

Fewer construction deliveries begin to stabilize vacancy

CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds.

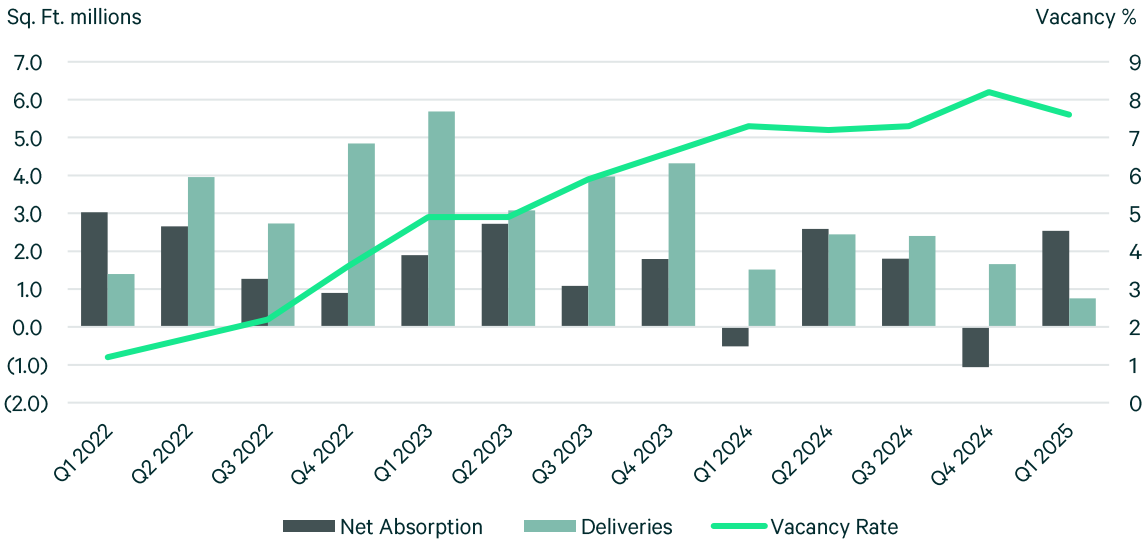


Note: Arrows indicate change from previous quarter.

SUMMARY

- 2.5 million sq. ft. of positive net absorption was recorded in Q1 2025, in large part due to Invenergy occupying 946,000 sq. ft. at Red Chip Farms, delivery of new Coca Cola BTS of 400,000 sq. ft. and Keller Logistics moving into 383,000 sq. ft. at West Jefferson Logistics Center
- The overall vacancy rate decreased 10 basis points from Q4 2024 to 7.6% this quarter.
- Two projects accounting for 750,000 sq. ft. delivered this quarter, both 100% pre-leased.
- Four projects are under construction totaling to 658,000 sq. ft., all set to deliver later in 2025. The Columbus Works Commerce Center and Opus 33 Commerce Center both broke ground this quarter.
- The direct average asking rate across the market decreased \$0.03 from Q4 2024.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2025

Availability Rate

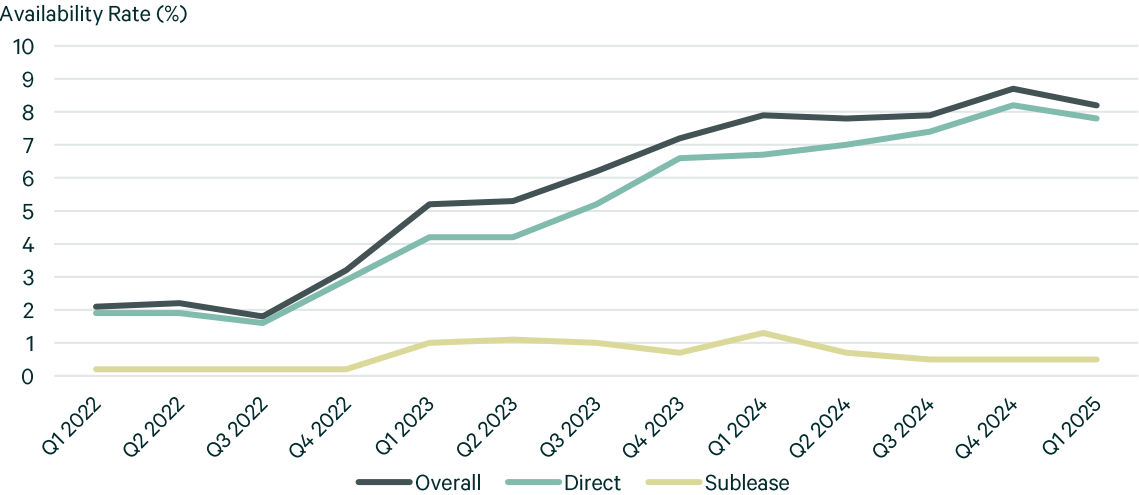
In Q1 2025, the overall availability rate for the Columbus (OH) industrial market stood at 8.4%, decreased slightly from Q4 2024. Distribution/Logistics properties, which constitute the largest segment, had an availability rate of 9.8%, down from 10.2% in Q4 2024. Over two million sq. ft. of space taken off the market this quarter was within the Distribution/Logistics subtype. Meanwhile the Manufacturing sector has remained consistent at a rate of 2.3%. The R&D/Flex segment showed an availability rate of 3.8%, down from 4.3% last quarter. This is due to Amylitor and Sherwin Williams leasing a combined 40K sq. ft. of space.

Properties under 100,000 sq. ft. had the lowest availability rate at 2.5%, whereas properties in the 500,000-749,999 sq. ft. range exhibited the highest availability rate at 15.1%. This reflects spec construction deliveries from 2024, several of which remain in the absorption pipeline.

Asking Rent

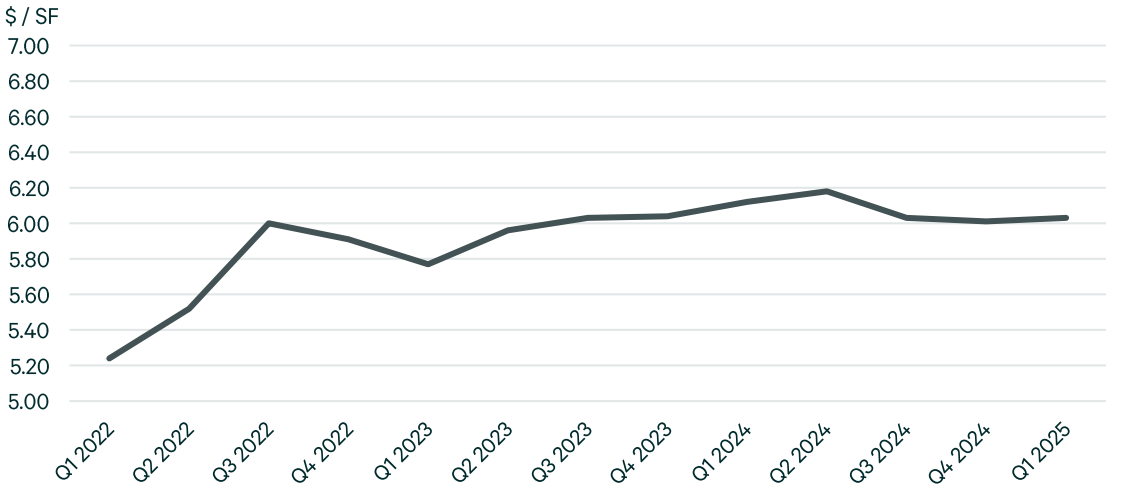
The Columbus industrial market saw a slight decrease in average direct asking rents, which fell by \$0.03 from Q4 2024 to an overall rate of \$6.03 NNN/YR. Despite this minor drop, the market continues to exhibit strong demand for industrial space, particularly in the most modern and larger size categories. Notably, the under 100,000 sq. ft. segment commanded the highest asking rents at \$8.92 NNN/YR, reflecting the premium for smaller, more flexible spaces. The 500,000-749,999 sq. ft. range had an average asking rate of \$6.01 NNN/YR, while the largest spaces, over 750,000 sq. ft., were priced at an average of \$5.49 NNN/YR.

FIGURE 2: Availability Rates



Source: CBRE Research, Q1 2025

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q1 2025

Net Absorption

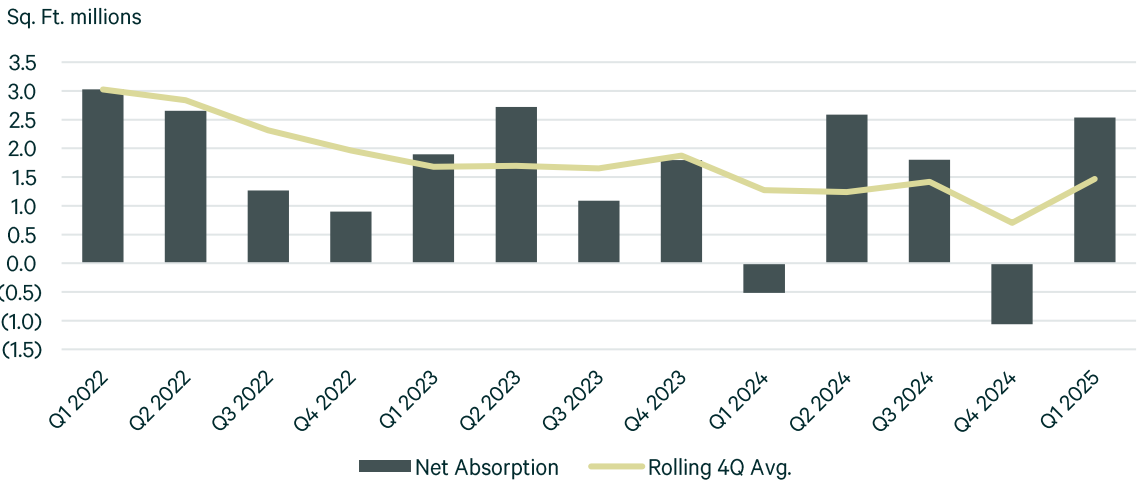
In Q1 2025, a significant 2.5 million sq. ft. of positive net absorption was recorded, a significant turnaround from the negative absorption seen in Q4 2024. This was driven by key move-ins such as Invenenergy's 946,000 sq. ft. at Red Chip Farms, Coca Cola's new 400,000 sq. ft. build-to-suit delivery, and Keller Logistics' 383,000 sq. ft. move-in at West Jefferson Logistics Center. This strong demand contributed to an overall vacancy decrease of 10 basis points from Q4 2024, bringing the vacancy rate to 7.7%. The substantial absorption figures underscore the high demand for industrial space in the region, highlighting the dynamic nature of the market.

Activity in Licking County contributed over 1.6 million sq. ft. of positive net absorption, as New Albany continues to grow into a robust industrial submarket. Madison County, Delaware County, the Northeast and Southeast submarkets all experienced notable positive net absorptions over 100,000 sq. ft., respectively. In contrast, Pickaway County the South and Southwest submarkets were the only submarkets to experience negative absorption over 100,000 sq. ft.

Construction Activity

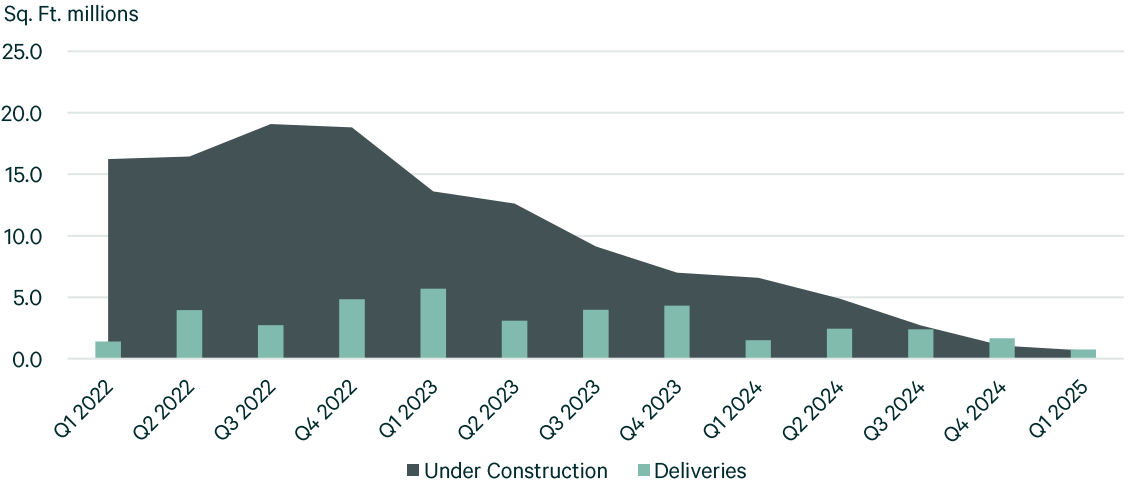
Despite slowing construction activity, Columbus still exhibits significant construction activity with 657,906 sq. ft. currently underway and slated for delivery within the year. This quarter saw the completion of two major projects totaling 750,000 sq. ft., both fully pre-leased, reflecting strong demand. While Intel recently announced delays with development of its New Albany campus, Columbus Works Commerce Center and Opus 33 Commerce Center broke ground this quarter in the East and Union County submarkets, respectively.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q1 2025

FIGURE 5: Construction Activity



Source: CBRE Research, Q1 2025

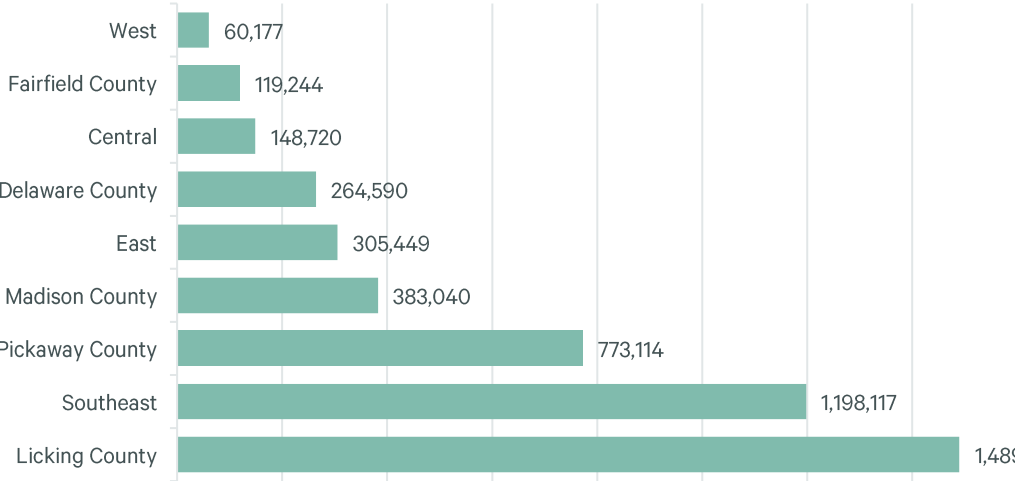
Leasing Activity

Lease transaction volume is up 29.4% from Q4 2024 and 50.3% year-over-year, with 4.7 million sq. ft. of industrial product leased.

New leases accounted for over 3.9 million sq. ft., or 83%, of the leasing activity this quarter. Nearly 2 million sq. ft. of leasing activity took place in the Southeast and Pickaway County submarkets, while 1.2 million sq. ft. was leased in the Licking County submarket. Additionally in Licking County, the New Albany 525 building at 9850 Innovation Way was purchased and occupied by a confidential buyer, representing an additional 525,000 sq. ft. of activity. These transactions are indicative of continued high demand for industrial space in these areas.

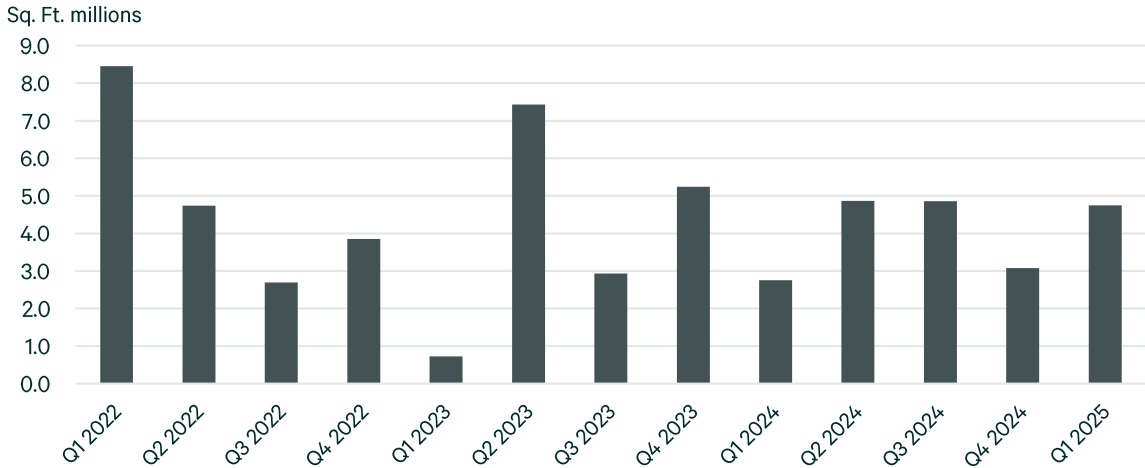
Two major leases by Anduril and Redhawk of 773,000 and 507,000 sq. ft., respectively, were signed this quarter with anticipated move-ins later in 2025.

FIGURE 6: Leasing Activity by Submarket – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q1 2025

FIGURE 6: Leasing Activity Trend – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q1 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Invenergy	946,400	New Lease	7409 Mink St SW	Licking County
Anduril	773,114	New Lease	4641 Squadron Ave	Pickaway County
Redhawk	507,398	New Lease	4000-4100 Lockbourne Industrial Pkwy	Southeast
Keller Logistics	383,040	New Lease	44 Commerce Pkwy	Madison County
NFI Industries	306,000	Renewal	4458 Alum Creek Dr	Southeast
Hims	302,880	Renewal	9750 Innovation Campus Way	Licking County
Chadwell Supply Ohio	174,819	Renewal	6111 Bixby Rd	East
Reliable Healthcare Solutions	157,080	New Lease	5765 Green Pointe Dr N	Southeast
Core-Mark US	148,720	New Lease	2295 Parsons Ave	Central
Associated Hygienics	148,215	New Lease	205 Founders Ct	Delaware County

Source: CBRE Research, Q1 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	41,690,040	1.8	2.5	2.2	0.3	8.92	34,004	34,004	0	81,000
100,000-199,999 sq. ft.	41,434,904	3.4	4.0	3.1	0.9	7.05	221,998	221,998	0	326,077
200,000-299,999 sq. ft.	39,090,869	5.7	7.4	7.2	0.1	6.04	461,466	461,466	0	250,829
300,000-499,999 sq. ft.	53,118,735	6.0	6.9	6.9	0.0	6.05	408,754	408,754	750,000	0
500,000-749,999 sq. ft.	39,844,413	11.9	13.7	12.8	1.0	6.01	932,084	932,084	0	0
750,000 sq. ft.	88,180,521	12.0	11.6	11.1	0.5	5.49	480,923	480,923	0	0
Total	303,359,482	7.6	8.2	7.8	0.5	6.03	2,539,229	2,539,229	750,000	657,906

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	232,769,228	9.2	9.8	9.2	0.6	5.95	2,449,016	2,449,016	750,000	135,000
Manufacturing	53,866,354	1.9	2.3	2.3	0.1	6.01	4,146	4,146	0	0
R&D / Flex	9,985,928	3.0	3.8	3.4	0.4	10.09	72,751	72,751	0	331,829
Other Industrial	6,737,972	1.9	7.2	7.2	0.0	7.23	13,316	13,316	0	191,077
Total	303,359,482	7.6	8.2	7.8	0.5	6.03	2,539,229	2,539,229	750,000	657,906

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Central	27,670,006	4.4	4.1	4.0	0.1	6.35	53,665	53,665	0	0
Delaware County	12,165,331	5.6	5.6	5.4	0.2	6.66	142,757	142,757	0	0
East	25,385,830	2.8	3.0	3.0	0.0	6.84	62,945	62,945	0	191,077
Fairfield County	9,183,757	15.0	13.7	13.7	0.0	5.79	0	0	0	0
Licking County	40,451,053	5.9	6.0	6.0	0.0	5.71	1,639,865	1,639,865	0	0
Madison County	20,760,804	14.1	11.2	11.2	0.0	6.0	383,040	383,040	0	0
Northeast	11,554,302	4.9	6.4	6.2	0.2	6.73	242,042	242,042	0	0
Northwest	1,262,027	1.3	1.3	1.3	0.0	13.0	0	0	0	0
Pickaway County	19,779,490	19.6	15.7	12.8	2.8	5.58	(158,775)	(158,775)	350,000	0
Southeast	72,041,638	4.5	8.5	7.8	0.7	5.97	410,000	410,000	400,000	0
Southwest	17,823,618	6.3	7.4	6.9	0.5	5.71	(144,801)	(144,801)	0	135,000
Union County	10,458,324	2.2	2.2	1.6	0.6	8.71	(17,238)	(17,238)	0	250,829
West	34,823,302	13.3	13.8	13.6	0.3	6.66	(74,271)	(74,271)	0	81,000
Total	303,359,482	7.6	8.2	7.8	0.5	6.03	2,539,229	2,539,229	750,000	657,906

Modern Bulk Market Statistics

Market	Net Rentable Area	Under Construction	Construction Completions	Vacant SF Total	Vacancy Rate %	Avail Rate %	Current Q Net Absorption	Direct Avg. Asking Rate
Modern Warehouse *(Bulk Warehouses constructed in 1998 or later, and 28' clear or taller)								
Central	2,178,613	-	-	778,353	35.7%	28.9%	81	\$6.02
Delaware County	3,000,895	-	-	158,000	5.3%	5.3%	116,375	\$8.00
East	3,467,190	191,077	-	444,352	12.8%	10.6%	19,231	\$6.62
Fairfield County	2,105,114	-	-	1,219,951	58.0%	52.3%	0	\$6.85
Licking County	23,842,236	-	-	2,697,643	11.3%	10.7%	1,115,341	\$5.79
Madison County	17,566,147	-	-	2,934,031	16.7%	13.2%	383,040	\$6.00
Northeast	2,968,310	-	-	318,865	10.7%	10.7%	223,872	\$5.75
Northwest	288,842	-	-	0	0.0%	0.0%	0	-
Pickaway County	14,177,053	-	350,000	3,868,929	27.3%	21.8%	(158,775)	\$5.58
Southeast	48,373,482	-	400,000	2,733,474	5.7%	8.3%	0	\$6.21
Southwest	6,069,513	135,000	-	602,362	9.9%	9.5%	0	\$6.87
Union County	2,086,208	250,829	-	122,850	5.9%	5.9%	0	\$8.95
West	1,761,306	-	-	615,718	35.0%	35.0%	183,688	\$6.41
Total	127,884,909	576,906	750,000	16,494,528	12.9%	12.4%	1,882,853	\$6.05

Market	Net Rentable Area	Under Construction	Construction Completions	Vacant SF Total	Vacancy Rate %	Avail Rate %	Current Q Net Absorption	Direct Avg. Asking Rate
Modern Bulk Market Statistics by Size Range								
100-200,000 SF	6,888,699	326,077	-	669,445	9.7%	10.7%	116,456	\$8.29
200-400,000 SF	27,791,974	250,829	350,000	2,459,740	8.9%	8.5%	799,431	\$6.95
400-600,000 SF	29,327,974	-	400,000	4,161,814	14.2%	14.9%	146,301	\$6.03
>600,000 SF	63,876,262	-	-	9,203,529	14.4%	13.2%	820,665	\$5.64
Total	127,884,909	576,906	750,000	16,494,528	12.9%	12.4%	1,882,853	\$6.05

National Economic Outlook

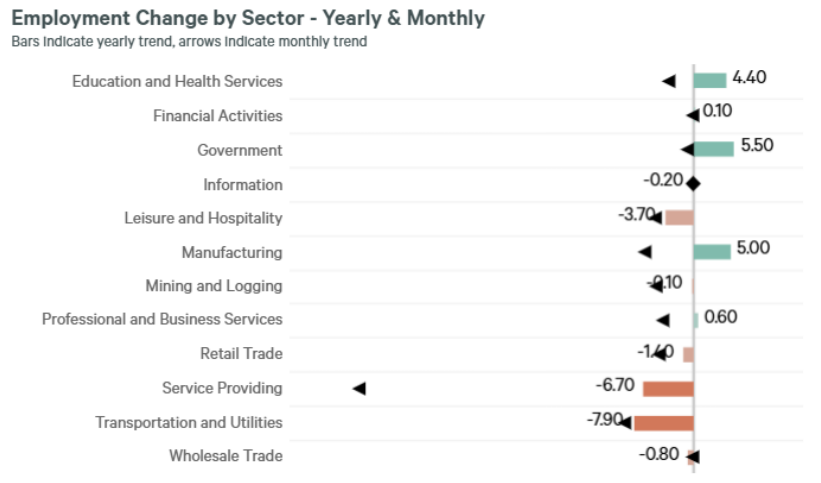
Policy speculation and announcements are now the key drivers of macro expectations and financial markets. The reality of material trade conflicts this year is now paired with realized softer economic data. Some of this could be due to firms taking a ‘wait-and-see’ approach as they digest changing trade policy. Consumer sentiment has declined noticeably, albeit much more than actual spending. Consequently, CBRE has revised its GDP growth outlook for this year down to just below 2%.

Despite policy uncertainty, credit markets are more accommodative, with tighter spreads and more issuance compared to a few quarters ago. More fluid credit markets have yet to translate into stronger sales volume, as many institutional owners and reams of dry powder capital remain on the sidelines. The continuation of accretive credit trends and eventual deployment of dry powder will depend on the impact of new policies. Should they prove more inflationary, this would erode recent capital markets progress. If not, and macro impacts are limited, this could give the Fed a green light for further cuts and help unlock monies waiting on the sidelines.

Columbus, OH Employment Update



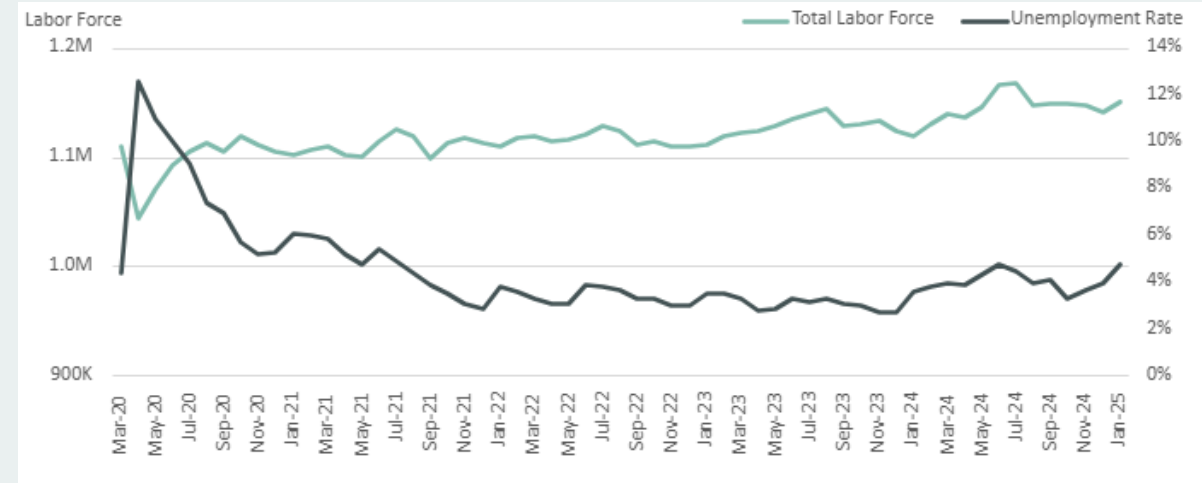
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Note: Arrows indicate month-over-month change.

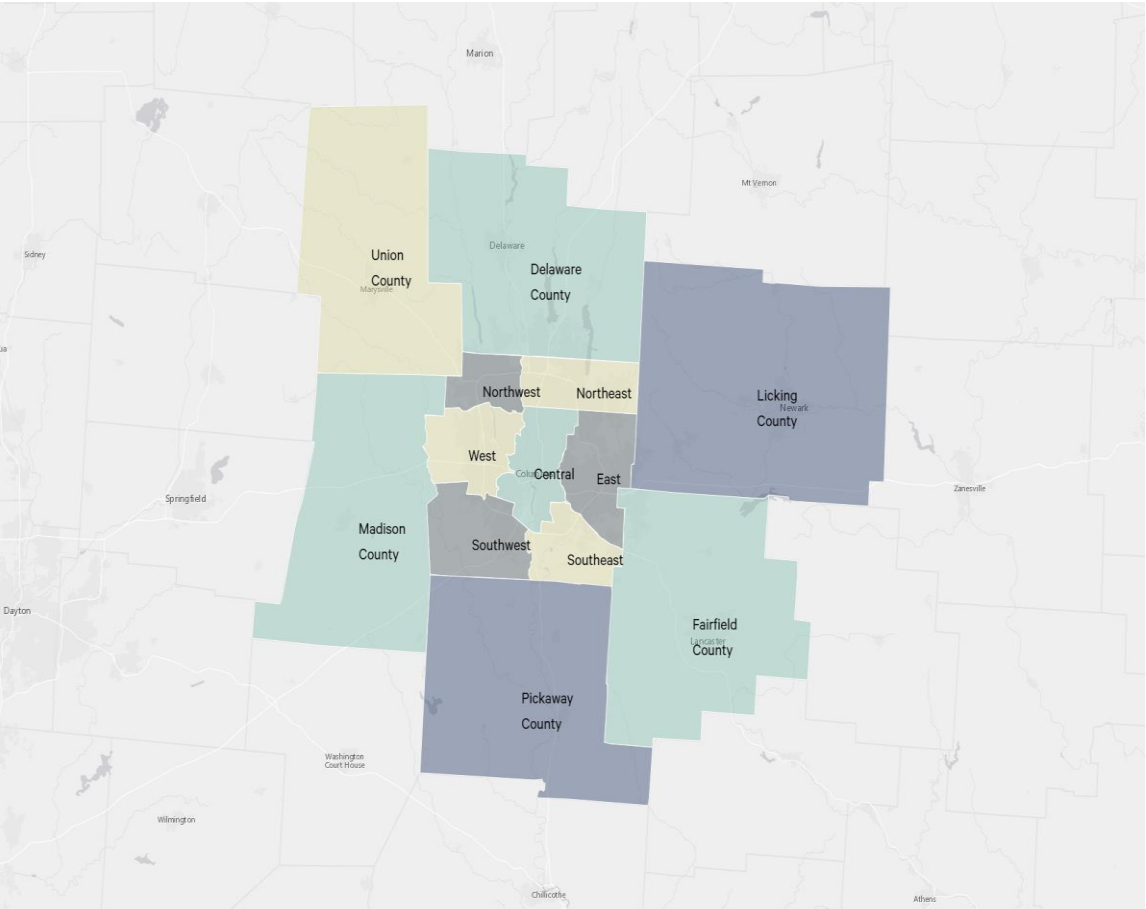
Source: US BLS, January 2025

Columbus, OH Unemployment Rate and Labor Force Trends



Source: US BLS, January 2025

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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all industrial buildings 30,000 sq. ft. and greater in size in Franklin, Pickaway, Licking, Madison, Fairfield, Union and Delaware counties. Buildings which have begun construction as evidenced by site excavation or foundation work. CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds

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