Leasing activity contributes to strong net absorption

▼ 4.4%	▼ 7.5%	▲ $5.97	▼ 3.1M	▼ 10.7M	▲ 3.9M
Vacancy Rate	Mod. Bulk Vacancy Rate	NNN / Mod. Bulk Lease Rate	SF Construction Completed	SF Under Construction	SF Net Absorption

Note: Arrows indicate change from previous quarter.

SUMMARY

– Eight projects delivered this quarter, adding 3.1 million sq. ft. of industrial product to the market. All projects were speculative, none of which were fully leased.

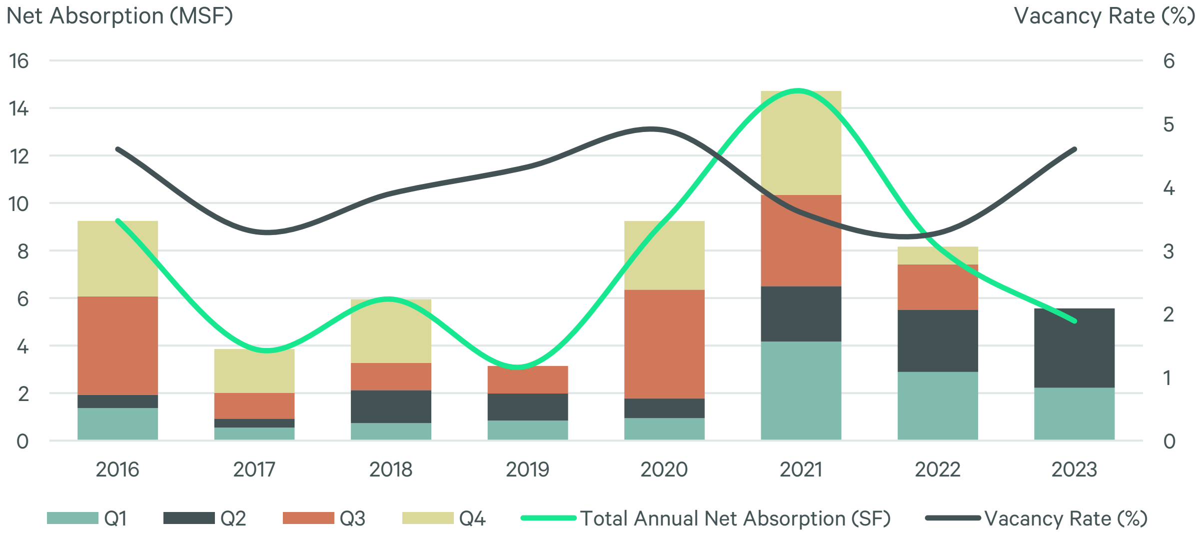
– The modern bulk vacancy rate decreased this quarter, from 9.2% in Q1 to 7.5%. The vacancy rate is expected to decline as buildings are leased and construction slows.

– Columbus continued to show occupancy growth recording 3.9 million sq. ft. of positive absorption.

– The modern bulk average asking rates increased slightly by $0.12 to $5.97.

There is about 10.7 million sq. ft. of industrial product under construction that is expected to complete in upcoming quarters. The bulk of construction activity is in Madison County with 2.1 million sq. ft. of product underway. Licking County is a close second with 1.5 million sq. ft. of industrial product.

FIGURE 1: Net Absorption vs. Vacancy Rates



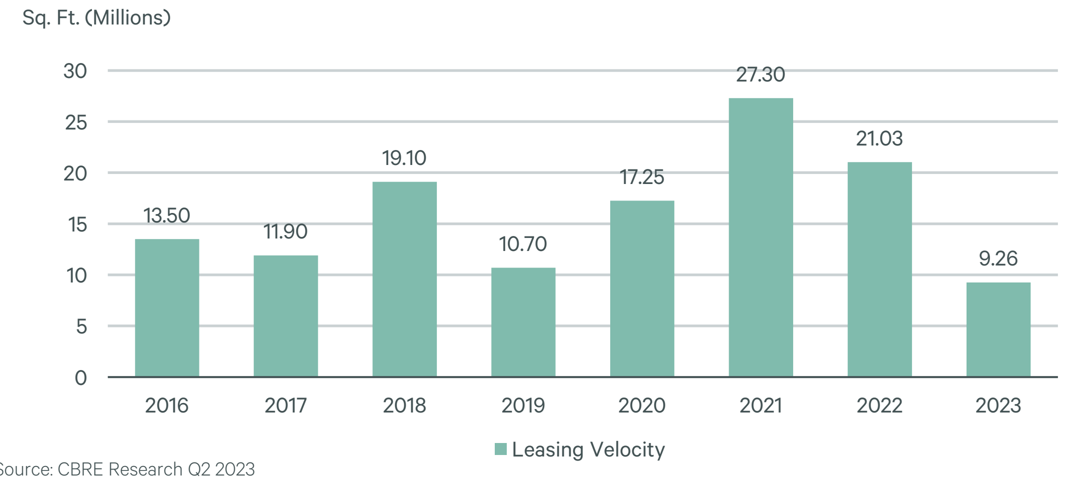
Source: CBRE Research, Q2 2023

Leasing Velocity and Absorption

In the second quarter, 8.2 million sq. ft. of industrial product was leased. New leases accounted for 72% of the total square footage leased throughout Q2. Seven of the ten largest leases signed were new leases (Figure 4). Approximately 70% of the quarter's leasing activity was focused in the Southeast and Licking County submarkets (Figure 2). Seven of the top ten largest leases signed were in those submarkets.

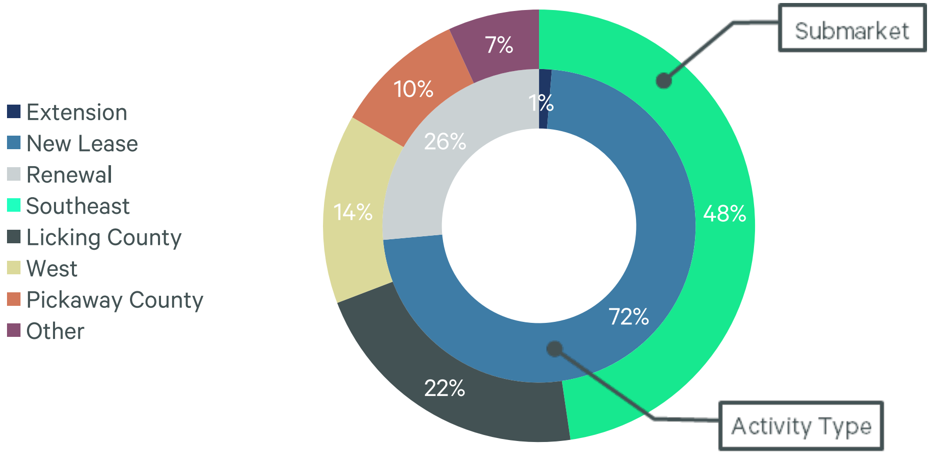
Columbus recorded 3.9 million sq. ft. of positive absorption this quarter. Black & Decker and Geodis both moved into over 1 million sq. ft. this quarter contributing to the high net absorption. Seven users moved into spaces over 100K sq. ft. compared to four users who moved out of spaces over 100K sq. ft. The largest move out was Cardinal Health vacating 210,750 sq. ft. at 2300 McGaw Rd.

FIGURE 3: Leasing Velocity (Renewals and New Leases)



Source: CBRE Research Q2 2023

FIGURE 2: Deal Activity Snapshot



Source: CBRE Research Q2 2023

FIGURE 4: Key Transactions

Transaction Type	Size (Sq. Ft)	Tenant	Address	Market Area
New Lease	1,074,840	Black & Decker (U.S.)	9800 Schuster Way	Licking County
New Lease	1,027,649	GEODIS	4611 Airbase Rd	Southeast
Renewal	909,287	Confidential Tenant	4545 Fisher Rd	West
Sublease	700,000	DHL	521 Exchange Way	Pickaway County
New Lease	697,829	Confidential Tenant	9157 Mink St SW	Licking County
New Lease	544,252	Confidential Tenant	1533 ROHR Rd	Southeast
Renewal	511,430	Central Garden and Pet	3780 Tradeport Ct	Southeast
Renewal	508,775	MTD Consumer Group	3780 Tradeport Ct	Southeast
New Lease	291,200	7-Eleven, Inc.	1505 S Rail Ct	Southeast
Renewal	201,952	Royal Building Products	1695 Watkins Rd	Southeast

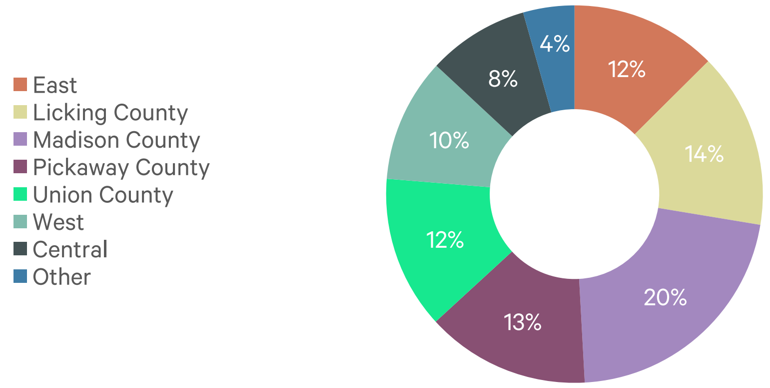
Source: CBRE Research Q2 2023

Construction Activity

Construction activity decreased this quarter with eight developments finalizing, adding 3.1 million sq. ft. to the market. The most significant completion would be building one of the Columbus Logistics Park West, a 712K sq. ft. property located in the Madison County submarket. Three projects broke ground this quarter adding 675K sq. ft. of construction to the pipeline.

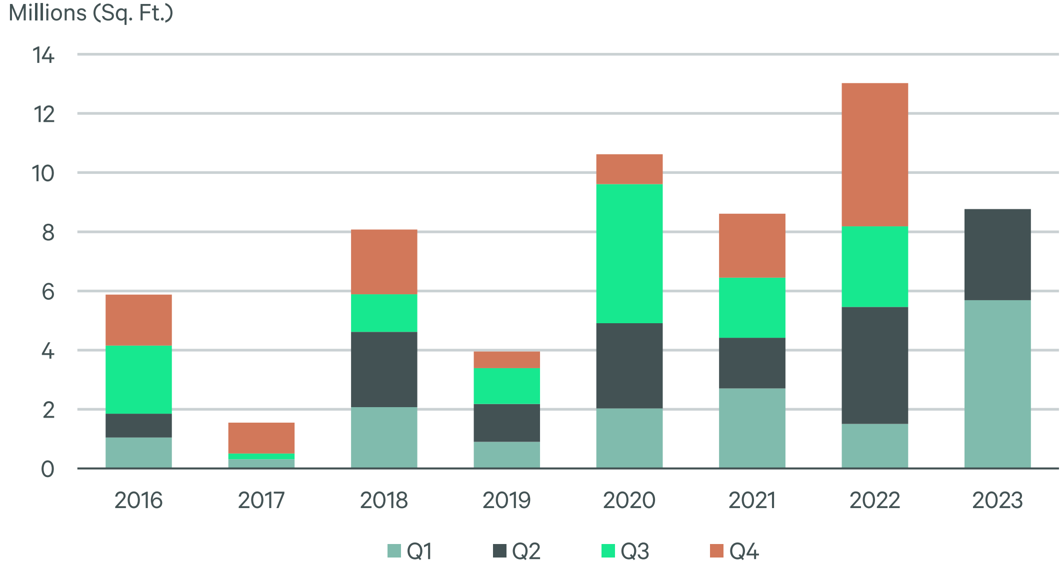
23 projects throughout the Columbus market are in the pipeline with 20% concentrated in Madison County and 14% concentrated in Licking County, totaling 3.6 million sq. ft. (Figure 6). 21 of those projects are expected to complete in 2023. Construction activity is expected to slow this year meaning there could be fewer starts than previous years.

FIGURE 6: Current Construction Breakdown (Total Sq. Ft %)



Source: CBRE Research, Q2 2023

FIGURE 5: Completed Construction, Sq. Ft.



Source: CBRE Research, Q2 2023

FIGURE 7: Completed Construction

Property Name	Building SF	Class	Tenancy	BTS/SPEC	Submarket
Columbus Logistics Park West Bldg 1	712,000	A	Multi	Spec	Madison County
Smiths Mill Industial	542,737	A	Multi	Spec	Northeast
Duke Rail 7	518,903	A	Multi	Spec	Southeast
Silicon Heartland Innovation Park Bldg 1	448,091	A	Multi	Spec	Licking County
Bolton One	332,515	A	Multi	Spec	Southwest
Winchester 210	209,632	A	Multi	Spec	Fairfield County
Silicon Heartland Innovation Park Bldg 10	177,031	A	Multi	Spec	Licking County
6777 Crosby Court	140,244	A	Multi	Spec	Northwest

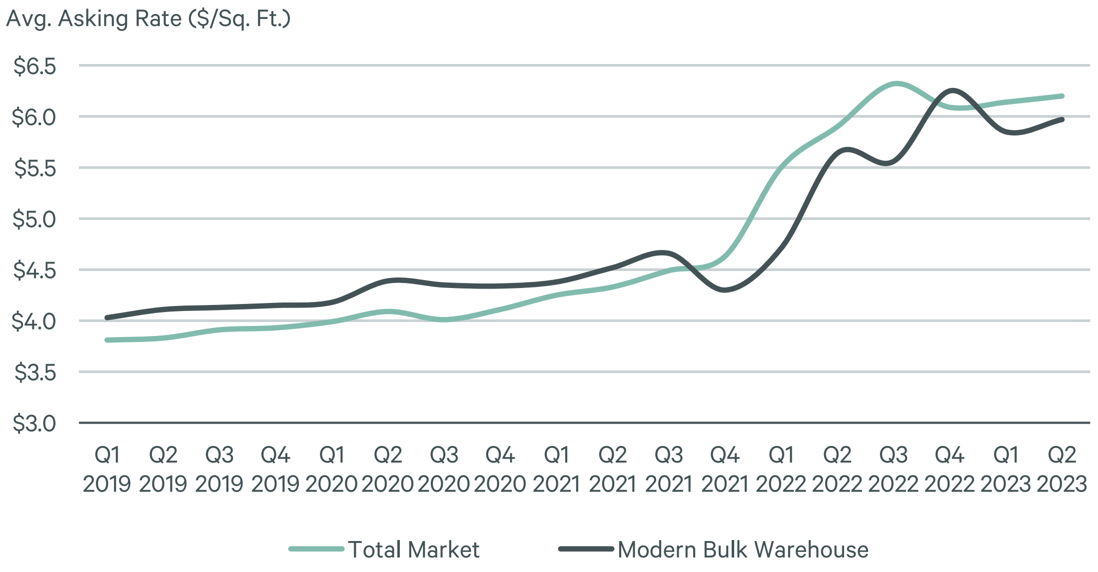
Source: CBRE Research, Q2 2023

Asking Rate and Vacancy Rate

Average lease rates increased slightly this quarter to $6.20. The modern bulk asking rate increased from $5.85 to $5.97. New construction is keeping asking rates higher than in previous years, since there is demand for this type of space.

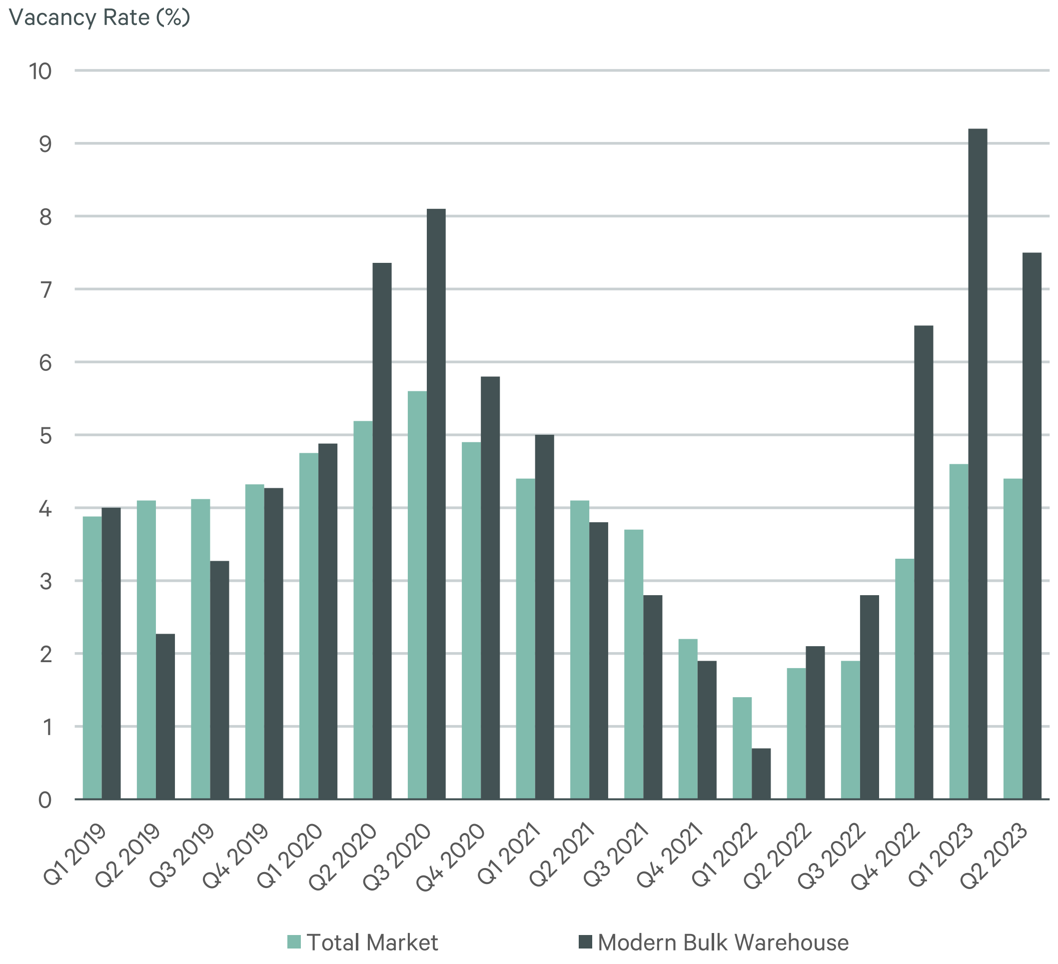
The overall vacancy rate decreased this quarter to from 4.6% to 4.4% due to strong leasing activity and absorption. The modern bulk vacancy rate also decreased from 9.2% in Q1 to 7.5% in Q2. Strong leasing activity in modern bulk properties reduced the amount of vacant square footage on the market.

FIGURE 8: Overall Market and Modern Bulk Asking Rates



Source: CBRE Research, Q2 2023

FIGURE 9: Overall Market and Modern Bulk Vacancy Rates



Source: CBRE Research, Q2 2023

Sales Activity and Market Outlook

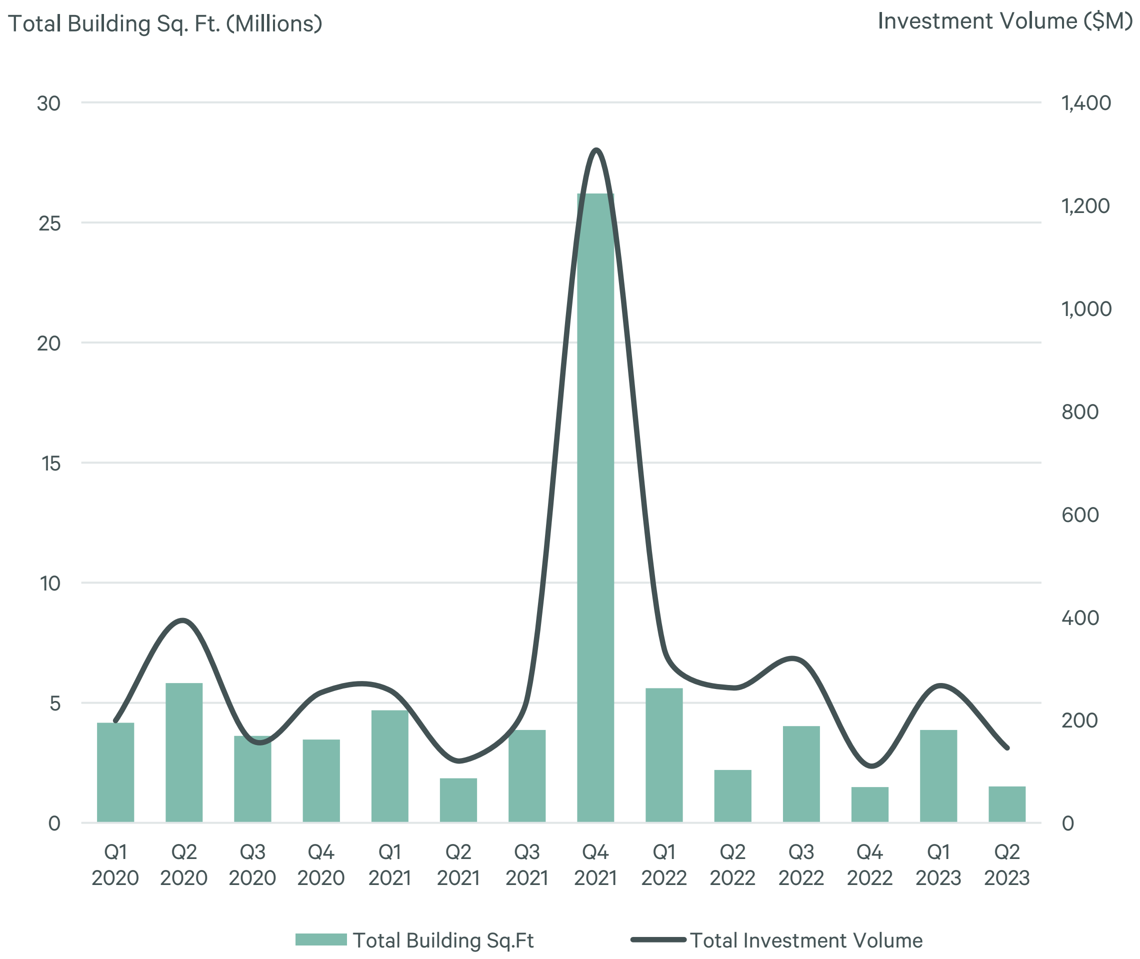
Investment activity decreased this quarter, with 17 properties totaling 1.5 million sq. ft. selling for a sum of roughly $146 million (Figure 12). The largest sale of the quarter was the sale of 8320 Global Way SW for $114.3 million (Figure 11). ULINE purchased the property for owner use. This was the largest sale by price and building square footage.

FIGURE 11: Top Transactions

Address	Buyer / Seller	Price ($)	$/SF	Size (Sq. Ft.)
8320 Global Way SW	ULINE / Ashley Furniture Industries	$114,300,000	$114.30	1,000,000
2300 McGaw Rd	Founders Properties / Cardinal Health	$10,100,000	$47.03	214,741
4830 Northwest Pky	Diamond Properties / Tempus Realty Partners	$7,600,000	$66.38	114,485
487 London Rd	Rumpke Waste & Recycling / Konkus Marble & Granite	$2,150,000	$45.01	47,765
1950 Refugee Rd	Warehouse Rack / James Weber	$1,600,000	$50.00	32,000

Source: CBRE Research Q2 2023

FIGURE 12: Sales Activity



Source: CBRE Research Q2 2023

Market Statistics

FIGURE 13: Market Statistics

Market	Market Rentable Area	Under Construction	Construction Completions	Vacant SF Total	Vacancy Rate	Avail Rate	Q2 2023 Net Absorption	2023 Net Absorption	Direct Avg. Asking Rate
Overall Industrial Market									
Central	32,566,223	862,322	-	376,121	1.2%	1.2%	131,332	67,459	$9.62
Delaware County	11,927,377	148,000	-	53,247	0.4%	4.5%	-	67,713	$12.79
East	26,754,549	1,246,027	-	851,237	3.2%	3.5%	33,529	(358,098)	$8.78
Fairfield County	8,139,957	825,322	209,632	778,216	9.6%	9.6%	(201,318)	(244,719)	$4.14
Licking County	37,445,516	1,491,007	625,122	1,905,894	5.1%	5.1%	1,736,283	3,049,423	$5.63
Madison County	19,717,860	2,134,247	712,000	2,550,791	12.9%	12.9%	-	215,000	$5.45
Northeast	12,777,498	-	542,737	1,063,621	8.3%	8.8%	1,806	(340,602)	$6.23
Northwest	1,553,079	-	140,244	174,559	11.2%	11.2%	(875)	(875)	$8.65
Pickaway County	16,894,267	1,393,421	-	669,127	4.0%	4.0%	1,727,649	2,564,505	$7.88
Southeast	70,996,058	288,172	518,903	3,339,310	4.7%	4.6%	575,095	1,412,530	$6.43
Southwest	18,244,876	-	332,515	629,471	3.5%	6.6%	87,494	97,817	$7.57
Union County	9,213,739	1,300,000	-	-	-	-	42,779	66,779	-
West	36,428,114	1,051,628	-	893,831	2.5%	2.4%	(219,268)	(459,271)	$7.84
Total	**302,659,113**	**10,740,146**	**3,081,153**	**13,285,425**	**4.4%**	**4.7%**	**3,914,506**	**6,137,661**	**$6.20**

Source: CBRE Research, Q2 2023

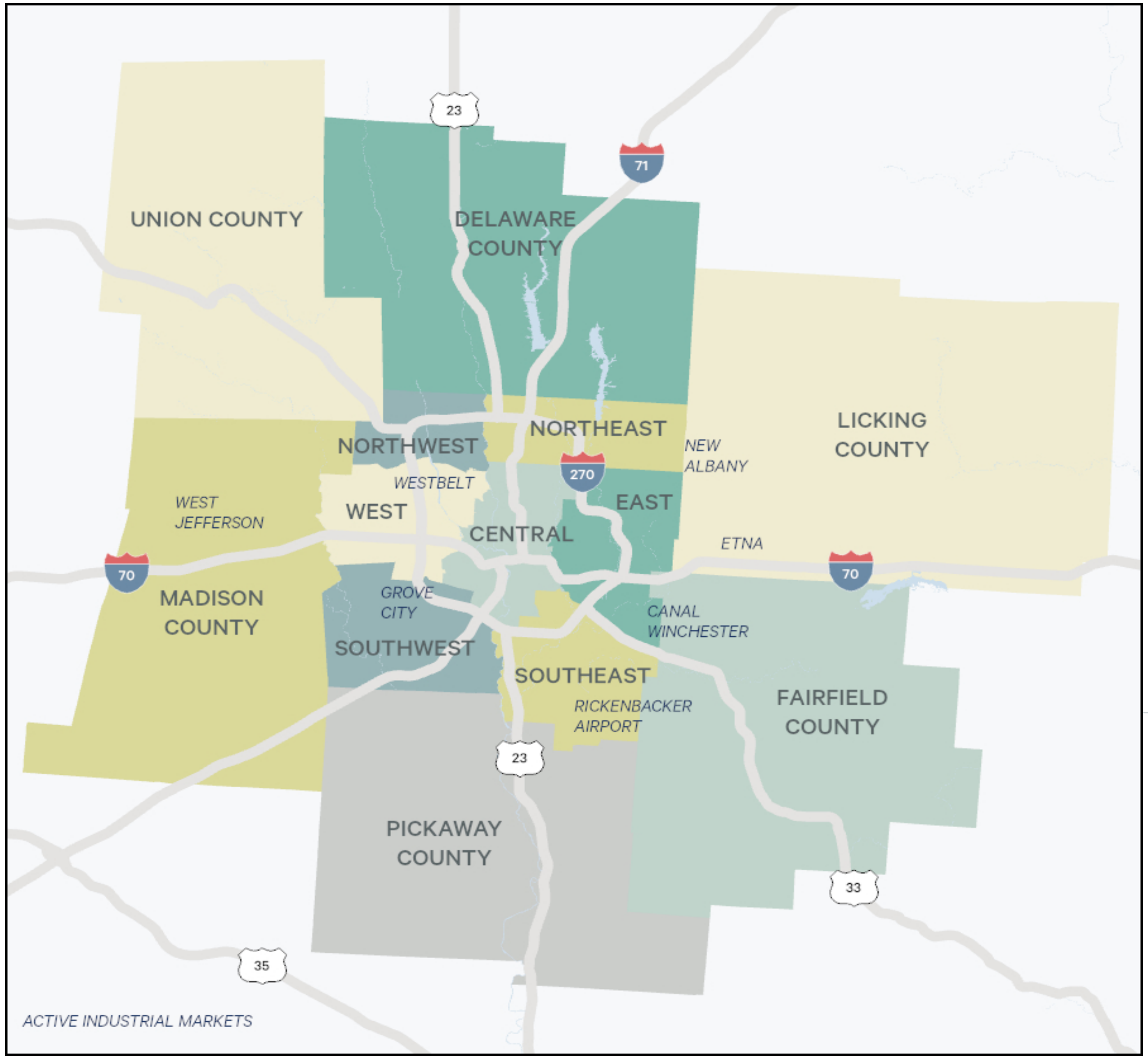
Market Statistics

FIGURE 14: Modern Bulk Market Statistics

Market	Market Rentable Area	Under Construction	Construction Completions	Vacant SF Total	Vacancy Rate	Avail Rate	Q2 2023 Net Absorption	2023 Net Absorption	Direct Avg. Asking Rate
Modern Warehouse *(Bulk Warehouses constructed in 1998 or later, and 28' clear or taller)									
Central	716,372	862,322	-	-	-	-	-	-	-
Delaware County	2,175,848	148,000	-	-	-	1.4%	-	61,650	-
East	2,252,186	1,246,027	-	-	-	3.4%	144,000	322,886	-
Fairfield County	524,632	825,322	209,632	209,632	40.0%	40.0%	-	-	$6.75
Licking County	17,744,386	1,491,007	625,122	998,885	5.6%	5.6%	1,682,700	2,812,680	$6.15
Madison County	16,428,367	2,134,247	712,000	2,550,791	15.5%	15.5%	-	215,000	$5.45
Northeast	2,665,910	-	542,737	542,737	20.4%	20.4%	-	-	$5.75
Northwest	140,244	-	140,244	140,244	100.0%	100.0%	-	-	$7.88
Pickaway County	11,239,318	1,393,421	-	669,127	6.0%	6.0%	1,727,649	2,564,505	$7.88
Southeast	43,777,770	288,172	518,903	2,207,464	5.0%	4.7%	738,190	1,099,975	$6.02
Southwest	6,069,513	-	332,515	516,043	8.5%	12.9%	52,922	-	$6.75
Union County	355,000	1,300,000	-	-	-	-	-	-	-
West	782,730	1,051,628	-	-	-	-	-	-	-
Total	**104,872,276**	**10,740,146**	**3,081,153**	**7,834,923**	**7.5%**	**7.7%**	**4,345,461**	**7,076,696**	**$5.97**

Source: CBRE Research, Q2 2023

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Bulk Warehouses are defined as warehouse or distribution facilities that are at least 100,000 sq. ft. Modern Warehouses in addition to Bulk are constructed in 1998 or later, and 28' clear or taller.

Survey Criteria

Includes all industrial buildings 10,000 sq. ft. and greater in size in Franklin, Pickaway, Licking, and Madison counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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