

Q3 2024 COLUMBUS MARKET REPORT



NAIOhio Equities

NAI Ohio Equities 605 S. Front St. Suite 200 Columbus OH 43215 614-224-2400 ohioequities.com

OFFICE MARKET REPORT

COLUMBUS Q3 2024

▼

\$22.48

Market Rent/SF/Year

↔

9.5%

Vacancy Rate


▲

76,500

12 Mo Net Absorption in SF

Office vacancy in Columbus is rising slower than the national average due to limited new construction and positive net absorption. At 9.4%, Columbus vacancy increased 60 basis points year-over-year, compared to a national increase of 100 basis points to 13.8%. Average new lease sizes have decreased, though less sharply than nationwide trends. Notable expansions by companies like BBI Logistics and Advanced Drainage Systems have helped offset this. Leasing activity remains below pre-pandemic levels, and rent growth in Columbus has slowed to 1.8%, still outperforming the national rate. Vacancy is expected to rise modestly, with few new projects breaking ground.

- Rent growth in Columbus slowed notably from 2.3% in Q2, to 1.8% in Q3, however still well above the national average of 0.9%.
- 641K SF of Class-A office space is currently under construction.
- Average asking rent in Columbus for Q3 is \$22.48 PSF.
- Properties that entered the market since 2020 saw upwards of 400K SF of net absorption, while those built from 2015-2019 saw only 81K SF of net absorption.

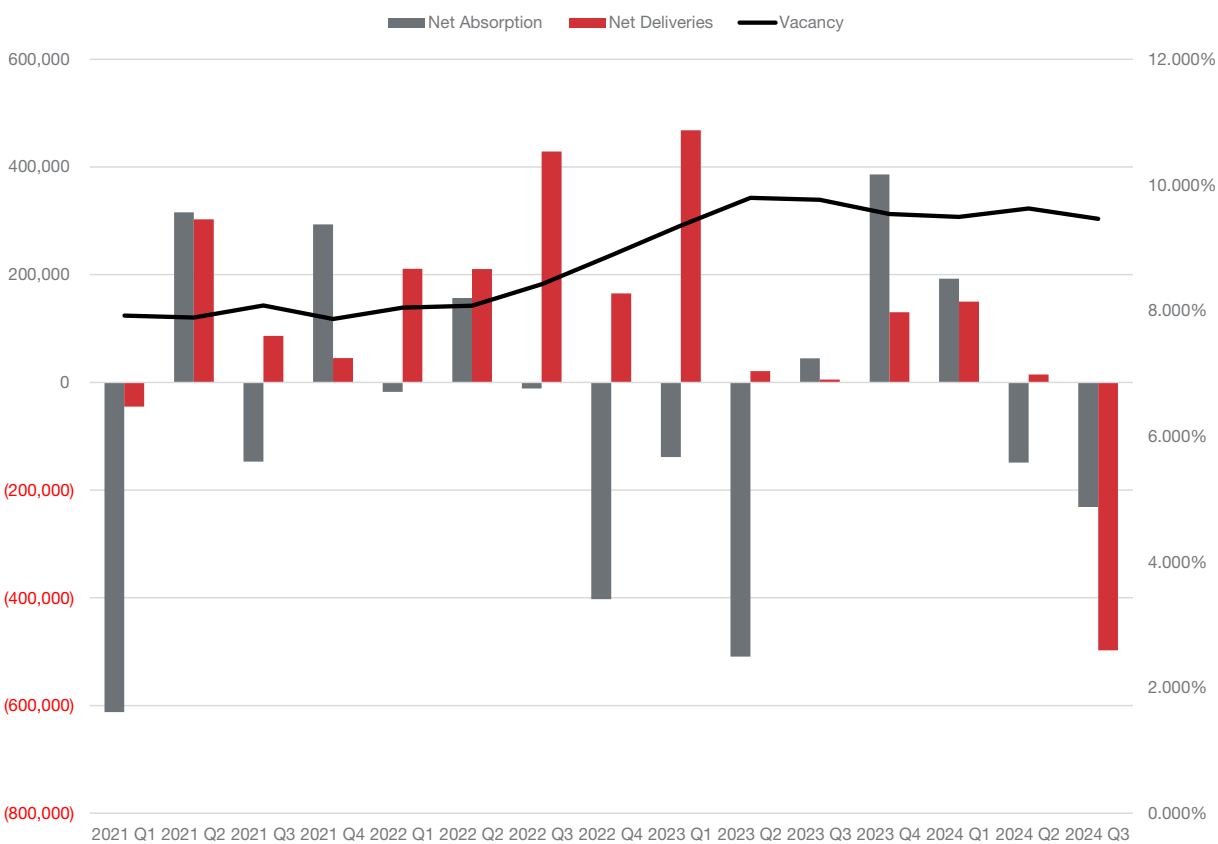


MITCHELL MOORE
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“In the third quarter of 2024, several Fortune 500 companies with a Columbus presence announced additional return to office requirements for their employees; a trend we expect to continue. Despite macroeconomic conditions, the Columbus office market continues to see increased leasing activity. Quality, amenity-rich properties are in high demand as decision makers remain focused on mixed developments offering “live, work, play” environments attractive to their employees.”

OFFICE MARKET REPORT

COLUMBUS Q3 2024



NOTABLE LEASE TRANSACTIONS Q3 2024

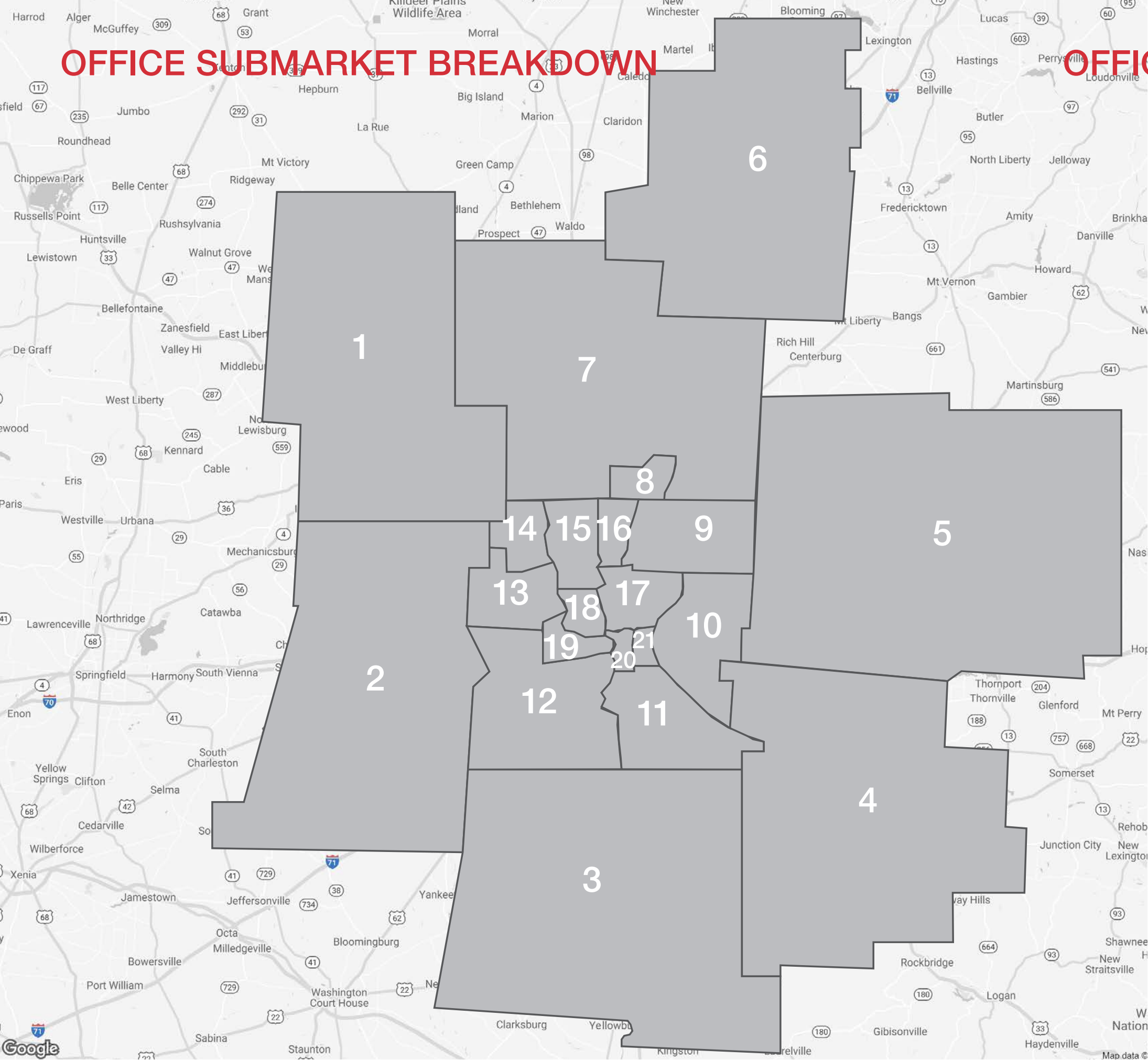
TENANT/ADDRESS	LEASED SF	MARKET SUBMARKET
Nationwide Children's Hospital / Livingston Surgery Center	50,000	Downtown
CEC / 8800 Lyra Dr.	22,866	Polaris
Buckeye Swim Club / 1895 Peachblow Rd.	22,600	Outlying Delaware County
6767 Longshore St.	15,745	Bethel Road
Franklin County Board of Elections / Three Crosswoods Center	15,253	Worthington
Emerald III	15,104	Dublin
Lifetime Quality Roofing / 501 W. Schrock Rd.	12,533	Westerville

NOTABLE SALE TRANSACTIONS Q3 2024

TENANT/ADDRESS	SALE DATE	SF	PRICE
560 N. Cleveland Ave.	8/2/2024	19,876	\$2,999,000

OFFICE SUBMARKET BREAKDOWN

OFFICE SUBMARKET BREAKDOWN



SUBMARKETS

1. Union County
2. Madison County
3. Pickaway County
4. Fairfield County
5. Licking County
6. Morrow County
7. Outlying Delaware County
8. Polaris
9. Westerville
10. East
11. Southeast
12. Southwest
13. Hilliard
14. Dublin
15. Bethel Rd.
16. Worthington
17. North Central
18. Grandview/Upper Arlington
19. West
20. Downtown
21. Downtown East

INDUSTRIAL MARKET REPORT

COLUMBUS Q3 2024

\$8.25

Market Rent/SF/Year

7.6%


Vacancy Rate

1.2 M

12 Mo Net Absorption in SF

In the Columbus industrial market, vacancy rates stabilized in Q3 2024, as demand surpassed supply for the first time in eight quarters. Vacancy fell by 10 basis points in Q2 2024, driven by a sharp deceleration in new construction. Only 700,000 square feet were added in Q2, marking the slowest quarter since early 2019. Net absorption for the past 12 months was 1.2 million square feet, the lowest since 2020, but leasing activity is rising. Although vacancy remains high at 7.6%, rents are growing at 7.2%, supported by Columbus’ affordability, an expanding consumer base, and growth in advanced manufacturing.

- The last 60 days have shown signs of cap rate compression, which may lead to more buildings being sold or transferred in the coming quarters.
- Tenant demand for spaces above 250,000 SF remains soft, which may keep vacancy rates high in larger assets, as retailers and 3PLs have been right-sizing over the past two years.
- The demand for industrial land in the Columbus region for data centers is still high.
- The Columbus market is showing around 1,537,861 SF in speculative industrial space under construction.



“Columbus saw good activity in Q3 with demand outpacing supply for the first time in eight quarters. Many tenants are opting to renew their lease as opposed to go to the market for new space as rates for new construction have remained high. The upcoming election may lead to a waiting game for some, but Columbus is well positioned to finish the year strong.”

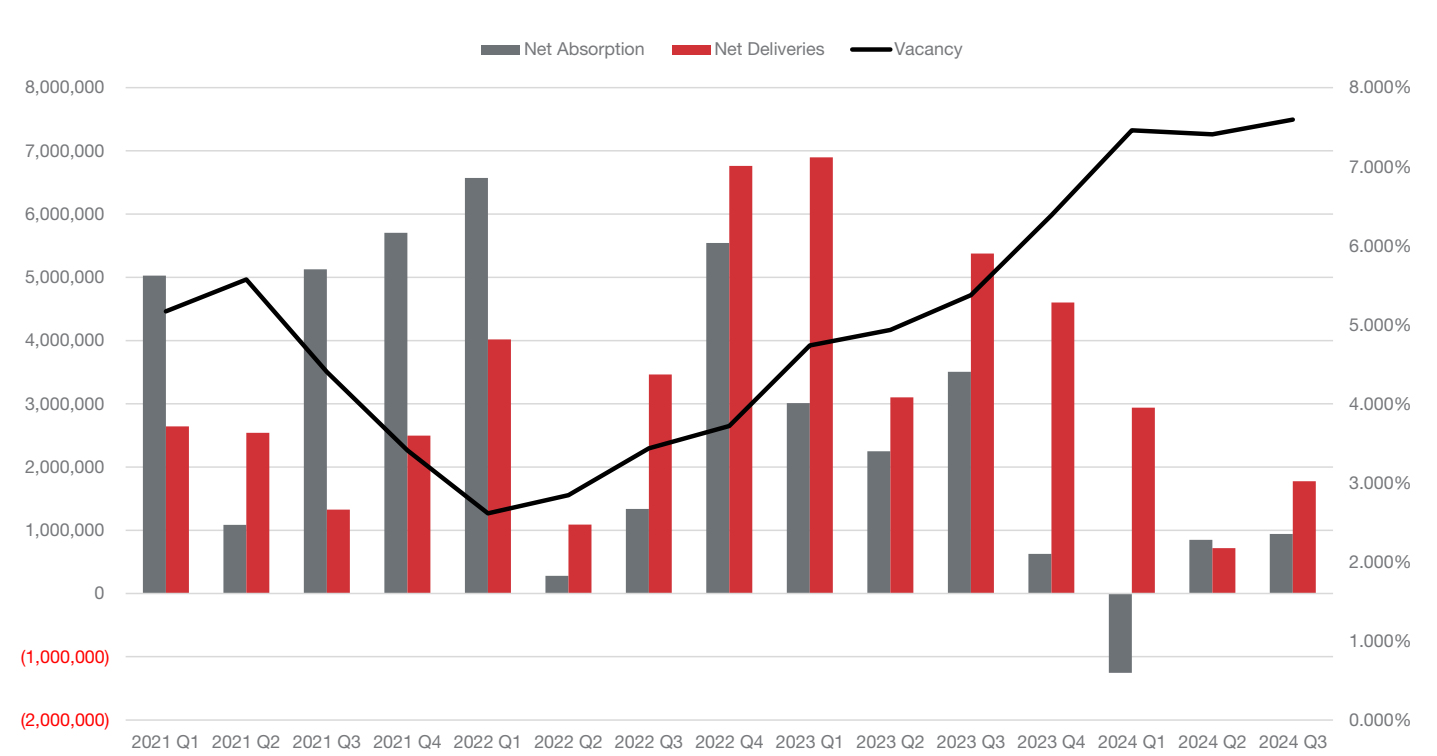
BLAKE DECRANE

Vice President

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INDUSTRIAL MARKET REPORT

COLUMBUS Q3 2024



NOTABLE LEASE TRANSACTIONS Q2 2024

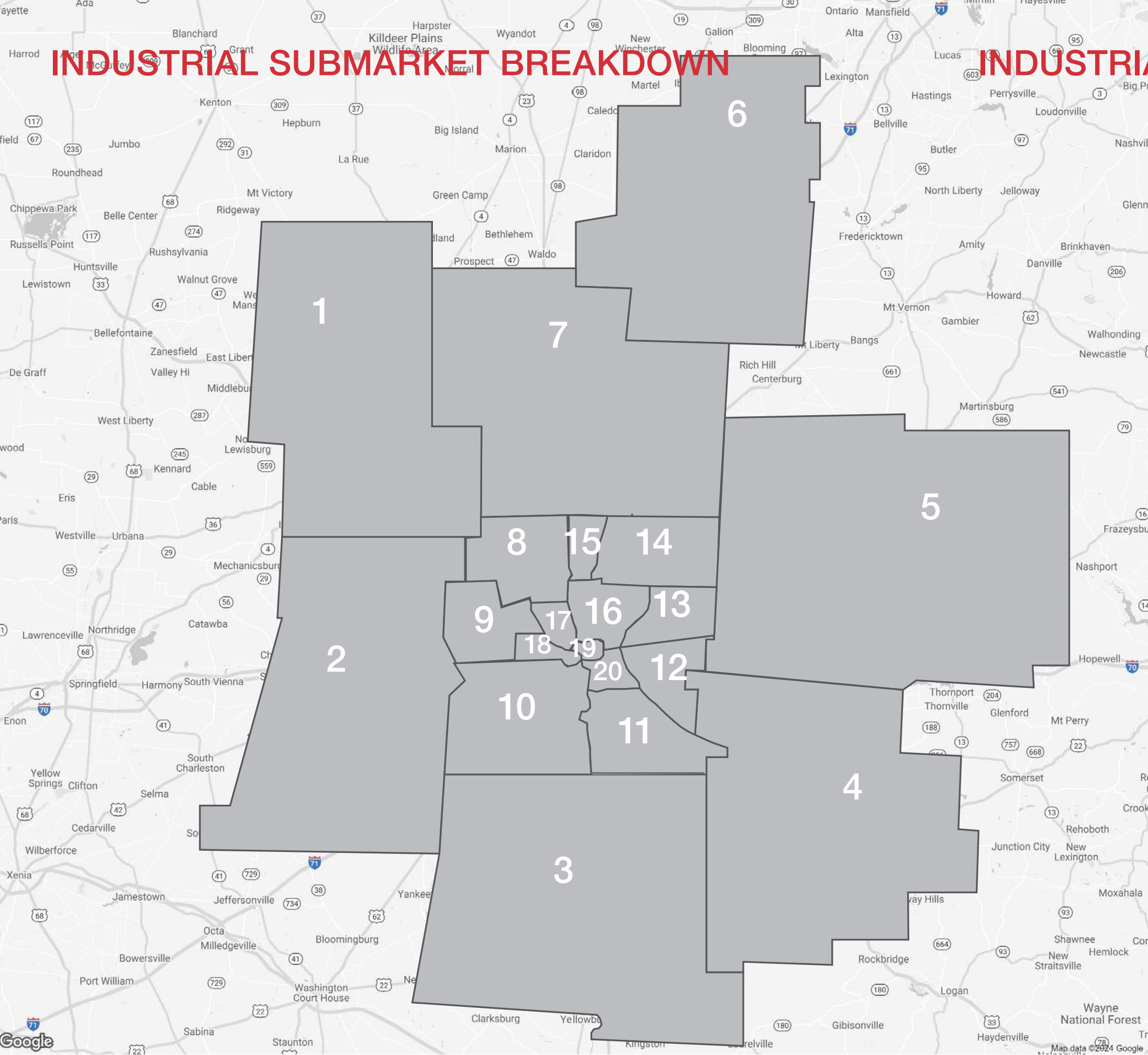
TENANT/ADDRESS	LEASED SF	MARKET SUBMARKET
1050 Gateway Dr.	610,479	Madison County
0 Horizon Ct.	448,091	Licking County
Vista Packing Logistics / 1120 Morrison Rd.	385,919	Airport
10300 Schuster Way	250,000	Licking County
5820 Opus Dr.	225,504	Southeast
Premier Packaging Solutions / 2300 McGaw Rd.	214,741	Southeast
885 Stelzer Rd.	207,740	Airport
4545 Fisher Rd.	179,047	Hilliard

NOTABLE SALE TRANSACTIONS Q2 2024

TENANT/ADDRESS	SALE DATE	SF	PRICE
3500 Southwest Blvd.	8/30/2024	478,190	\$33,273,000
3003 Etna Pkwy	9/9/2024	75,250	\$12,055,000
2222 New World Dr.	7/15/2024	65,000	\$8,500,000

INDUSTRIAL SUBMARKET BREAKDOWN

INDUSTRIAL SUBMARKET BREAKDOWN




SUBMARKETS

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- 3. Pickaway County
- 4. Fairfield County
- 5. Licking County
- 6. Morrow County
- 7. Delaware County
- 8. Dublin
- 9. Hillard
- 10. SW Columbus
- 11. Southeast
- 12. I-70 East Corridor
- 13. Airport
- 14. Westerville
- 15. Worthington
- 16. N. Central Columbus
- 17. Grandview
- 18. Downtown West
- 19. Downtown
- 20. Downtown South


RETAIL MARKET REPORT

COLUMBUS Q3 2024




\$19.81

Market Rent/SF/Year



3.8%

Vacancy Rate




-130K

12 Mo Net Absorption in SF

Heading into the second half of 2024, Columbus’ retail market remains tight due to a growing consumer base and limited new supply. With just 5 million square feet of space available, leasing activity is constrained, especially for spaces under 2,500 square feet, where food service tenants dominate. These tenants accounted for 30% of leasing volume over the past year.

- Columbus retail continues to experience historically low vacancy rates, with an overall rate of 3.86%, driven by strong consumer spending and limited supply. The demand for retail space, particularly spaces under 2,500 SF, is high, causing median lease times to drop below six months.
- Retail rent growth in Columbus outpaced the national average, with year-over-year gains reaching 6.3% compared to the national average of 2.3%. New developments and high demand areas like Dublin, Easton, and northern suburbs are seeing significant rent hikes.
- New retail construction is modest, with only 550,000 SF under development, representing 0.4% of market inventory. Elevated costs for labor and materials, as well as high financing rates, continue to constrain new construction.



CHAD BOGGS

Associate

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“As Columbus’ consumer base expands and retail availability remains tight, the market will continue to see elevated rents and decreased days on market of available spaces for lease. The rise of experiential retail and food services, coupled with a healthy economy, positions the city for sustained growth in retail demand. However, constrained new supply due to high costs will keep competition fierce, ensuring a dynamic retail environment for the foreseeable future.”

RETAIL MARKET REPORT

COLUMBUS Q3 2024

Quarter	Net Absorption (SF)	Net Deliveries (SF)	Vacancy (%)
2021 Q1	130,000	80,000	4.20%
2021 Q2	-10,000	90,000	4.30%
2021 Q3	200,000	90,000	4.20%
2021 Q4	620,000	0	3.70%
2022 Q1	-100,000	150,000	3.80%
2022 Q2	300,000	170,000	3.70%
2022 Q3	-100,000	40,000	3.80%
2022 Q4	660,000	330,000	3.60%
2023 Q1	-20,000	90,000	3.70%
2023 Q2	180,000	10,000	3.60%
2023 Q3	-80,000	40,000	3.70%
2023 Q4	310,000	250,000	3.60%
2024 Q1	-80,000	170,000	3.70%
2024 Q2	130,000	-20,000	3.60%
2024 Q3	-220,000	20,000	3.80%

NOTABLE LEASE TRANSACTIONS Q2 2024

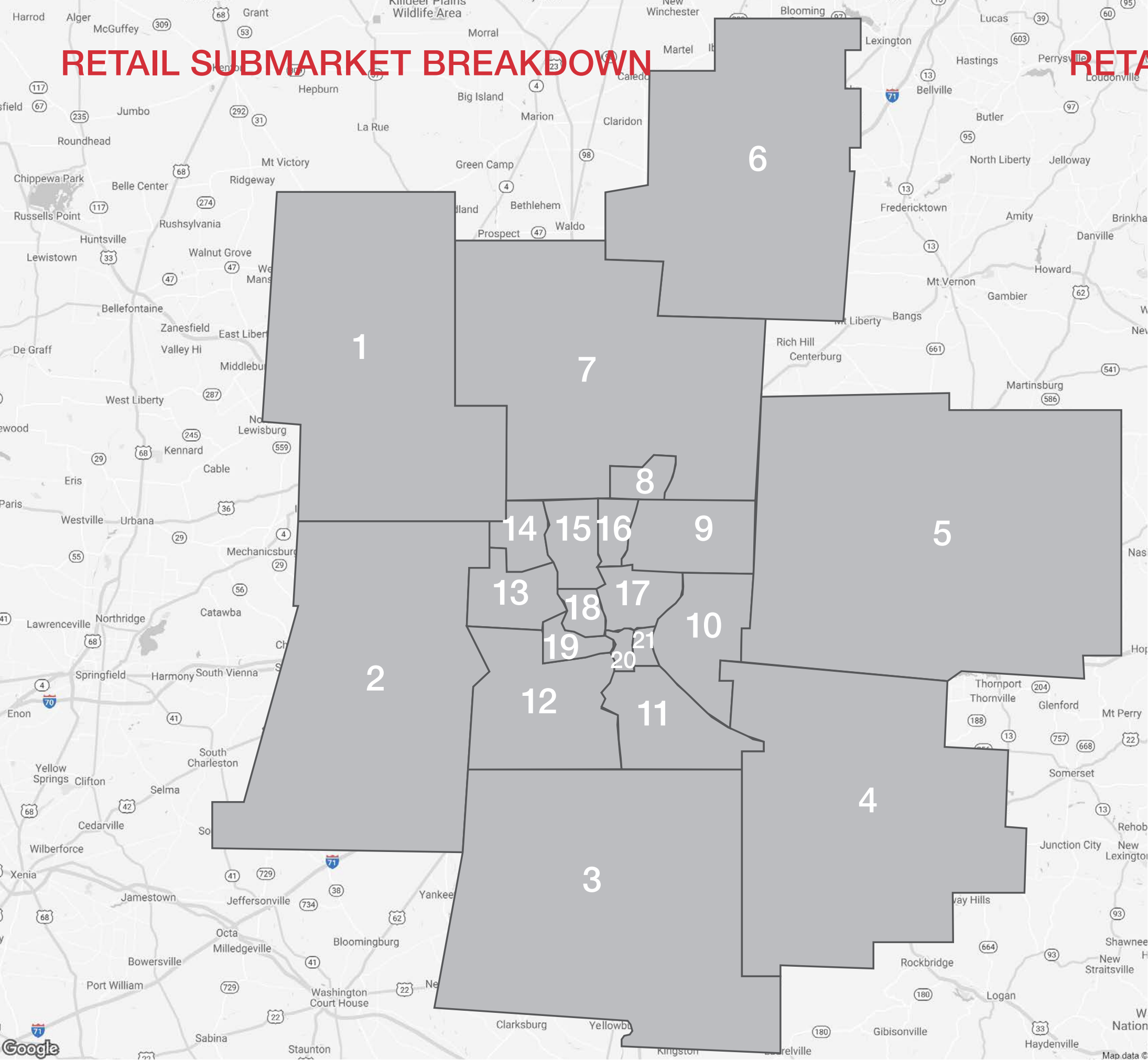
TENANT/ADDRESS	LEASED SF	MARKET SUBMARKET
Lowe's	125,357	East
Slick City, The Market at Polaris	32,143	Polaris
Plaza Shopping Center	20,546	Fairfield County
Volunteers of America / 3583 E. Broad St.	15,048	East
Dollar General / 3355 E. Livingston Ave.	12,943	East
Resch's Bakery / Rocky Fork Square	12,000	East
1130 Dublin Rd.	10,880	Grandview / Upper Arlington

NOTABLE SALE TRANSACTIONS Q2 2024

TENANT/ADDRESS	SALE DATE	SF	PRICE
Lowe's / 2888 Brice Rd.	9/3/2024	125,357	\$8,607,000
Park Center Circle / 6090-6126 Parkcenter Circle	8/27/2024	22,183	\$7,500,025
215 W. Johnstown Rd.	7/10/2024	24,036	\$3,830,000

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Downtown East



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President



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Industrial



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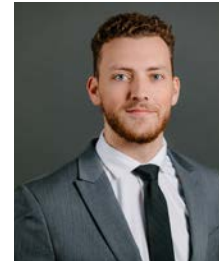
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ABOUT COLUMBUS

The Columbus Region economy boasts a highly-diversified base of companies, with no industry representing more than 18% of employment.

Home of the world's most recognizable brands—Scotts, Express, JP Morgan Chase, Nationwide, Abercrombie & Fitch— innovative small businesses and top-ranked educational and research institutions, the Columbus Region offers a stable environment for companies looking to grow in a variety of sectors.

The Columbus Region is home to a population of 2.2 million, and a potential workforce of 1.2 million. With one of the youngest and most-educated populations in the country – the median age is 35.9 and 42% of residents 25+ holds a bachelor's degree or higher. The Region offers a steady pipeline of young talent with one of the highest populations of millennials in the nation.

The Columbus metro ranks first among large Midwest metro areas for population and job growth since 2010 and is among the fastest growing metros in the country.

*"Columbus isn't the next business destination; it's **already happening**"*
- Inc. Magazine

10-Hour Drive

TO 46% OF THE US
POPULATION



7th Largest

ECONOMY IN THE
UNITED STATES



22,000

ANNUAL COLLEGE
GRADUATES





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