

REGIONAL SUMMARY

The industrial market finished the fourth quarter on a very strong note, bringing the total absorption for the year to over 4 million square feet. Columbus recorded positive absorption in all four quarters in 2017, pushing the vacancy rate down to 4.16 percent. Robust absorption numbers are a direct effect from strong leasing activity, which topped 7 million square feet for the year. Overall asking rates posted another uptick to \$3.51 per square foot – a \$0.08 increase from the previous quarter. Warehouse distribution properties saw the greatest increase this quarter to \$3.13 per square foot. The e-commerce and logistic firms continue to strongly influence the Columbus industrial market. Construction numbers have also seen a healthy increase throughout the year. Columbus posted over 3.5 million square feet under construction this quarter. Of the 3.5 million, 1.88 million square feet is speculative development, further proving the high demand for space in Columbus. The unemployment rate in Central Ohio has seen significant declines because of the increasing job opportunity and need for skilled workers. Currently, the Columbus unemployment rate stands at 3.7%, which is well below the national unemployment rate of 4.1%. Looking forward, economists predict Columbus will continue to flourish as investors and businesses want to get a piece of this growing logistics hub.

VACANCY >>

The Columbus industrial market saw another decline in the vacancy rate to 4.16% – a 100 basis point decrease from the fourth quarter of last year. The Southwest submarket, which includes Grove City, experienced the largest decrease in vacancy from 6.19% to 2.18%. The West submarket posted the largest increase in vacancy to 3.95% due to Rogue Fitness vacating a portion of their Westbelt Drive space.

NET ABSORPTION >>

The Columbus market recorded its strongest quarter of the year, posting 2,940,388 square feet of positive net absorption. Due to strong leasing activity, absorption for the year totals to over 4 million square feet. The East and Southwest submarkets experienced the largest occupancy gains this quarter, with 163,628 and 795,768 square feet absorbed, respectively.

CONSTRUCTION ACTIVITY >>

Construction activity in Columbus continues to experience high demand. This quarter, the Columbus metro posted over 3.5 million square feet of construction in the pipeline – 1.88 million are speculative developments and 1.66 million are build-to-suits. Pickaway County and the Southeast submarket posted the largest activity, both with over a million square feet in the pipeline.

Columbus posted eight completions this quarter totaling 2,892,960 square feet. A few of these projects include Northpoint's 1,020,255-square-foot warehouse at 3780 Tradeport Court, Duke Realty's 673,920-square-foot warehouse at 1661 Rail Court North, and the UPS 375,000-square-foot expansion at 5101 Trabue Road. Columbus can expect high construction numbers over the next few years as a handful of projects are being planned and proposed.

SALES ACTIVITY >>

During the fourth quarter, nine properties totaling over 2 million square feet were sold, bringing the total sales volume to \$58,550,000, or an average price of \$38.00 per square foot. Including the nine transactions that sold this quarter, the Columbus industrial market posted a yearly total of over 16.8 million square feet sold for a total sales volume of nearly \$670 million according to Real Capital Analytics.

Exeter purchased 2400 Spiegel Drive from JP Morgan for \$14.7 million, making it the largest deal of the quarter. Cabot purchased a 3-property portfolio, which included 1615 Georgesville Road, 2781 Westbelt Drive, and 2771-2779 Westbest Drive for \$17,250,000, or \$30 per square foot. A pair of Alum Creek buildings, 6969 and 6959, were acquired by Dalfen America for \$9.2 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
3265 Southpark Pl	10/27/2017	322,000	Veritiv	Negotiable	NNN	Southwest
5900 N Meadows Rd	11/9/2017	269,831	CTDI	\$3.45	NNN	Southwest
5465 Centerpoint Pkwy	11/21/2017	253,198	LeTote, Inc.	\$3.65	NNN	Southeast
3219 Rohr Rd	12/1/2017	217,000	CINTAS	\$3.50	NNN	Southeast
4000 Lockbourne Industrial Pkwy	12/15/2017	180,000	Coty Inc.	\$2.65	NNN	Southeast
6660 Broughton Ave	11/15/2017	105,191	Orlando Baking Company	\$7.68	NNN	East
3180-3270 Urbancrest Industrial Dr	10/1/2017	56,141	MES Inc.	\$3.10	NNN	Southwest
4712-4760 Poth Rd	11/7/2017	52,000	Wolff Bros. Supply Inc.	\$4.50	NNN	East
4000-4040 Business Park Dr	10/18/2017	52,000	Advanced Turf Solutions	\$3.75	NNN	West
6845 Commerce Court Dr	10/24/2017	30,182	CKE Management LLC	\$5.95	NNN	East

SALE Activity

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE (SF)	BUYER	SELLER	PRICE PSF	TYPE	SUBMARKET
3219 Rohr Rd	12/26/2017	\$29,000,000	567,000	Exeter	VanTrust	\$51	Warehouse	Southeast
2400 Spiegel Dr	12/15/2017	\$14,700,000	330,179	Exeter	JPMorgan	\$44	Warehouse	Southeast
4251 Leap Rd	11/15/2017	\$8,500,000	237,500	STAG Industrial	SK Leap Road	\$36	Warehouse	West
2771-2779 Westbelt Dr	12/15/2017	\$7,750,000	252,520	Cabot Properties	Trident Capital Group	\$28	Warehouse	West
2781 Westbelt Dr	12/15/2017	\$6,400,000	252,520	Cabot Properties	Trident Capital Group	\$28	Warehouse	West
2150 Bixby Rd	12/15/2017	\$6,300,000	120,000	Exeter	JPMorgan	\$52	Warehouse	Southeast
6969 Alum Creek Dr	11/15/2017	\$4,800,000	158,000	Dalfen America	Evergreen Industrial	\$31	Warehouse	Southeast
6959-6967 Alum Creek Dr	11/15/2017	\$4,400,000	145,000	Dalfen America	Evergreen Industrial	\$31	Warehouse	Southeast
1615 Georgesville Rd	12/15/2017	\$3,100,000	96,325	Cabot Properties	Trident Capital Group	\$32	Warehouse	Southwest
459 E Starr Ave	11/15/2017	\$2,600,000	100,342	5CL Properties LLC	Kathleen Ross	\$26	Warehouse	North

CONSTRUCTION Activity

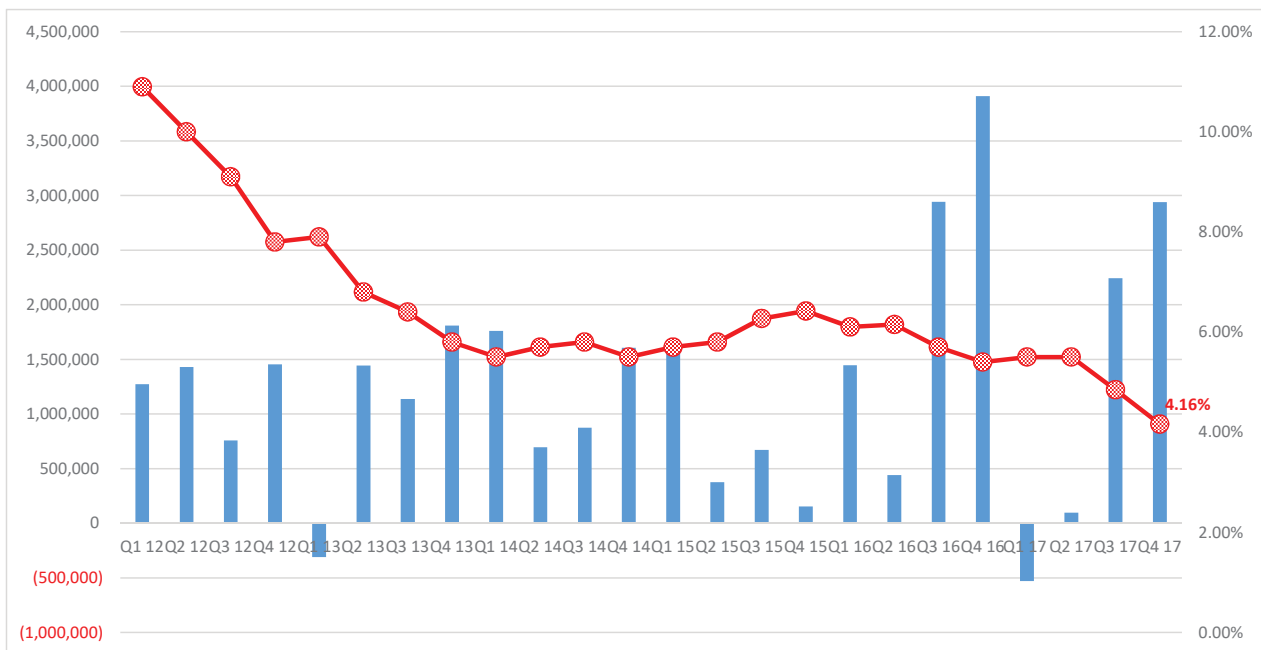
PROJECT NAME	SPEC/BTS	ADDRESS	SUBMARKET	TYPE	SIZE	OWNER	COMPLETION
Sofidel	BTS	0 Pittsburgh Road	Pickaway	General Industrial	1,400,000	Sofidel	2018
Rick West 1	Spec	Rick West 1	Southeast	Warehouse/Distribution	802,390	Pizzuti	Q2 2018
Southpark Place	Spec	0 Southpark Pl	Southwest	Warehouse/Distribution	324,000	Becknell	Q2 2018
Air South Commerce Center Phase 2	Spec	4712-4760 Poth Rd	East	Warehouse/Distribution	260,000	Taggart	Q1 2018
Spiegel II	Spec	6380-6480 Adelaide Ct	Southeast	Warehouse/Distribution	250,685	Meritex	Q2 2018
SouthPark XX	Spec	3555 Gantz Rd	Southwest	Warehouse/Distribution	223,750	Pizzuti	Q1 2018
Dick's Cold Storage	BTS	3080 Valleyview Drive	West	General Industrial	115,000	Dick's	Q2 2018
Acorn Distributors	BTS	2210 Crosswind Dr	Southwest	Warehouse/Distribution	100,000	-	Q2 2018
America's Floor Source	BTS	2360 Citygate Drive	East	General Industrial	40,000	-	Q4 2017
704 International Drive	Spec	704 International Drive	Licking	General Industrial	20,000	Southgate	Q4 2017

MARKET OVERVIEW

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	ABSORPTION		CONSTRUCTION		ASKING PRICE			BY PRODUCT TYPE
				CURRENT	YTD	CURRENT	COMPLETED	WH/DIST	R&D/FLEX	GENERAL	
CBD	5,144,759	-	0.00%	-	-	-	-	-	-	-	-
East	20,616,058	626,040	3.04%	163,628	180,103	300,000	100,000	\$3.03	\$6.52	\$2.85	\$3.54
Fairfield	6,242,364	237,900	3.81%	31,577	(150,200)	-	-	-	-	-	-
Licking	23,803,407	1,703,632	7.16%	-	70,362	20,000	-	\$3.05	\$5.95	\$3.80	\$3.56
Madison	10,304,748	-	0.00%	-	-	-	-	-	-	-	-
North	18,235,311	433,271	2.38%	(6,249)	294,447	-	-	-	\$7.65	\$6.68	\$7.31
North Delaware	9,046,109	370,898	4.10%	107,617	129,111	-	-	-	\$6.88	\$3.46	\$4.56
Pickaway	5,104,701	177,600	3.48%	-	238,120	1,400,000	1,020,255	-	-	\$2.25	\$2.25
Southeast	74,498,462	4,103,794	5.51%	1,880,017	2,582,877	1,053,075	824,135	\$3.23	\$4.76	\$3.45	\$3.26
Southwest	20,498,361	446,623	2.18%	795,768	636,718	647,750	673,920	\$3.38	\$4.78	\$3.95	\$3.56
Union	6,956,170	20,250	0.29%	111,797	150,357	-	-	-	\$6.25	-	\$6.25
West	35,953,574	1,720,914	4.79%	(143,767)	(53,481)	115,000	497,744	\$2.94	\$6.08	-	\$3.17
Grand Total	236,404,024	9,840,922	4.16%	2,940,388	4,078,414	3,535,825	3,116,054	\$3.13	\$6.47	\$3.49	\$3.51

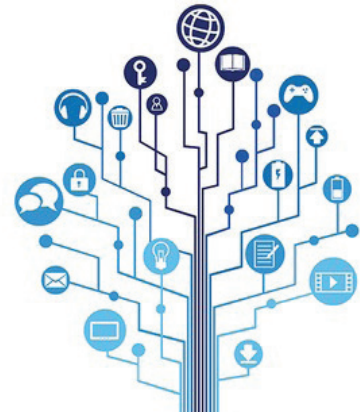
PROPERTY TYPE	TOTAL SF	VACANT SF	VACANCY %	ABSORPTION		CONSTRUCTION		BY PRODUCT TYPE
				CURRENT	YTD	CURRENT	COMPLETED	
Flex/R&D	20,558,808	703,772	3.42%	78,867	474,203	-	122,744	\$6.47
General Industrial	72,272,478	2,861,751	3.96%	103,437	(129,967)	1,575,000	-	\$3.49
Warehouse - Distribution	143,572,738	6,275,399	4.37%	2,758,084	3,734,178	1,960,825	2,993,310	\$3.13
Grand Total	236,404,024	9,840,922	4.16%	2,940,388	4,078,414	3,535,825	3,116,054	\$3.51

ABSORPTION & VACANCY RATES



HOT TOPIC

Our world continues to change and evolve due to the ongoing phenomenon of technology-driven processes and output. In order to keep up with the demands of consumers and ensure success for the future, the industrial sector must also continue to grow. Valued as one of the most important components of future industry, the Internet of Things enables data to be obtained and analyzed much faster than in the past. Therefore, it is essential that manufacturers effectively manage the Internet of Things in their business practices. This means that controlling large amounts of data, using the most up to date technology possible, and hiring employees that can mine specific information should be high priorities. With the increase in demand for warehouse space in the industrial market, Columbus can expect to see these practices implemented as the city continues to strive to be a top logistics hub.



Colliers | Columbus Statistics

Leased and Sold More than
\$268+ 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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