

Q4 2024

COLUMBUS

MARKET REPORT



NAI Ohio Equities

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

OFFICE MARKET REPORT

COLUMBUS Q4 2024



\$22.58

Market Rent/SF/Year



9.4%

Vacancy Rate



112,819

Net Absorption in SF

Office vacancy in Columbus is rising slower than the national average, at 9.4%, compared to 13.9% nationally, due to limited new projects and positive absorption. New lease sizes in Columbus are modestly shrinking, but expansions by companies like BBI Logistics offset this trend.

- **Vacancy Rate Trends:** The Columbus office market saw a gradual increase in the vacancy rate to 9.4% in Q4 2024, up 60 basis points year-over-year, continuing to outperform the national vacancy rate of 13.9% due to limited new deliveries
- **Leasing Activity:** Leasing volumes in Q4 remained muted, with significant tenant downsizing and relocations contributing to the return of 240,000 SF of space to the market over the past year
- **Rent Performance:** Rent growth decelerated further to 1.1% in Q4 2024, down from 1.8% in Q3, but still outpacing the national benchmark of 1.0%. Tenant concessions and competitive sublease options continued to pressure rents
- **Construction Pipeline:** With minimal new projects breaking ground, the Columbus construction pipeline remains at its lowest level in over a decade, with a little over 400,000 SF currently under construction, primarily in mixed-use developments



"As we close out 2024, the Columbus office market demonstrates resilience amidst national headwinds. Limited new construction has kept vacancy increases modest, while tenants prioritize quality over quantity in their space decisions. Although rent growth has softened, Columbus continues to offer a competitive edge with its stable market conditions and future growth potential."

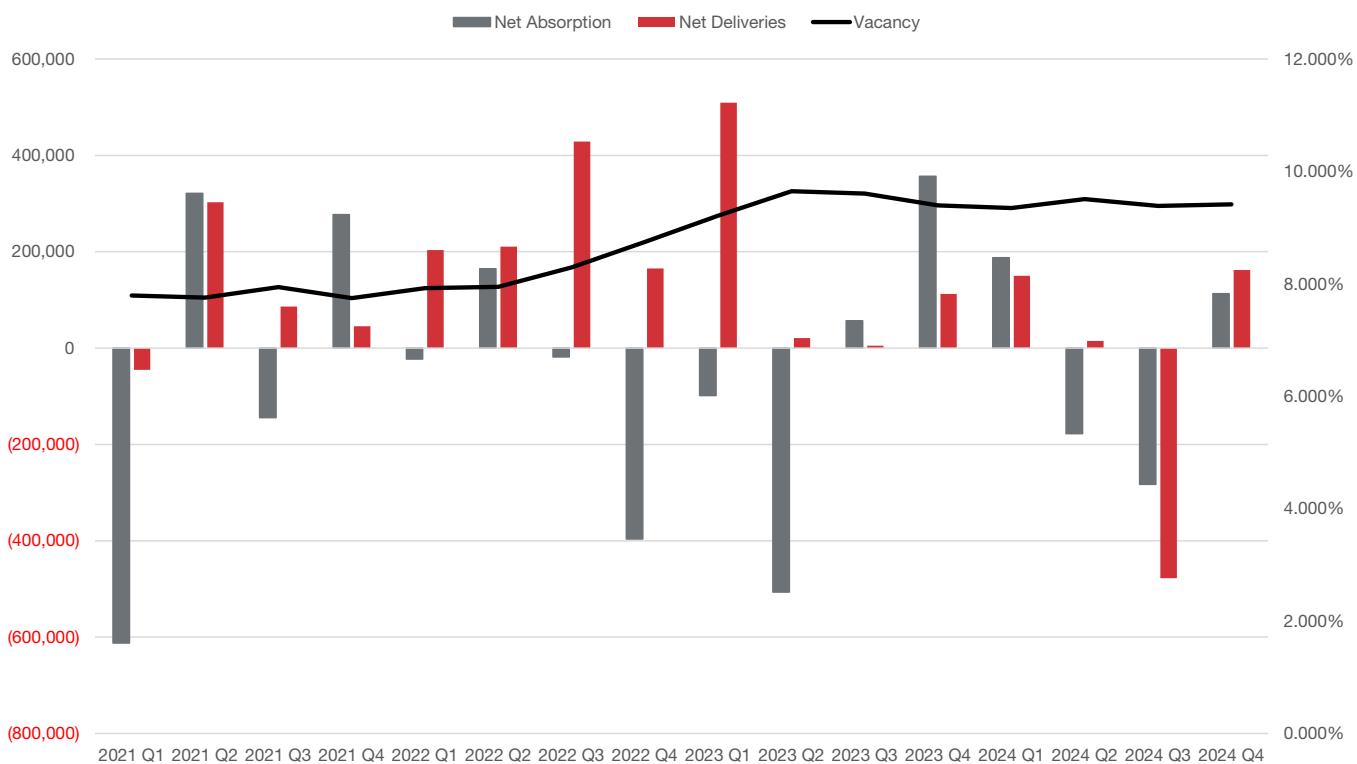
MATT GREGORY, SIOR, CCIM

Managing Director

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COLUMBUS Q4 2024



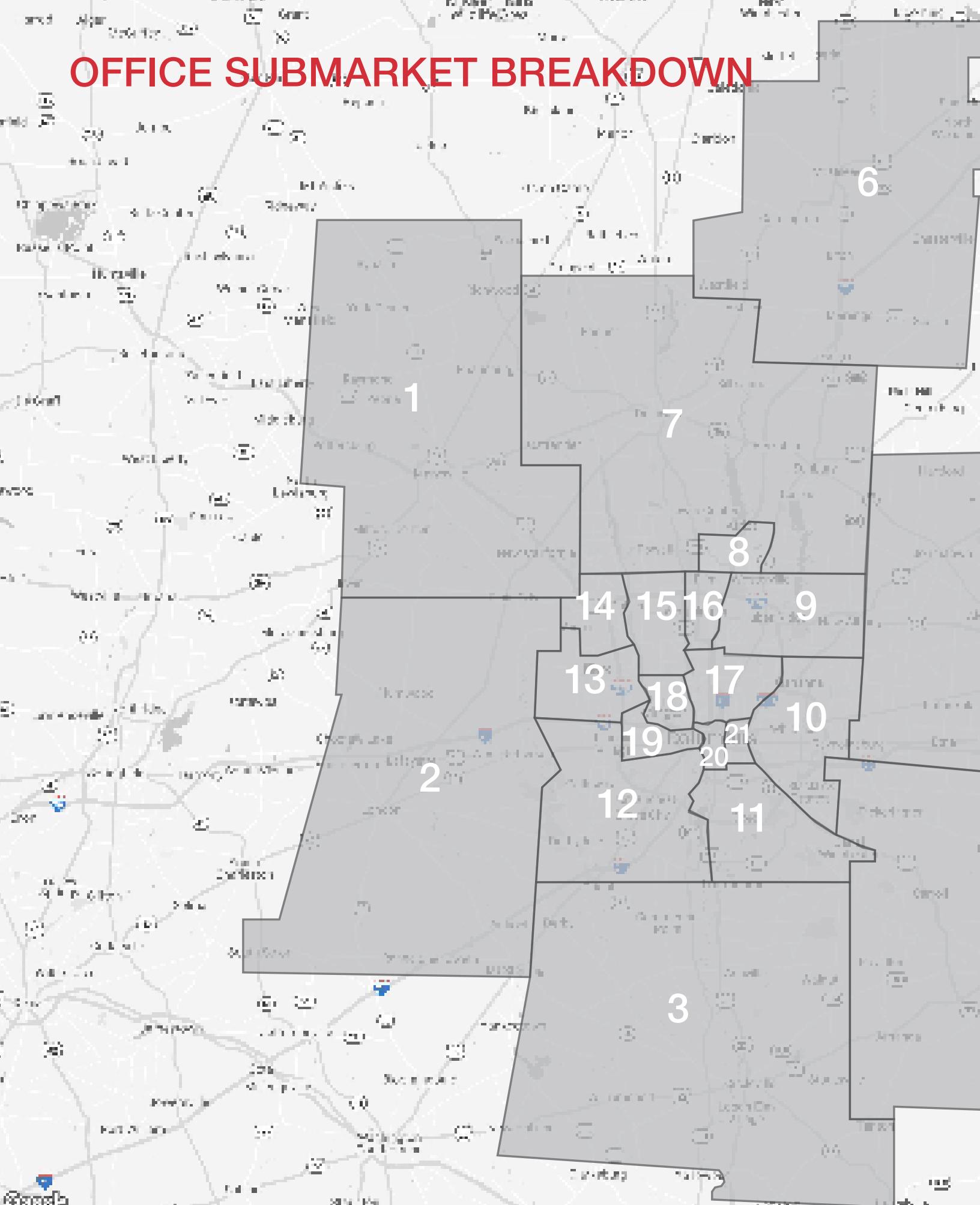
NOTABLE LEASE TRANSACTIONS Q4 2024

TENANT/ADDRESS	LEASED SF	MARKET SUBMARKET
Tuttle Crossing	68,700	Dublin
Easton Office Building	22,682	North Central
Easton Office Buildng	20,028	North Central
NVR Settlement Services / 8800 Lyra Dr.	16,642	Polaris
500 Neil Ave.	13,400	Downtown

NOTABLE SALE TRANSACTIONS Q4 2024

TENANT/ADDRESS	SALE DATE	SF	PRICE
2030 Stringtown Rd.	11/8/2024	48,885	\$11,500,000
5200 Rings Rd.	12/10/2024	49,950	\$8,00,000
6520 W. Campus Oval	10/24/2024	14,416	\$6,450,000
5115 Parkcenter Ave.	10/24/2024	68,752	\$3,200,000
CompManagement / 377 Emerald Pkwy.	11/5/2024	68,700	\$2,650,000

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 Q4 2024

\$7.98

Market Rent/SF/Year

7.3%

Vacancy Rate

2.8 M

Absorption in SF

Vacancy in Columbus is at 7.3%, the highest in over a decade, surpassing the national average of 6.9%. Third-party logistics providers are rightsizing, returning space to the market. Despite this, tenant demand shows signs of improvement, with 2024 leasing volume up 63% from the previous year and 42% above the pre-pandemic average. A slowdown in new deliveries and high construction costs are stabilizing market conditions. Rent growth has slowed to 4.2% year-to-date, under performing pre-pandemic levels.

- We are seeing increasing demand for land from developers in anticipation of vacancy rates decreasing throughout 2025 as deliveries of spec space and new construction slow to a crawl.
- Only 633K SF of spec warehouse space is under construction which is a drop of over 80% from the 3.4 MSF under construction in Q4 2023.
- Vacancy rates remain elevated, tenants are seeing more concessions from landlords.
- Lease rates have stabilized at slightly lower than the recent peak.
- Deliveries of new speculative warehouse space in 2024 declined just over 75%, dropping to 4.36 MSF from 17.5MSF in 2023. Expect deliveries of spec space to fall even further in 2025.

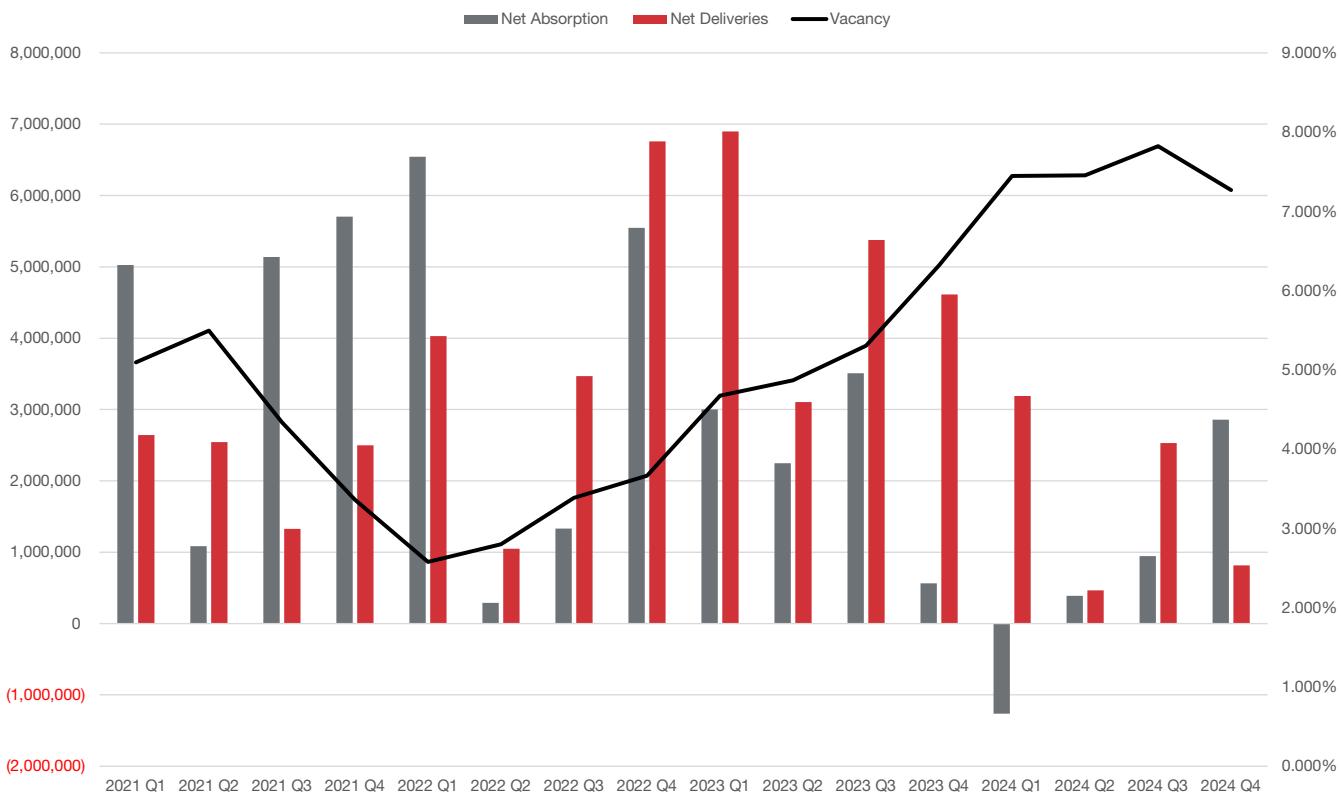


"Ending 2024 with only 633K SF of spec space under construction leads me to believe vacancy rates in the Columbus market will fall between 50 and 100 basis points in 2025. This is good news for landlords. However, early in the year, there will still be plenty of opportunities for tenants to take advantage of existing market conditions."

CURT BERLIN, SIOR
Executive Vice Chairman
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INDUSTRIAL MARKET REPORT

COLUMBUS Q4 2024



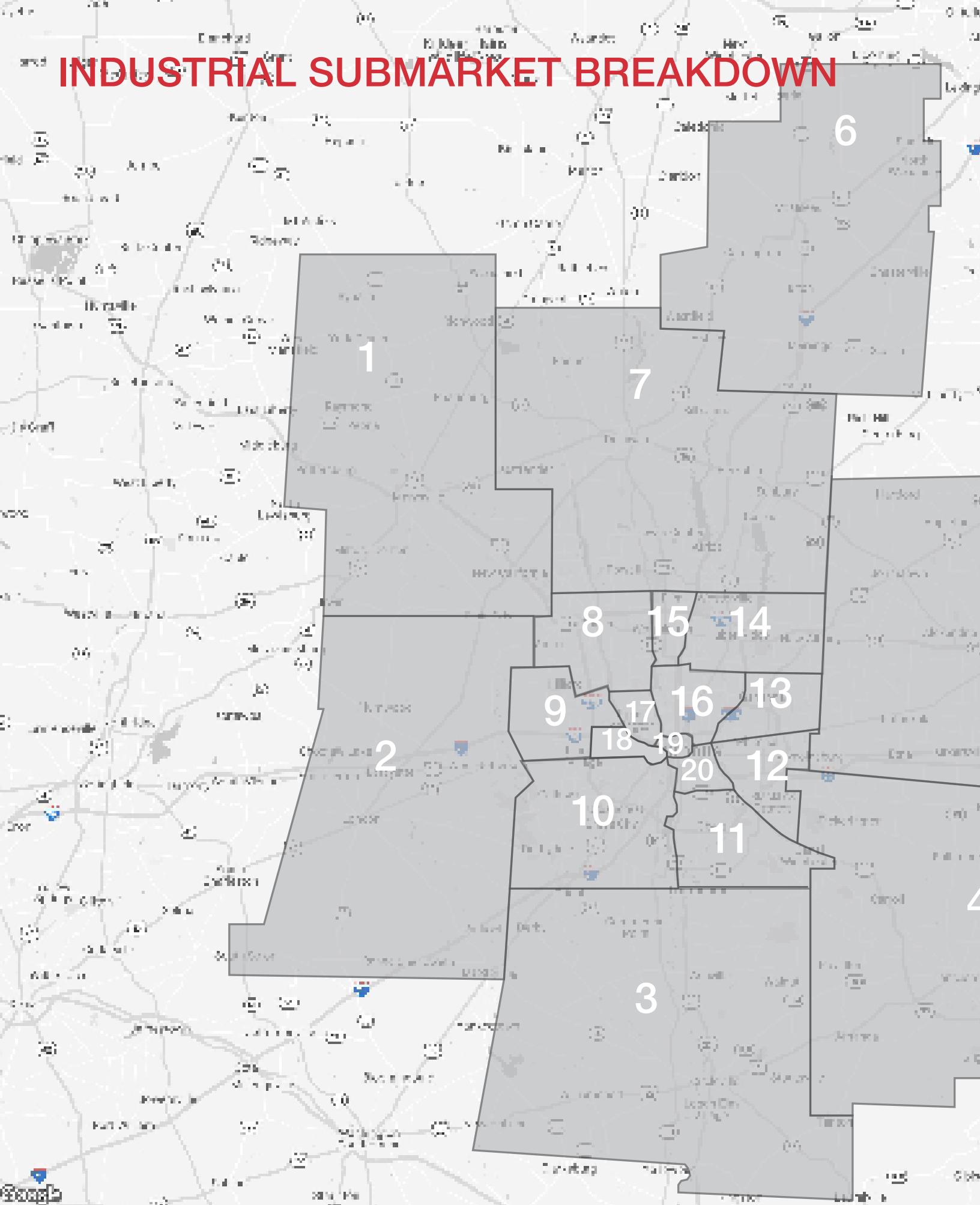
NOTABLE LEASE TRANSACTIONS Q4 2024

TENANT/ADDRESS	LEASED SF	MARKET SUBMARKET
4450 S. Hamilton Rd.	327,200	Southeast
Crane Worldwide Logistics / 6500 Pontius Rd.	324,493	Southeast
2155 Rohr Rd.	320,190	Southeast
NFI Industries, Inc. / 4458 Alum Creek Dr.	306,000	Southeast
Kamps / 4300 Janitrol Rd.	253,237	Downtown West
7915 Smith's Mill Rd.	223,872	Westerville
MEI Rigging & Crating / 840 Hilliard Rome Rd.	183,679	Hilliard
1635 Watkins Rd.	102,240	Southeast

NOTABLE SALE TRANSACTIONS Q4 2024

TENANT/ADDRESS	SALE DATE	SF	PRICE
5677 Alshire Rd.	12/3/2024	112,331	\$8,500,000
3775 SE Lancaster New Rd.	12/3/2024	381,872	\$7,589,520

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7. Delaware County
8. Dublin
9. Hilliard
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 Q4 2024



\$19.97

Market Rent/SF/Year



3.7%

Vacancy Rate



374,509

Absorption in SF

In 4Q 2024, Columbus saw a slight increase in retail vacancy from 3.8% to 3.9%, while average asking rents rose to \$19.97 PSF. Columbus ranked as a top 10 market for retail rent growth in 2024, a trend expected to continue in 2025, though macroeconomic factors might impact consumer spending. Most new developments were build-to-suit projects for retailers like Aldi and Lucky's Market, with construction starts declining. Positive retail absorption was recorded in 4Q, reversing earlier trends. Retail property sales fell by 24% to \$197 million, influenced by higher debt costs, while small transactions remained steady.

- The 12-month net absorption for 2024 was negative 18,300 SF, with a significant rebound of 374,509 SF positive absorption in 4Q. Median Months on Market in Columbus ranged from 10-12 months in 2024.
- Midsize transactions dropped by about 10%, while larger deals above \$25 million fell by 7%. Smaller deals under \$5 million, which made up 80% of the total volume, remained steady at \$158 million.
- The Columbus retail cap rate hovered around 8% in 2024, with a slight increase expected in 2025 due to rising debt costs.



ANDREW GREEN

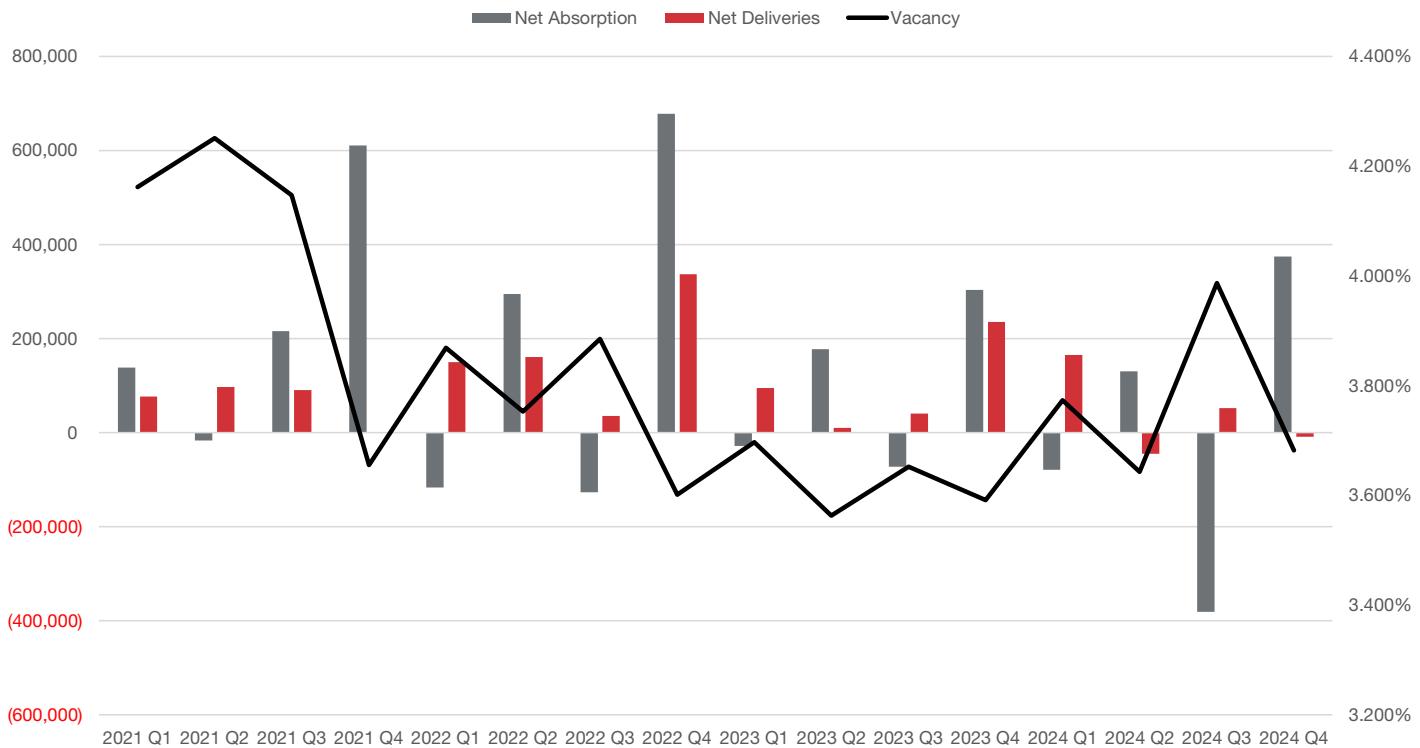
Senior Associate

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"The Columbus retail leasing market remains strong, although the vacancy gap between property classes in retail continues to widen. Class A shopping centers in high-growth suburban areas have minimal vacancy while move-outs are rising in Class B and C centers, particularly those with larger average unit sizes. Overall, Columbus remains a top-15 market in terms of availability rate despite some recent turbulence with big box store closings. Above average rent growth should continue to support investor appetite for retail investment purchases, especially in smaller, unanchored centers."

RETAIL MARKET REPORT

COLUMBUS Q4 2024



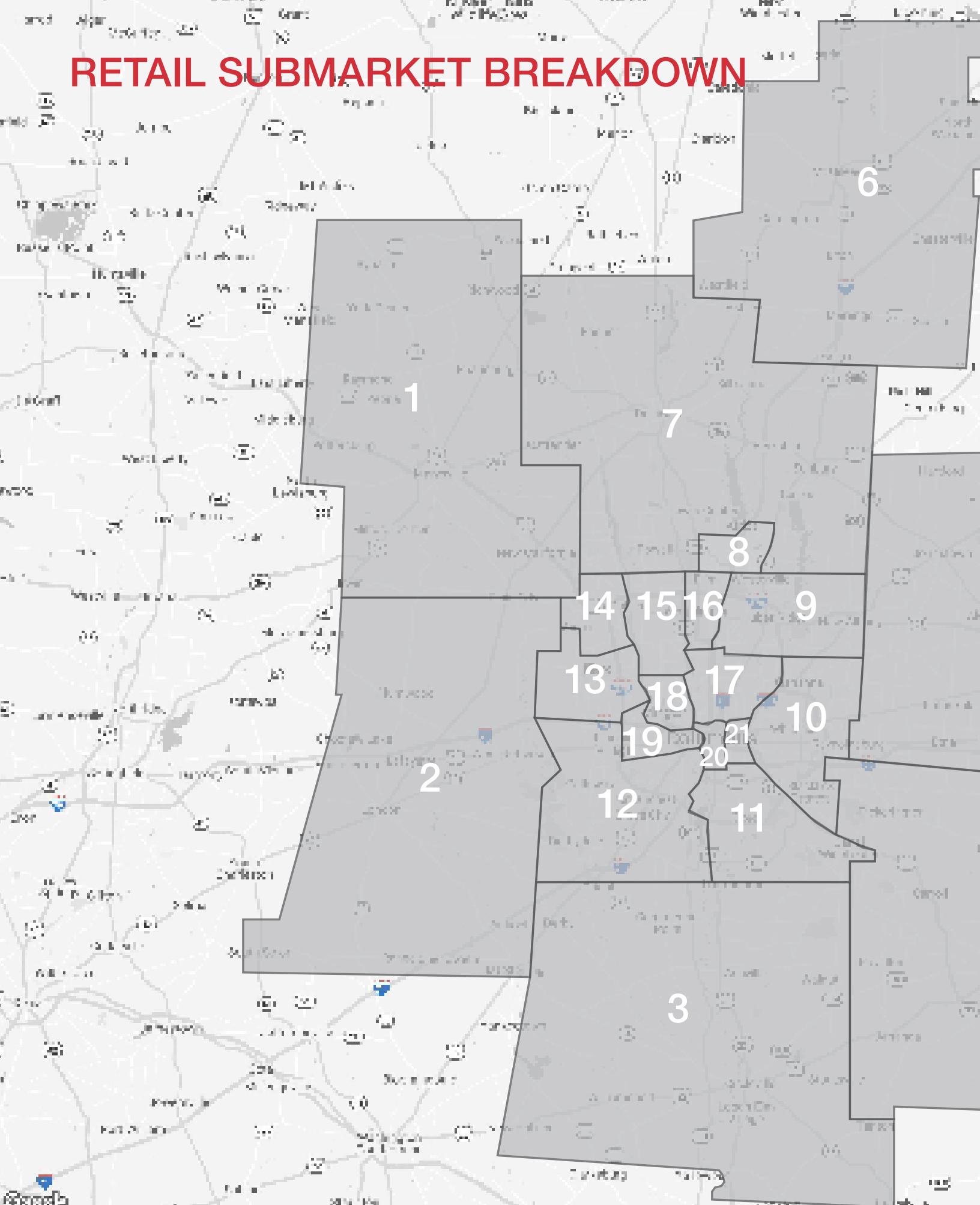
NOTABLE LEASE TRANSACTIONS Q4 2024

TENANT/ADDRESS	LEASED SF	MARKET SUBMARKET
Furniture Plus / South Hamilton Shopping Center	23,870	East
Plasma Center / Central Point	13,807	Southwest
Party City / River Valley Plaza	12,000	Fairfield County
4141 E. Broad St.	12,000	East
Great Southern	10,750	Southeast
Steelton Caribbean Market / 1752-1776 S. High St.	9,450	Southeast

NOTABLE SALE TRANSACTIONS Q4 2024

TENANT/ADDRESS	SALE DATE	SF	PRICE
2829-2973 Taylor Rd.	12/17/2024	158,051	\$55,300,000
5700-5830 Britton Pky	12/17/2024	226,718	\$21,000,000
6585 E. Broad St.	10/4/2024	45,000	\$8,635,000

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SIMPSON**
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Industrial



PHILIP BIRD, SIOR
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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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