

Columbus Q1 Industrial Market Report

The Demand on Bulk Industrial Space Drives Vacancy Rates to an All Time Low

The first quarter of 2021 saw the Columbus industrial market absorb five million square feet. This is 0.86 times more square feet absorbed than in the fourth quarter of 2020. Columbus has recorded positive absorption rates five quarters in a row. The pandemic has not slowed the industrial sales and lease transactions one bit.

Overall vacancy stayed below 5% for four quarters in a row at 4.1%. As for the asking rental rate, the market saw a minimal shift at \$4.22/SF during the first quarter of 2021, in comparison with the prior quarter at \$4.47/SF.

By the end of Columbus' first quarter, 5.5 million square feet of industrial product was under construction, with deliveries scheduled throughout this year and 2022. In addition, there is 25.8 million square feet of proposed industrial space throughout Central Ohio. Supply chain constraints continued to increase the demand for space, as 1.7 million square feet of new inventory was delivered this past quarter.

Southeast Columbus, a submarket that is home to Rickenbacker International Airport, absorbed 4.9 million square feet this past quarter. This is more than any other submarket in Central Ohio. The vacancy for this submarket continued to decrease as the demand for buildings 500,000 square feet and up increased. The Southeast submarket has had back-to-back record-breaking quarters. 247,500 square feet of product was delivered during quarter one and 100,000 square feet remains under construction.

The long-term outcome for Central Ohio industrial real estate is very promising. If absorption continues to rise and vacancy dwindles for modern bulk industrial space, the demand for industrial space in Columbus will remain high, driving additional proposed projects and deliveries.

Current Conditions

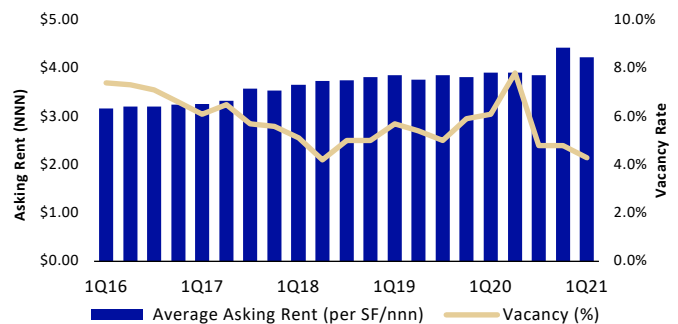
Columbus' vacancy rate continued to decline, ending quarter one at 4.1%. Meanwhile, absorption skyrocketed to 5.01 million square feet.

The overall United States industrial market vacancy rate is expected to finish quarter one around 5.5%.

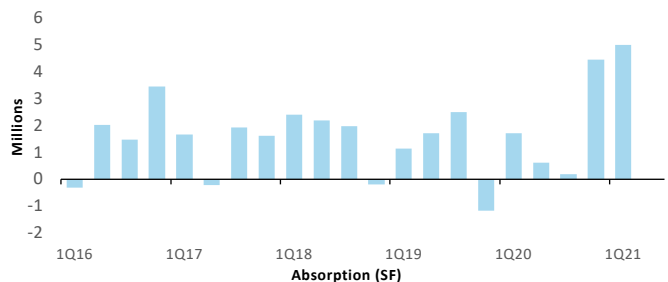
Central Ohio's modern bulk industrial success can be attributed not only to its superb location, but also to growing demand for e-commerce, which typically drives the need for larger distribution centers

Market Analysis

ASKING RENT AND VACANCY RATE



NET ABSORPTION



Market Summary

	Current Quarter	Prior Quarter	One Year Ago	12-Month Forecast
Total Inventory (SF)	254 million	252 million	249 million	↑
Vacancy Rate	4.1%	4.3%	5.5%	→
Quarterly Net Absorption (SF)	5.01 million	4.3 million	1.7 million	↑
Average Asking Rent/SF	\$4.22	\$3.89	\$3.78	→
Under Construction (SF)	5.5 million	7.4 million	11 million	→

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Sale and Lease Transactions

The pandemic did not slow the sales and lease transactions in Columbus' industrial market in the first quarter of 2021. Big box industrial users continued to seek out Central Ohio more than ever. Most submarkets provide distributors proximity to major thoroughfares. In fact, in areas near Rickenbacker, the location allows distributors air, water, railway and freeway service. Due to low vacancy in buildings over 500,000 square feet, land was in high demand in the Rickenbacker area. Projects cannot receive approval and be built fast enough to keep up with demand.

West Jefferson, a submarket situated west of downtown is set to become home to Amazon, JOANN Fabrics and Honeywell as each of these large retailers have signed 800,000-square-foot-plus leases for warehouse/distribution space. West Jefferson's superb location allows each of these companies to reach half of the United States within a 24-hour drive. As big box industrial users seek out Central Ohio for distribution and manufacturing, they bring hundreds of jobs with them.

Thriving Construction Delivery in Columbus

Columbus' industrial market continued to showcase its resiliency in the first quarter of 2021 with new industrial construction that measured 5.5 million square feet. The market had 13 different projects that were under construction has the quarter ended – spanning many different developers, such as VanTrust, Becknell, and Northpoint Development.

The largest project under construction in the market is located in Pickaway County on a 90-acre lot on Route 104. Developed by VanTrust, this 1.2 million-square-foot property at Commercial Point was pre-leased in March 2021 and is expected to deliver in July 2021.

In the submarket of West Jefferson, a 1.12 million-square-foot property was under development by Core5 as the first quarter ended. Located at 70 Enterprise Parkway the C5 I-70 Logistics Center is situated on 64.11 acres and is a 10-hour truck drive from 46% of the United States population.

[Click to access our Interactive Bulk Industrial Delivery Report.](#)

SELECT SALES TRANSACTIONS

Address	Submarket	Sale Price	Price/SF	Square Feet
6198 Green Pointe Drive	Groveport	56 Million	\$73.93	758,465
8355 Highfield Drive	Delaware	31.6 Million	\$54.20	583,000
9750 Innovation Campus Way	Licking	24.4 Million	\$80.86	302,880
1553 Frank Road	SW Columbus	2.9 Million	\$166.43	17,527
500 Industrial Mile Road	SW Columbus	1.6 Million	\$47.71	35,000
445 Phillipi Road	Downtown West	1.3 Million	\$23.25	57,000

SELECT LEASE TRANSACTIONS

Tenant	Submarket	Building	Type	Square Feet
Amazon	West Jefferson	C5 I-70 Logistics Center	New	1.2 million
Kenco	Groveport	5235-5251 West-Pointe	New	1.1 million
JOANN Fabrics	West Jefferson	1020 Enterprise Parkway	New	993,904
Honeywell	West Jefferson	220 Park West Drive	New	845,280
SBC Logistics	Southeast	4458 Alum Creek Drive	New	306,000
Home Depot	Grove City	3563 Southpark Place	New	62,914

Submarket Statistics (Overall)

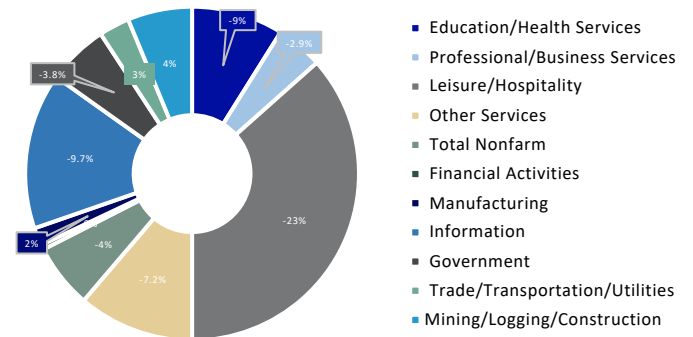
	Total Inventory (SF)	Under Construction (SF)	Total Vacancy Rate	Qtr. Absorption (SF)	YTD Absorption (SF)	Available Asking Rent (Price/SF)
Airport	15,200,000	-	5.8%	(70,939)	(70,939)	\$3.28
Delaware	10,800,000	-	2.6%	-	-	\$5.88
Downtown	566,000	-	-	-	-	-
Downtown South	10,300,000	-	6.3%	(248,000)	(248,000)	\$3.52
Downtown West	10,300,000	-	5.6%	389,656	389,656	\$3.37
Dublin	1,800,000	-	0.9%	4,000 (100K+)	15,000 (50K+)	\$4.75
Fairfield	7,700,000	-	1.8%	(138,000)	(138,000)	\$2.95
Grandview	2,000,000	-	1.7%	(5,700)	(24,427) 50K+	\$6.05
Hilliard	21,300,000	133,663	2.8%	190,257	190,257	\$3.57
I-70 E Corridor	7,700,000	436,079	8.9%	(16,301)	(16,301)	\$4.31
Licking	26,800,000	1,618,977	2.4%	(47,739)	(47,739)	\$4.00
Madison	12,600,000	1,122,212	11.6%	48,945	48,945	\$3.75
Morrow	1,800,000	-	-	-	-	\$2.00
N Central	11,200,000	160,000	1.1%	297,136	297,136	\$5.30
Pickaway (Rickenbacker)	11,500,000	1,604,640	4.0%	210,205	210,205	\$3.98
Southeast (Rickenbacker)	64,300,000	100,000	6.0%	4,955,344	4,995,344	\$3.87
Southwest	18,800,000	316,241	10.2%	(731,440)	(731,440)	\$4.52
Union County	10,000,000	84,000	1.0%	60,000	60,000	\$4.22
Westerville	3,300,000	-	4.4%	159,000 (200K+)	(107,873)	\$5.65
Worthington	6,300,000	-	1.5%	(45,723)	(45,723)	\$5.19
Market	254,266,000	5,575,812	4.13%	5,010,701	5,010,701	\$4.22

Economic Conditions

Columbus' economic condition finished stronger than the United States, but lagged behind the state of Ohio slightly during the first quarter of 2021. Columbus' unemployment rates during the first quarter of 2021 was higher than it was in February 2020, year-over-year, finishing at 5.3% unemployment, up from 3.7% in the same period of 2020. However, Columbus and the state of Ohio (which had a 5.0% unemployment rate in February 2021) both had lower unemployment rates than the U.S. national average of 6.0%. The Consumer Price Index in Columbus (the Midwest) has been historically lower than the national average. The Midwest finished the first quarter one at 1.3%, whereas the U.S. as a whole came in at 1.6%. As trends continue from last quarter, the economy is slowly but surely beginning to recover from the impact of the pandemic.

Employment by Industry

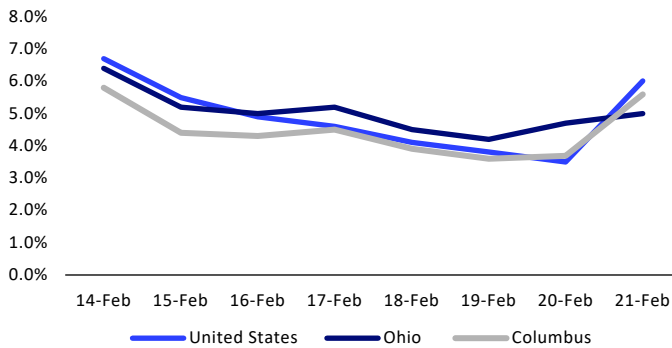
Columbus, Feb 2021*, 12-Month % Change, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics (* preliminary)

Unemployment Rate

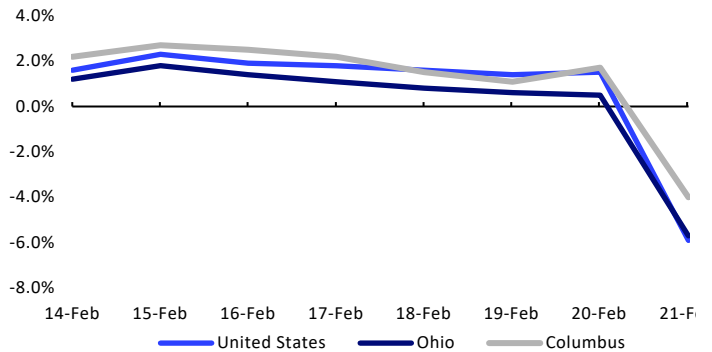
Not Seasonally Adjusted, Feb 2021*, 12-Month % Change



Source: U.S. Bureau of Labor Statistics (* preliminary)

Payroll Employment

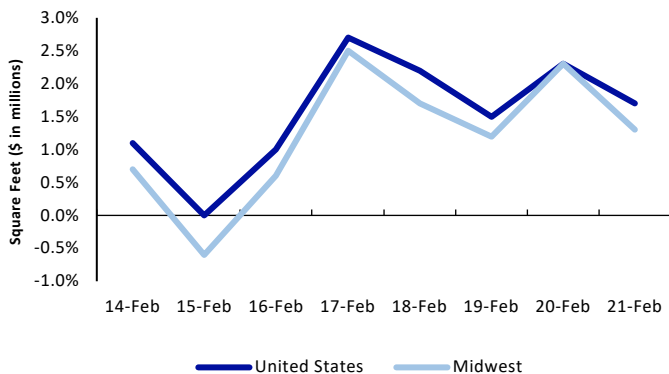
Not Seasonally Adjusted, Feb 2021*, 12-Month % Change



Source: U.S. Bureau of Labor Statistics (* preliminary)

Consumer Price Index

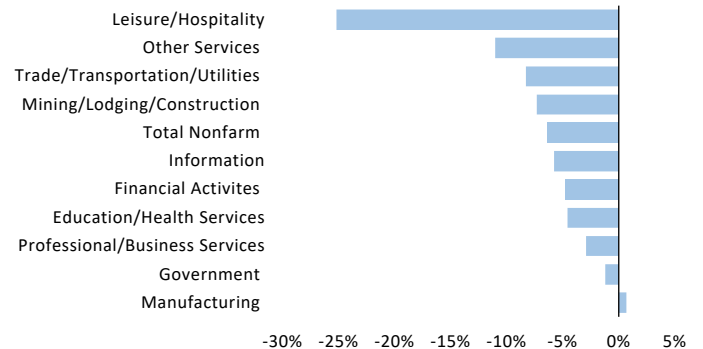
All Items, Feb 2021*, 12-Month % Change, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics (* preliminary)

Employment Growth by Industry

Columbus, Feb 2021*, 12-Month % Change, Not Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics (* preliminary)

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