

REGIONAL SUMMARY

The Columbus retail market continues to bounce back from a rough start to 2017, posting 127,147 square feet of positive net absorption – the second consecutive quarter of growth. Fully leased strip centers, new deliveries, and no store closings were key factors to the positive growth. The vacancy rate decreased from the previous quarter, making the overall rate 6.9 percent. Another quarter of strong leasing activity pushed vacancy down and stirred competition in the market to raise asking rates. Overall rental rates increased by \$0.13 to \$11.34 per square foot. Neighborhood centers saw the greatest increase from \$10.95 to \$11.32. The retail market anticipates a complete rebound from the slow start of the year because consumer spending remains strong, with e-commerce leading the way growing at 14 percent. Although the way consumers purchase goods is transforming from brick-and-mortar to online, economists predict continued growth for the retail sector. In order to compete, it is crucial that retailers maximize output in the correct manner and continue to strive on innovation. New presidential policies that stimulate job growth and opportunity create an optimistic population that will continue to spend money on retail goods according to Kiplinger’s Forecast.

VACANCY »

The overall vacancy rate stands at 6.9 percent– a decrease of 40 basis points from the previous quarter. The Southeast submarket, which includes Grove City, Obetz and the southeastern side of Columbus, experienced the largest decrease in vacancy from 18.18 percent to 15.4 percent. The Northeast submarket recorded an increase in activity, causing vacancy to decrease to 4.73 percent.

NET ABSORPTION »

The Columbus retail market recorded 127,147 square feet of positive net absorption at the close of the third quarter. Although absorption is slightly lower than the previous quarter, positive absorption is still a strong indicator the market is strengthening. Leasing activity increased by 7 percent compared to the same quarter of last year. The Southeast submarket posted the largest occupancy gains with 151,664 square feet absorbed – a complete turnaround from the negative 241,000 square feet last quarter.

CONSTRUCTION ACTIVITY »

Columbus currently has 795,531 square feet of construction in the pipeline for the retail market. The Northeast submarket leads the way with 265,640 square feet of projects under way, including two 100,000 square foot furniture big box stores around Polaris. The largest project in the pipeline is SouthStar Market Place – an 110,000-square-foot community center at 4320 Alum Creek Drive. Of the 20 construction projects, nine are community and mixed-use projects.






The metro city enjoyed 132,435 square feet of completions this quarter. Some of the projects included three different Bridge Park retail buildings totaling 55,050 square feet, Zettler Hardware’s 24,030-square-foot freestanding building at 180 Postage Circle, New Albany’s 36,850-square-foot mixed-use project, and Aldi’s 16,500-square-foot grocery store at 720 W. Waterloo St.

SALES ACTIVITY »

At the close of the third quarter, nine buildings totaling over 940,000 square feet sold, bringing the total sales volume to \$43.3 million. This is a slight decrease from the previous quarter, however strong investment activity is still present.

The largest sale this quarter occurred in Lancaster, where River Valley Mall was bought for \$ 20.3 million, or an average price per square foot of \$27.78. A few other sales that took place include: Texas Roadhouse sold its property at 4155 Parkway Centre Drive for \$2.64 million, IHOP sold its property at 5500 Renner Road for \$2.9 million, and Starbucks sold its property at 3850 N. High St. for \$1.8 million.

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
1030-1100 Alum Creek	7/28/2017	53,000	Playtime Preschool	\$12.50	FSG	Southeast
3670-3772 Easton Way	9/5/2017	27,251	Marshall's	-	-	Northeast
3670-3772 Easton Way	9/5/2017	26,224	Home Goods	-	-	Northeast
3670-3772 Easton Way	9/5/2017	23,707	Sierra Trading Center	-	-	Northeast
800 W Central Ave	9/7/2017	22,185	Planet Fitness	\$12.00	NNN	Delaware
24799 US Highway 23	7/21/2017	20,000	Save A Lot	\$7.50	NNN	Pickaway
395 E Mound St	8/1/2017	9,142	The City Dog Daycare	\$10.00	NNN	CBD
6080 Dublin Center Dr	7/5/2017	7,749	Haugland Learning Center	\$15.00	NNN	Northwest
185 N High St	7/25/2017	5,000	Havelli Bistro, LLC	\$25.00	NNN	CBD

SALE Activity

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE (SF)	BUYER	SELLER	PRICE PSF	TYPE	SUBMARKET
1635 River Valley Blvd	7/7/2017	\$20,370,000	733,230	RVM LLC	River Valley Circle South	\$27.78	Investment	Faifield
5740 Zarley St (JD Equipment Inc)	8/28/2017	\$4,820,000	17,830	North Ridge Shopping Center LLC	Cornerstone JDNA LLC	\$270.33		Northeast
6525 Sawmill Rd	7/31/2017	\$4,400,000	21,928	6525 Sawmill LLC	DVC 6525 Associates LLC	\$200.65	Investment	Northwest
5500 Renner Rd (IHOP)	7/31/2017	\$2,917,000	4,176	Denunzio Properties Inc	ARCP IH Columbus OH LLC	\$698.51	Investment	Northwest
4155 Parkway Centre Dr (Texas Roadhouse)	7/31/2017	\$2,640,000	6,904	MDC Real Estate Investments LLC	Schulz Grove City LLC	\$382.38	Investment	Southwest
1060 Polaris Pkwy	7/19/2017	\$2,600,000	4,224	Polaris Fashion Mall Duchess LLC	Polaris BP LLC	\$615.53	Investment	Northeast
5800 Alshire Rd (The Andersons)	7/14/2017	\$2,150,000	144,870	Alshire Properties LLC	The Andersons Inc	\$14.84	Owennr/User	East

CONSTRUCTION Activity

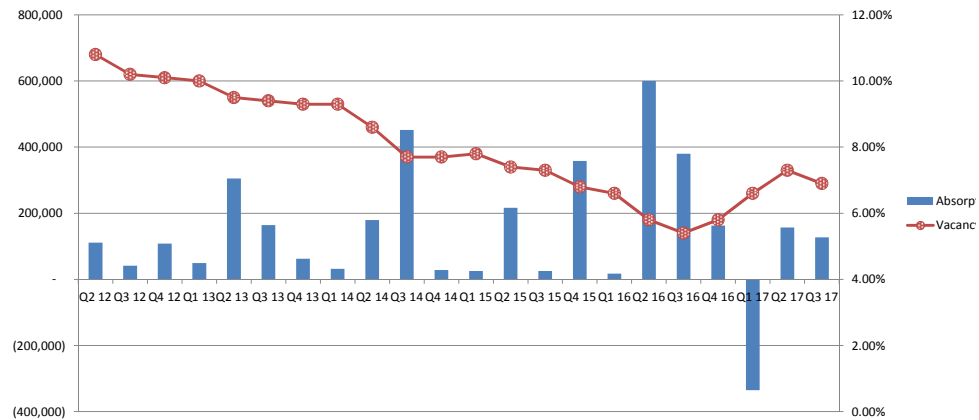
PROJECT NAME	ADDRESS	SUBMARKET	TYPE	SIZE	COMPLETION
SouthStar Market Place	4320-4325 Alum Creek Dr	Southeast	Community	110,000	-
Ashley/Morris Furniture	NW of Gemini and I-71	Northeast	Big Box	100,000	-
At Home	0 Antares Ave	Northeast	Big Box	100,000	-
0 E Broad St	0 E Broad St	East	Anchored Strip Center	75,000	-
900 N High St	900 N High St	CBD	Community	50,000	Mar-18
The Wellington	NW of E 16th and N High St	CBD	Community	46,000	-
711 N High	711 N High St	CBD	Community	40,000	Oct-18
West Albany Crossing Retail Center	NE of Warner and Hamilton Rd	Northeast	Mixed-Use	30,000	-
500 W Broad	500 W Broad St	CBD	Community	30,000	Dec-17
921 Sawmill Pkwy	921 Sawmill Pkwy	Northwest	Conv/Strip Center	25,000	-
85 N High	85 N High St	CBD	Community	25,000	-
The View	5th Avenue	Northwest	Conv/Strip Center	24,572	-
Dublin Green	7401 State Route 161	Northwest	Conv/Strip Center	22,842	-

MARKET OVERVIEW

SUBMARKET	ABSORPTION					CONSTRUCTION		ASKING PRICE					
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED	NEIGHBOR.	POWER CENTER	ANCHORED STRIP	BIG BOX	COMMUN.	AVG ASKING RATE
CBD	1,129,426	35,087	3.11%	(1,688)	(5,088)	227,403	-	\$12.00	\$27.50	-	-	-	\$13.02
Fairfield	3,960,854	308,738	7.79%	(24,538)	(97,710)	-	-	\$17.99	\$14.17	\$7.72	-	\$17.04	\$10.76
Licking	4,088,649	186,993	4.57%	(36,329)	(27,060)	-	-	\$11.74	\$14.50	\$11.96	\$8.00	-	\$11.29
Madison	214,406	15,965	7.45%	1,800	4,678	-	-	-	-	\$16.50	-	-	\$11.95
North Delaware	2,637,806	115,552	4.38%	31,348	44,919	-	-	-	\$14.03	\$18.50	\$9.00	\$13.00	\$12.02
Northeast	17,437,321	825,531	4.73%	121,071	473,100	265,640	36,850	\$13.09	\$11.43	\$12.22	-	\$18.02	\$12.38
Northwest	13,759,361	562,955	4.09%	(24,429)	(189,917)	117,488	55,055	\$13.38	\$15.34	\$15.83	\$7.50	\$15.08	\$15.13
Pickaway	656,177	59,344	9.04%	(38,620)	(38,620)	-	-	-	-	-	-	\$10.42	\$10.42
Southeast	10,330,225	1,590,591	15.4%	151,664	(285,064)	185,000	40,530	\$8.27	\$8.57	\$9.48	\$8.25	-	\$8.83
Southwest	6,560,179	494,364	7.54%	(53,132)	(78,607)	-	-	\$12.31	\$11.55	\$14.67	-	\$7.43	\$11.03
Union	1,327,203	130,720	9.85%	-	(14,000)	-	-	-	\$23.00	-	-	-	\$23.00
Grand Total	62,101,607	4,325,840	6.97%	127,147	(213,369)	795,531	132,435	\$11.32	\$11.98	\$10.67	\$9.80	\$11.04	\$11.34

PROPERTY TYPE	ABSORPTION			CONSTRUCTION		ASKING PRICE		
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED	AVG ASKING RATE
Anchored Strip Center	12,097,254	1,206,251	9.97%	(4,131)	(162,601)	90,640	-	\$10.67
Big Box	8,841,168	336,923	3.81%	11,036	257,406	200,000	-	\$9.80
Community	4,348,633	392,343	9.02%	(27,935)	75,241	396,093	91,905	\$11.04
Conv/Strip Ctr	3,755,087	264,631	7.05%	43,642	16,041	72,414	-	\$12.13
Freestanding	4,264,143	176,181	4.13%	16,500	121,163	15,000	40,530	\$12.11
Neighborhood	5,644,492	472,145	8.36%	43,027	1,768	21,384	-	\$11.32
Outlet Ctr	350,000	-	0.00%	-	-	-	-	-
Power	15,632,997	952,384	6.09%	76,696	2,595	-	-	\$11.98
Regional Ctr	663,236	-	0.00%	-	-	-	-	-
Strip	155,558	-	0.00%	-	-	-	-	\$14.00
Supr Reg Ctr	5,791,480	522,094	9.01%	(30,000)	(522,094)	-	-	-
Urban Retail	545,249	2,888	0.53%	(1,688)	(2,888)	-	-	\$12.00
Grand Total	62,101,607	4,325,840	6.97%	127,147	(213,369)	795,531	132,435	\$11.34
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ABSORPTION & VACANCY RATES



HOT TOPIC

As Columbus grows as an urban hub, the central business district and surrounding cities have begun to revamp their culture and attitude by finding new ways to grasp people's attention. The newest addition to the Columbus retail industry is rooftop bars and dining. In the next few years, the city is launching over a dozen rooftop patio decks. In order to enhance the city experience, developers thought bringing attention to the beautiful Columbus skyline was a priority. The rooftops range from fine dining at Juniper atop Smith's Brothers Hardware building, to enjoying your favorite craft beer at the new BrewDog bar in Franklinton. This idea further enhances the restaurant experience in Columbus and helps the city attract new opportunities.



Colliers | Columbus Statistics

Leased and Sold More than
\$10 Million+ in Volume

Completed more than
300 Transactions

Leased and Sold More than
10 Million Square Feet

All statistics are for 2016.

Managed over **20 Million**
Square Feet

108+ Professionals
working toward Accelerating Your
Success

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