

REGIONAL SUMMARY

As we publish this report, the U.S. and the world at large are facing a tremendous challenge, the scale of which is unprecedented in recent history. The spread of the novel coronavirus (COVID-19) is significantly altering day-to-day life, impacting society, the economy and, by extension, commercial real estate. The extent, length and severity of this pandemic is unknown and continues to evolve at a rapid pace. The scale of the impact and its timing varies between locations. To better understand trends and emerging adjustments, please subscribe to [Colliers' COVID-19 Knowledge Leader page](#) for resources and recent updates.

Despite uncertainty regarding the COVID-19 pandemic, the Columbus industrial market had a strong second quarter, recording 2,768,540 square feet of positive absorption*. As a result of sustained demand in the market, Columbus has seen absorption greater than 1 million square feet in 11 of the past 12 quarters. Although absorption was positive this quarter, vacancy remained steady at 4.56%, as over 1.5 million square feet of completed speculative development was added to the market. This prime new space also caused overall asking rates and warehouse/distribution rates to increase, to \$3.67 per square foot and \$3.50 per square foot, respectively. The second quarter demonstrated the explosive growth of e-commerce, which is booming even more due to coronavirus. Companies like Amazon, Walmart and Shesedo continue to expand in Central Ohio, occupying first-class warehouse space. With nearly 9 million square feet of development under construction and 102 industrial tenants currently looking for space in the market, Columbus can anticipate consistent activity this year as the country works to recover from the effects of COVID-19.

*net absorption is calculated based on commencement date

VACANCY »

The vacancy rate held steady at 4.56 percent this quarter, as the market posted positive net absorption while also adding new availability from completed speculative projects. The Pickaway submarket saw the largest vacancy decrease to 1.96 percent, as DHL leased the remaining space at Tradeport 3. The Madison submarket saw the most significant increase in vacancy to 11.7 percent, as the Park West 1 project completed, adding 845,280 square feet of vacancy to the area.

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 4.3 million square feet – a strong indication that tenants are continuing to stay active in the market.

CONSTRUCTION ACTIVITY »

Ten projects broke ground in the second quarter, driving construction activity higher. There is currently nearly 9 million square feet underway, which is 5 million square feet more than in the second quarter of last year. The Licking, Madison and Southeast submarkets lead construction activity, each with over 1.1 million square feet of speculative or build-to-suit development under construction.

Nine properties totaling 2,936,952 square feet reached completion this quarter. The 1,200,000-square foot Kohl's build-to-suit warehouse was finalized in the Licking submarket. The speculative Park West 1 project was also completed in the Madison submarket, adding 845,280 square feet of available space to the market. With 50+ projects comprising of nearly 20 million square feet either planned or underway, Central Ohio can expect more large completions throughout the next year.

SALES ACTIVITY »

Eight industrial properties totaling 4.1 million square feet sold around Columbus in the second quarter for a total sales volume of \$365 million. The average price per square foot reached \$85.

Oak Street Real Estate Capital purchased a portfolio of two warehouses on Phillipi Road from Big Lots for a total of \$352 million, or \$93 per square foot - the largest sale of the quarter. LSP Technologies sold 6161 Shamrock Ct. to Agracel, Inc. for \$4.5 million, or \$69 per square foot. Minerva Ridge bought 1939 Refugee Road for \$2.4 million and CRH Limited Company bought 4040 Fondorf Drive for \$2.2 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
8591 Mink St. SW	4/3/2020	1,232,149	Undisclosed	\$3.95	NNN	Licking
1450 Commodity Blvd.	5/5/2020	500,000	ODW Logistics	\$3.50	NNN	Southeast
5275 Centerpoint Pkwy.	6/4/2020	323,571	Shiseido Americas	\$4.75	NNN	Southeast
3900 Gantz Road	5/26/2020	175,512	Forge Biologics	\$3.75	NNN	Southwest
6380 Adelaide Ct.	5/29/2020	147,175	Ohio Dept. of Admin. Services	\$4.50	NNN	Southeast
3650 Brookham Drive	4/21/2020	144,801	New Sabina	\$3.25	NNN	Southwest
3657 Tradeport Ct.	5/7/2020	133,555	Exel, Inc.	\$3.75	NNN	Pickaway

SALE Activity

PROPERTY ADDRESS	SALES DATE	SALE PRICE	SIZE (SF)	BUYER	SELLER	PRICE PSF	TYPE	SUBMARKET
300-500 Phillipi Road	6/12/2020	\$278,040,000	3,000,000	Oak Street Real Estate Capital	Big Lots, Inc.	\$92.68	Investment	West
550 Phillipi Road	6/12/2020	\$74,144,000	800,000	Oak Street Real Estate Capital	Big Lots, Inc.	\$92.68	Investment	West
6161 Shamrock Ct.	4/21/2020	\$4,500,000	65,000	Agracel, Inc.	LSP Technologies, Inc.	\$69.23	Investment	West
1939 Refugee Road	4/28/2020	\$2,400,000	68,311	Minerva Ridge	1939 Refugee Road, LLC	\$35.13	Investment	Southeast
4040 Fondorf Drive	6/5/2020	\$2,165,000	39,600	CRH Limited Company	Skeeles Manufacturing, Inc.	\$54.67	Investment	West

CONSTRUCTION Activity

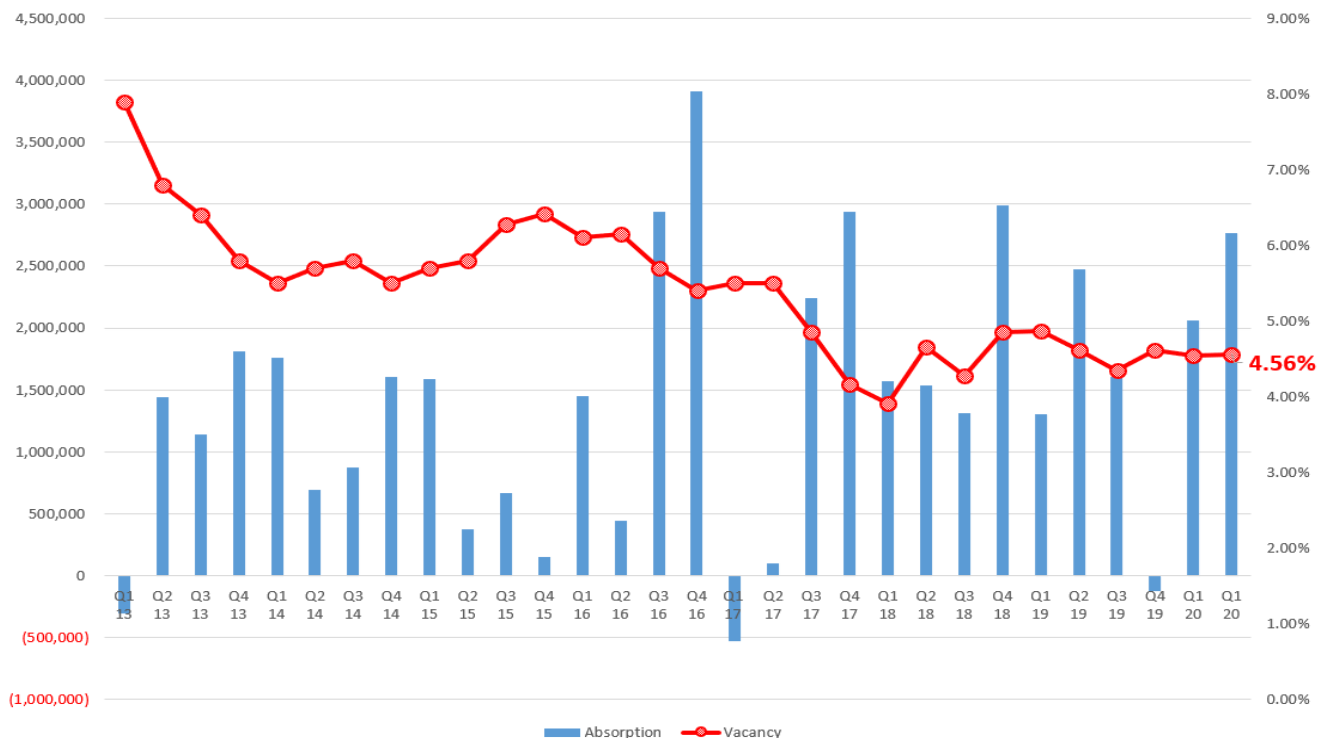
PROJECT NAME	SPEC/BTS	ADDRESS	SUBMARKET	TYPE	SIZE	OWNER	COMPLETION
I-70E Logistics Center	Spec	-	Licking	Warehouse/Distribution	1,232,149	TPA	Q3 2020
Enterprise Logistics Center	Spec	-	Madison	Warehouse/Distribution	1,126,928	Core5	Q2 2021
The Hub 1	Spec	1260 London Groveport Road	Southeast	Warehouse/Distribution	1,059,000	Xebec	Q3 2020
Rickenbacker Park I	Spec	4077 Airbase Road	Southeast	Warehouse/Distribution	742,140	CT Realty	Q1 2021
8341 Industrial Pkwy.	BTS	8341 Industrial Pkwy.	Union	Warehouse/Distribution	488,000	42 Real Estate	Q3 2020
Rickenbacker Park II	Spec	-	Southeast	Warehouse/Distribution	404,640	CT Realty	Q1 2021
Synnex	BTS	1566 Rail Ct.	Southeast	Warehouse/Distribution	358,000	Duke	Q4 2020
Centerpoint III	Spec	0 Centerpoint Pkwy.	Southeast	Warehouse/Distribution	324,245	Exxcel	Q3 2020
Cubes at Rickenbacker	Spec	-	Southeast	Warehouse/Distribution	320,190	CRG	Q1 2021
510 Sunbury Road	Spec	510 Sunbury Road	East	Warehouse/Distribution	300,000	Paul Profeta & Assoc.	Q4 2020
Alene Candles	BTS	-	Licking	Warehouse/Distribution	280,000	Daimler	Q3 2020
Rick West #2	Spec	1815 Beggrow St.	Southeast	Warehouse/Distribution	277,692	Pizzuti	Q3 2020
Rick West #3	Spec	1675 Beggrow St.	Southeast	Warehouse/Distribution	261,402	Pizzuti	Q3 2020
Startech	BTS	4450 S Hamilton Road	Southeast	Warehouse/Distribution	253,000	Pizzuti	Q3 2020
8200 Innovation Way	Spec	8200 Innovation Way	East	Warehouse/Distribution	253,000	VanTrust	Q1 2022
6275 Seeds Road	Spec	6275 Seeds Road	Southwest	Warehouse/Distribution	208,241	Becknell	Q1 2021
6770 Shook Road	Spec	6770 Shook Road	Southeast	Warehouse/Distribution	201,600	Pinchal & Co	Q3 2020
Carvana Center	BTS	2183 Hebron Road	Licking	Warehouse/Distribution	200,000	-	Q4 2020
ICS expansion	BTS	6450 Lasalle Drive	Southeast	Warehouse/Distribution	157,092	-	Q1 2021
Cheryl's expansion	BTS	4465 Industrial Center Drive	Southeast	Warehouse/Distribution	135,000	-	Q3 2020
3400 Southwest Blvd.	Spec	3400 Southwest Blvd.	Southwest	General Industrial	108,000	-	Q3 2020
Nature's One	BTS	1455 James Pkwy.	Licking	Warehouse/Distribution	90,000	Elford	Q3 2020
650 International Drive	Spec	650 International Drive	Licking	General Industrial	66,715	GROW Licking County	Q4 2020
MillTech	Owner/User	0 Diley Road	Fairfield	Warehouse/Distribution	60,000	DBS	Q3 2020
Granite Inliner	BTS	Weaver Ct. N	West	General Industrial	35,000	-	Q3 2020
660 International Drive	Spec	660 International Drive	Licking	General Industrial	20,000	GROW Licking County	Q4 2020

MARKET OVERVIEW

SUBMARKET	ABSORPTION					CONSTRUCTION		ASKING PRICE			
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED Q2	WH/DIST	R&D/FLEX	GENERAL	BY PRODUCT TYPE
CBD	4,882,947	-	0.00%	-	-	-	-	-	-	-	-
East	21,334,258	1,515,116	7.10%	(68,558)	(69,177)	553,000	32,000	\$3.25	\$6.97	\$2.98	\$3.34
Fairfield	6,395,364	121,334	1.90%	153,000	153,000	60,000	153,000	\$3.15	-	-	\$3.15
Licking	25,439,887	1,008,595	3.96%	1,089,023	1,391,903	1,888,864	1,200,000	\$3.95	-	\$3.71	\$3.83
Madison	14,337,038	1,677,290	11.70%	-	1,200,000	1,126,928	845,280	\$4.50	-	-	\$4.50
North	18,383,909	469,899	2.56%	(80,081)	(85,714)	-	-	\$3.50	\$7.08	\$4.33	\$5.42
Delaware	9,095,109	273,000	3.00%	24,000	24,000	-	24,000	\$3.25	-	\$3.80	\$3.47
Pickaway	8,551,192	167,600	1.96%	134,037	134,037	-	-	-	-	\$3.25	\$3.25
Southeast	78,816,482	3,895,796	4.94%	1,067,504	1,362,541	4,494,001	531,472	\$3.44	\$7.50	\$3.89	\$3.48
Southwest	21,297,311	360,288	1.69%	316,172	536,706	316,241	151,200	\$3.78	\$5.50	-	\$3.85
Union	7,041,420	120,000	1.70%	-	(12,000)	488,000	-	-	\$3.50	\$3.25	\$3.38
West	36,536,687	1,895,982	5.19%	133,443	193,409	35,000	-	\$3.07	\$5.39	\$4.63	\$3.54
Grand Total	252,111,604	11,504,900	4.56%	2,768,540	4,828,705	8,962,034	2,936,952	\$3.50	\$5.81	\$3.64	\$3.67

PROPERTY TYPE	ABSORPTION					CONSTRUCTION		ASKING PRICE	
	TOTAL SF	VACANT SF	VACANCY %	CURRENT	YTD	CURRENT	COMPLETED Q2	BY PRODUCT TYPE	
R&D/Flex	20,296,996	695,866	3.43%	(152,430)	(50,607)	-	-	\$5.81	
General Industrial	74,078,689	2,493,060	3.37%	(174,310)	(184,017)	229,715	-	\$3.64	
Warehouse/Distribution	157,735,919	8,315,974	5.27%	3,095,280	5,063,329	8,732,319	2,936,952	\$3.50	
Grand Total	252,111,604	11,504,900	4.56%	2,768,540	4,828,705	8,962,034	2,936,952	\$3.67	

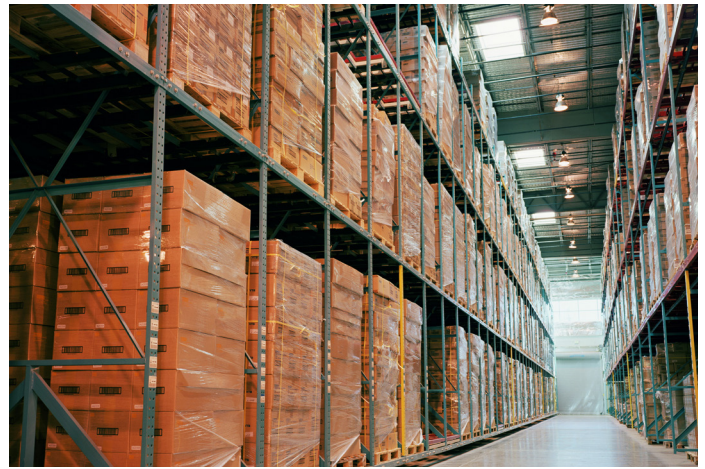
ABSORPTION & VACANCY RATES



COVID-19 AND THE E-COMMERCE BOOM

The emergence of COVID-19 has caused uncertainty around the world, and many are wondering how the pandemic will impact the future of commercial real estate. Historically, the industrial sector has been able to weather economic downturns better than other property types, and this time appears no different. Despite industries like manufacturing being hit hard by the pandemic, others have skyrocketed because of it. E-commerce was already on the rise, but grew even higher in recent months, to over 25 percent penetration in the U.S. These companies require about three times the amount of space as brick-and-mortar retailers, as they need larger warehouse space to store product. The Columbus market is feeling the effect of this now more than ever, as e-commerce tenants collectively leased nearly 2 million square feet in the second quarter. The region can anticipate steady demand in the industrial sector, as these companies work to enhance their local supply chains.

Source: Colliers' Knowledge Leader, GlobeSt.com



Colliers | Columbus Statistics

Leased and Sold More than
\$725+ Million in Volume

Managed over
18.8 Million Square Feet

Completed More than
490 Transactions

130+ Professionals
working toward Accelerating Your
Success

Leased and Sold More than
32.8 Million Square Feet

All statistics are for 2019

FOR MORE INFORMATION

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

Copyright © 2020 Colliers International | Greater Columbus Region
In the midst of the COVID-19 outbreak, information and data is emerging at a quick and uneven rate. The information contained herein has been obtained from sources deemed reliable at the time the report was written. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.