 33 properties consisting of 9.9 million square feet sold in the industrial market. The total sales volume reached \$429,919,000, or an average price per square foot of \$62. There were significantly more sales this quarter than in previous quarters, demonstrating that investors and companies are becoming increasingly interested in Central Ohio.

Granite REIT purchased a 3,806,420-square-foot industrial portfolio from Duke Realty for \$232.5 million, making it the largest deal of the quarter. Mapletree Commercial bought a portfolio from Exeter for \$133.2 million totaling 3,997,983 square feet. The Daimler Group sold Airside I, II and III to BVK for \$28.7 million, or \$96 per square foot.

ECONOMIC DRIVERS

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

UPDATE - Lease & Sale Transactions | Construction

LEASE Activity

PROPERTY ADDRESS	LEASE DATE	LEASED SF	TENANT	ASKING PRICE	TYPE	SUBMARKET
4531 Industrial Center Drive	4/13/2018	213,486	Coty Inc.	\$2.95	NNN	Southeast
2353 Global Drive	5/25/2018	101,156	TwinMed LLC	\$4.75	NNN	Southeast
4712 Poth Road	4/1/2018	64,800	Moby Dick	\$4.50	NNN	East
6969 Alum Creek Drive	5/10/2018	63,000	Midwest Express	\$3.95	NNN	Southeast
6600 Donn Eisele St.	5/31/2018	61,656	Capital City Online Auctions	\$4.00	NNN	Southeast
2353 Global Drive	4/10/2018	50,660	Hague	\$4.75	NNN	Southeast
6959 Alum Creek Drive	5/31/2018	48,000	Midwest Express	\$3.95	NNN	Southeast
3700 Parkway Lane	5/1/18	25,600	AVI Food Systems	\$5.50	NNN	West
3555 Gantz Road	5/30/2018	20,580	Buck Equipment	\$4.75	NNN	Southwest

SALE Activity

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE (SF)	BUYER	SELLER	PRICE PSF	TYPE	SUBMARKET
Duke Realty OH Portfolio	5/15/2018	\$232,500,000	3,806,420	Granite REIT	Duke Realty Corp.	\$75	Investment	Madison
Exeter US Portfolio	4/15/2018	\$133,200,000	3,997,983	Mapletree Commercial	Exeter	\$53	Investment	Southeast
Airside I, II, & III Portfolio	4/23/2018	\$28,700,000	300,000	BVK	The Daimler Group	\$96	Investment	East
8865 Smith's Mill Road N	6/15/2018	\$21,000,000	203,000	Livingston Street Capital LLC	Amcort Packaging	\$103	Investment	Licking
FST Logistics OH Portfolio	5/15/2018	\$13,600,000	356,000	Weston	FST Logistics	\$38	Investment	Southwest
3275 Alum Creek Drive	5/15/2018	\$6,500,000	316,266	Todd Davis	JFN Investments Inc.	\$20	Investment	Southeast
435 Park Ave.	4/15/2018	\$5,000,000	431,063	Phoenix Investors	Industrial Realty Group	\$12	Investment	North Delaware
3775 Zane Trace Drive	4/15/2018	\$3,600,000	60,000	David S Kent	Southgate Corp.	\$60	Investment	West
315 Phillipi Road	4/16/2018	\$3,200,000	197,280	Beach Dog Investments LLC	Phillipi Commerce Ltd.	\$16	Investment	West
2041-2045 Arlingate Lane	4/15/2018	\$2,700,000	34,558	AG Four LLC	Boehringer Ingelheim Pharmaceuticals Inc.	\$78	Investment	West

CONSTRUCTION Activity

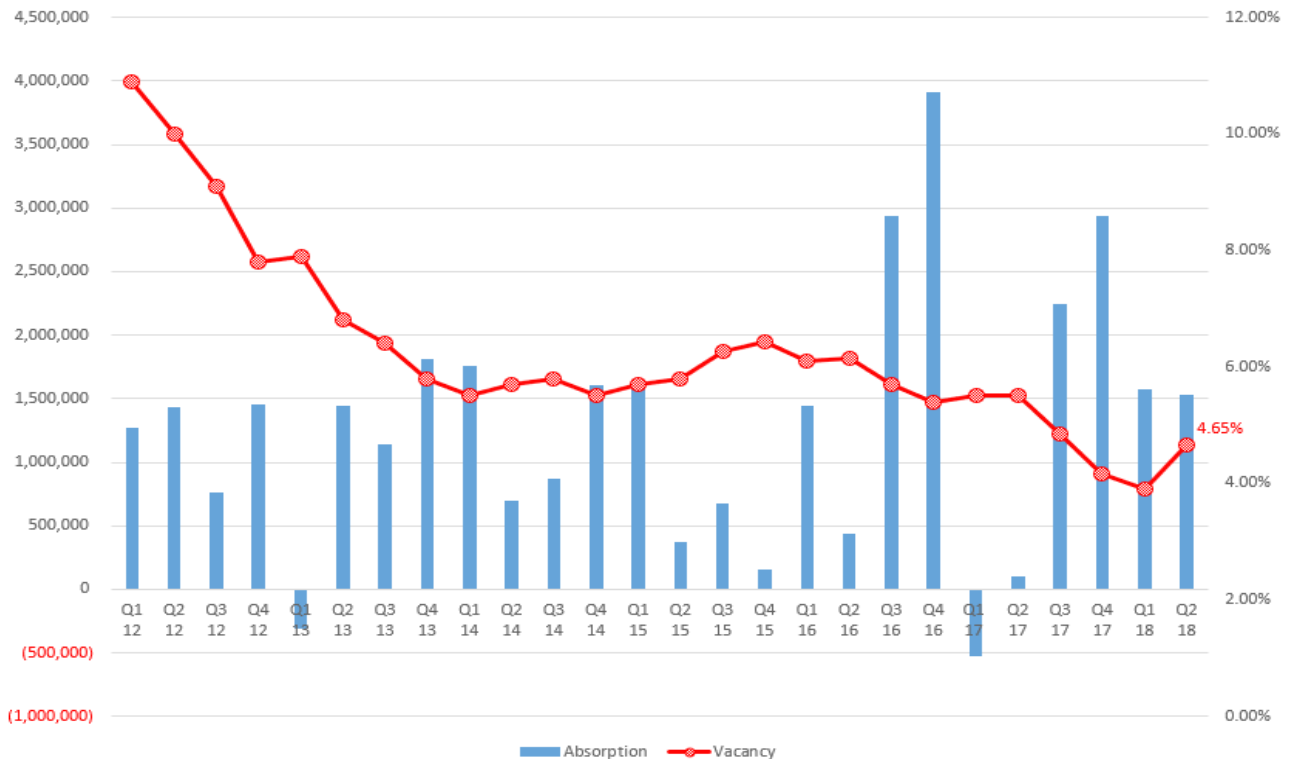
PROJECT NAME	SPEC/BTS	ADDRESS	SUBMARKET	TYPE	SIZE	OWNER	COMPLETION
Goodyear	BTS	-	Southeast	Warehouse/Distribution	1,200,000	Duke	Q4 2018
Amazon	BTS	1550 W. Main St.	Madison	Warehouse/Distribution	855,000	Duke	Q4 2018
Rick West 1	Spec	1901 Beggrow St.	Southeast	Warehouse/Distribution	802,390	Pizzuti	Q3 2018
Rick Central 759	Spec	6198 Green Pointe Drive S	Southeast	Warehouse/Distribution	758,465	VanTrust	Q4 2018
TradePort 2	Spec	0 TradePort Ct.	Pickaway	Warehouse/Distribution	500,000	Hillwood	Q4 2018
TradePort 3	Spec	3657 TradePort Ct.	Pickaway	Warehouse/Distribution	357,000	Hillwood	Q4 2018
Southpark Place	Spec	0 Southpark Pl.	Southwest	Warehouse/Distribution	324,000	Becknell	Q3 2018
Spiegel II	Spec	6380-6480 Adelaide Ct.	Southeast	Warehouse/Distribution	250,685	Meritex	Q3 2018
Rick Central 228	Spec	2850 Rohr Road	Southeast	Warehouse/Distribution	229,333	VanTrust	Q4 2018
Dick's Cold Storage	BTS	3080 Valleyview Drive	West	General Industrial	115,000	Dick's	Q3 2018
Acorn Distributors	BTS	2210 Crosswind Drive	Southwest	Warehouse/Distribution	100,000	Acorn Distributors	Q3 2018
Midwest Retail Services	Owner/User	-	Union	Warehouse/Distribution	75,000	Midwest Retail Services	Q4 2018

MARKET OVERVIEW

SUBMARKET	ABSORPTION					CONSTRUCTION		ASKING PRICE			BY PRODUCT TYPE
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED	WH/DIST	R&D/FLEX	GENERAL	
CBD	4,882,947	-	0.00%	-	-	-	-	-	-	-	-
East	20,915,858	443,954	2.12%	222,909	415,028	-	259,800	\$2.99	\$6.40	-	\$3.98
Fairfield	6,242,364	331,734	5.31%	(93,834)	(93,834)	-	-	\$3.50	-	-	\$3.50
Licking	23,823,407	1,760,882	7.39%	(245,697)	19,364	-	-	\$3.09	-	\$4.94	\$3.65
Madison	10,304,748	-	0.00%	-	-	855,000	-	-	-	-	-
North	18,235,311	273,912	1.50%	102,706	137,402	-	-	-	\$7.59	\$8.63	\$7.91
North Delaware	9,046,109	291,992	3.23%	32,200	93,106	-	-	-	\$6.69	\$3.73	\$4.47
Pickaway	6,704,701	167,600	2.50%	1,600,000	1,610,000	857,000	1,600,000	-	-	\$2.25	\$2.25
Southeast	74,469,137	4,724,516	6.34%	(115,849)	222,221	3,240,873	-	\$3.28	\$4.85	\$3.20	\$3.29
Southwest	20,722,111	1,413,668	6.82%	(57,585)	262,606	424,000	-	\$3.53	\$4.64	-	\$3.66
Union	6,956,170	138,550	1.99%	(13,810)	(67,060)	75,000	-	-	\$5.98	\$2.50	\$4.47
West	35,980,700	1,524,971	4.24%	103,965	505,104	115,000	-	\$2.88	\$5.72	-	\$3.03
Grand Total	238,283,563	11,071,779	4.65%	1,535,005	3,103,937	5,566,873	1,859,800	\$3.17	\$6.30	\$3.84	\$3.48

PROPERTY TYPE	ABSORPTION					CONSTRUCTION		ASKING PRICE	
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED	BY PRODUCT TYPE	
Flex/R&D	20,296,996	605,664	2.98%	22,645	172,422	-	-	\$6.30	
General Industrial	73,907,684	2,134,371	2.89%	1,943,480	2,234,003	115,000	1,600,000	\$3.84	
Warehouse - Distribution	144,078,883	8,331,744	5.78%	(431,120)	697,512	5,451,873	259,800	\$3.17	
Grand Total	238,283,563	11,071,779	4.65%	1,535,005	3,103,937	5,566,873	1,859,800	\$3.48	

ABSORPTION & VACANCY RATES



AN INTERNATIONAL CARGO GATEWAY

The Columbus industrial market has seen a recent boom, due to the area's easy access to national interstates, availability of developable land and consistent growth of Rickenbacker International Airport. According to the Columbus Regional Airport Authority, international cargo increased by 65 percent last year and is predicted to rise more than 900 percent in the next two decades. To keep up with demand, Rickenbacker has added an additional freight operator, AirBridgeCargo, and now provides service from five airlines specific to the transportation of international cargo. They are also researching specialized facilities to handle the more diversified cargo coming through the inland port. Rickenbacker's growing capabilities are crucial now more than ever, as Central Ohio aims to further build a reputation as an industrial hub.



Colliers | Columbus Statistics

Leased and Sold More than
\$388+ Million in Volume

Managed over
21 Million Square Feet

Completed More than
370 Transactions

115+ Professionals
working toward Accelerating Your
Success

Leased and Sold More than
22 Million Square Feet

All statistics are for 2017.

FOR MORE INFORMATION

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