



Columbus Industrial Outlook

Q2 2022

New projects move forward despite supply chain constraints

Top trends

- Construction remained level at 13 million s.f. due to six modern bulk groundbreakings, while Q2 completions led to a slight rise in vacancy
- Five 1-million-s.f. warehouses remain under construction with completion expected by the end of the year
- Modern bulk warehouses account for 93% of construction activity, but there is noticeable demand for smaller warehouses

Six modern bulk warehouses totaling 3.2 million s.f. broke ground in Q2. Although eight projects were also completed in Q2, total product under construction remained level at 13 million s.f. due to the recent groundbreakings. Developers that acquired land in the last year are beginning to move forward with projects despite supply chain constraints. However, warehouses that once took 10 months to complete construction are now estimated to take as long as 18 months to be fully operational. With total vacancy at just 2.1%, it's apparent that material delays are no match for developer appetite to continue building speculatively.

At the start of Q2, there were six 1-million-s.f. speculative warehouses under construction. Pizzuti's West Jefferson Logistics Center was the lone warehouse to complete in Q2, while the other five are scheduled to complete by the end of the year. There has not been preleasing activity to date, but that is expected to change as construction timelines become clearer near completion. Last minute issues within the supply chain for building materials are holding up projects across the country, which can ultimately delay tenant commitments. The robust construction pipeline also provides prospective tenants with more options than previous years. If more warehouses deliver fully vacant, rapid absorption is still expected as tenants commit to space and the options begin to dwindle.

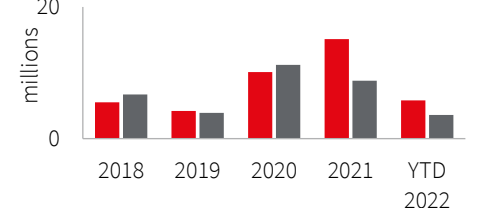
Outlook

Modern bulk vacancy rose to 3.4%, largely because of the 1-million-s.f. completion in West Jefferson. Two projects delivered fully leased: DHL leased 582,000 s.f. in the Southeast submarket and AmplifyBio leased 354,000 s.f. in New Albany. Of the 23 projects currently underway, 18 are speculative projects larger than 250,000 s.f., totaling 12.1 million s.f. and accounting for 93% of total activity. With that said, three projects below 200,000 s.f. delivered fully preleased in Q2. Expect developers to recognize the lack of supply and noticeable demand for smaller warehouses moving forward.

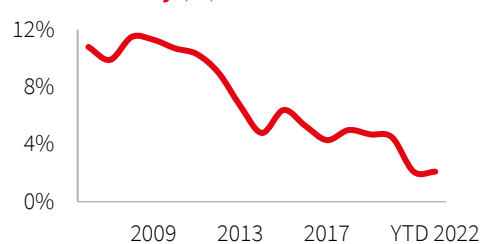
Fundamentals

	Forecast
YTD net absorption	5,771,820 s.f. ▲
Under construction	13,003,371 s.f. ►
Total vacancy	2.1% ▲
Sublease vacancy	277,835 s.f. ►
Direct asking rent	\$4.86 p.s.f. ▲
Sublease asking rent	\$4.12 p.s.f. ▲
Concessions	Decreasing ▼

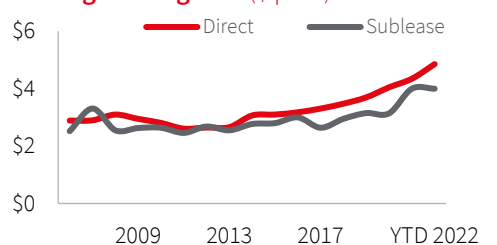
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent (\$ p.s.f.)





Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Columbus total										
Warehouse & Distribution	228,420,777	2,238,386	4,939,984	2.2%	2.1%	6.5%	\$4.79	3,615,359	5,120,062	13,004,371
Manufacturing	35,371,433	236,306	831,836	2.4%	2.0%	2.2%	\$5.17	0	0	0
Overall Total	263,792,210	2,474,692	5,771,820	2.2%	2.1%	5.9%	\$4.82	3,615,359	5,120,062	13,004,371
Central										
Warehouse & Distribution	1,716,938	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Manufacturing	573,948	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	2,290,886	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
East										
Warehouse & Distribution	19,187,857	90,900	223,820	1.2%	2.6%	3.6%	\$4.19	0	0	144,000
Manufacturing	3,566,879	105,191	105,191	2.9%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	22,754,736	196,091	329,011	1.4%	2.2%	3.0%	\$4.19	0	0	144,000
North										
Warehouse & Distribution	12,637,330	87,843	166,993	1.3%	1.9%	2.8%	\$5.59	0	0	0
Manufacturing	1,075,041	0	0	0.0%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	13,712,371	87,843	166,993	1.2%	1.8%	2.6%	\$5.59	0	0	0
Southeast										
Warehouse & Distribution	89,049,896	856,245	943,066	1.1%	1.0%	6.8%	\$4.65	937,500	1,037,500	7,505,366
Manufacturing	7,772,572	0	0	0.0%	6.2%	7.1%	\$5.02	0	0	0
Overall Total	96,822,468	856,245	943,066	1.0%	1.4%	6.8%	\$4.68	937,500	1,037,500	7,505,366
Southwest										
Warehouse & Distribution	19,066,510	-124,197	-124,197	-0.7%	2.6%	3.5%	\$4.60	0	0	208,241
Manufacturing	1,137,523	9,000	427,787	37.6%	0.0%	0.0%	\$0.00	0	0	0
Overall Total	20,204,033	-115,197	303,590	1.5%	2.4%	3.3%	\$4.60	0	0	208,241
West										
Warehouse & Distribution	31,658,532	142,560	239,320	0.8%	1.0%	1.3%	\$5.47	0	0	0
Manufacturing	2,293,888	55,400	107,143	4.7%	8.4%	8.4%	\$5.38	0	0	0
Overall Total	33,952,420	197,960	346,463	1.0%	1.5%	1.8%	\$5.44	0	0	0
Outlying										
Warehouse & Distribution	55,103,714	1,185,035	3,490,982	6.3%	4.1%	11.5%	\$5.08	2,677,859	4,082,562	5,146,764
Manufacturing	18,951,582	66,715	191,715	1.0%	0.1%	0.1%	\$4.50	0	0	0
Overall Total	74,055,296	1,251,750	3,682,697	5.0%	3.1%	8.8%	\$5.07	2,677,859	4,082,562	5,146,764

The property set was updated to reflect the latest market dynamics, including the removal of functionally obsolete properties and the addition of recently completed developments.

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Fundamentals

Inventory	51,045,067 s.f.
YTD Net Absorption	2,346,496 s.f.
Vacancy	3.4%
Average asking rent (NNN)	\$5.23
YTD completions	2,645,644 s.f.
Under construction	12,123,481 s.f.

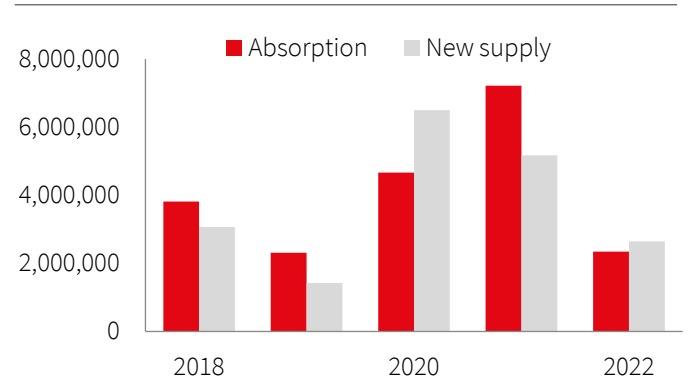
Recent leasing

Tenant	Address	s.f.
Home Depot	C5 Logistics Center	1,126,928
Bath & Body Works	Rick Exchange I	1,022,000
Honeywell	Park West 1	845,280
JOANN Fabrics	1020 Enterprise Pky	827,649
DHL	RGLP Rail 8	582,400

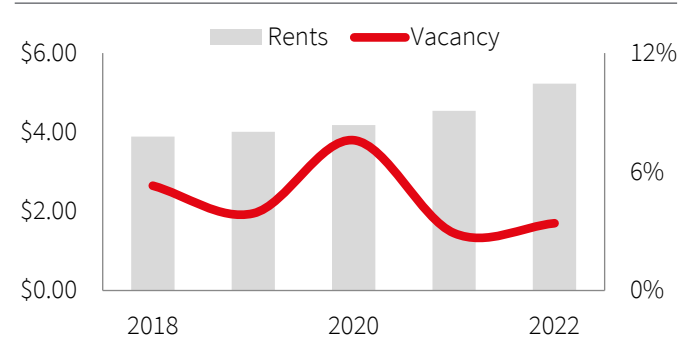
Large Blocks

Property	Available	s.f.	Rent
Rick Exchange II	Q3 2022	1,194,865	TBD
Red Chip Farms	Q3 2022	1,092,000	TBD
WJ Logistics Center	Now	1,090,000	TBD
Cubes Etna	Q3 2022	1,074,840	TBD
RLP Bldg 7	Q4 2022	1,068,750	TBD

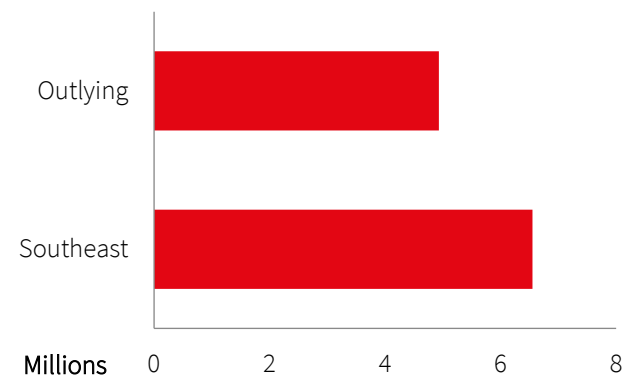
Supply and demand

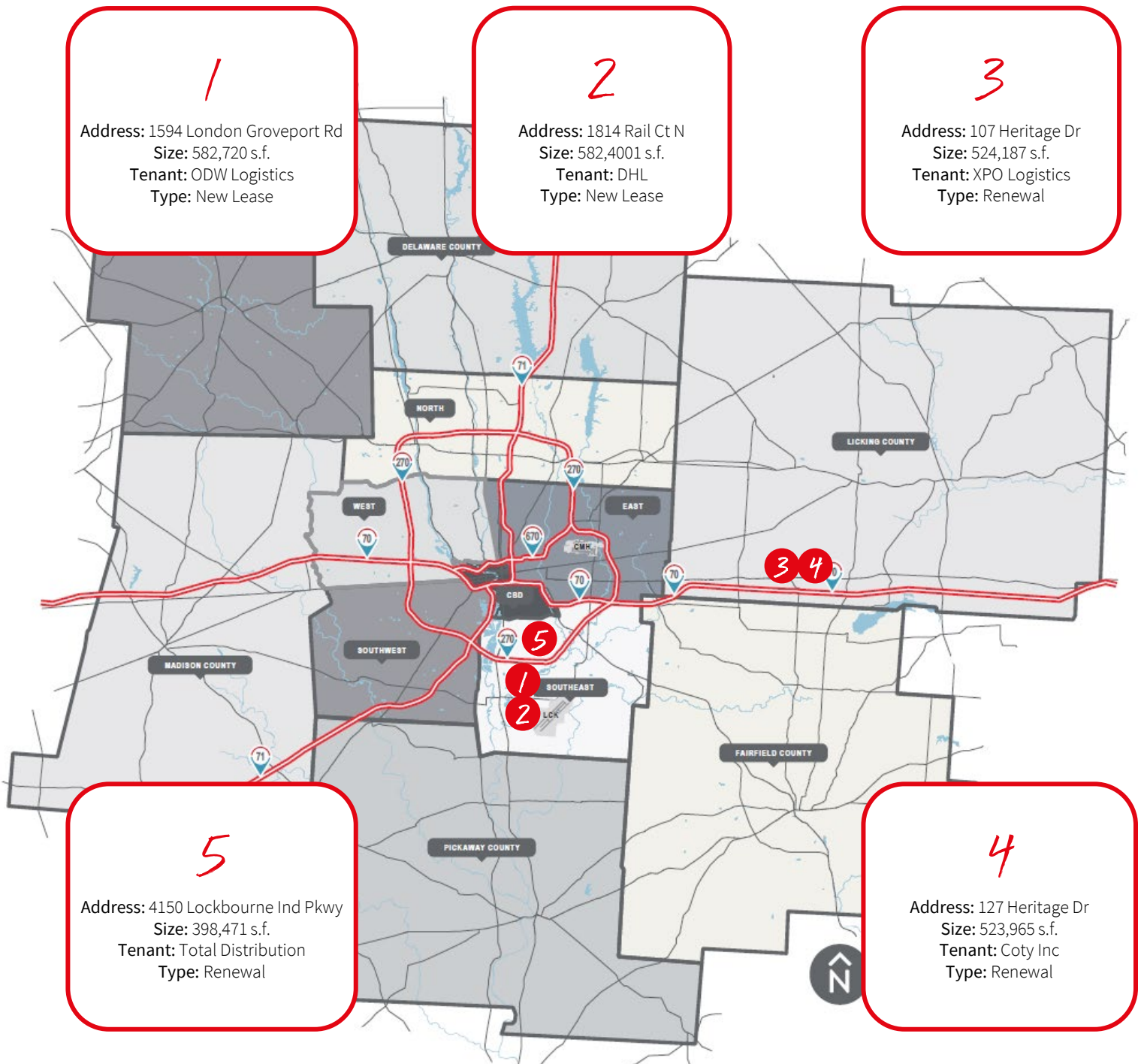


Asking rents and vacancy



Construction by Submarket





1

Address: 1594 London Groveport Rd
 Size: 582,720 s.f.
 Tenant: ODW Logistics
 Type: New Lease

2

Address: 1814 Rail Ct N
 Size: 582,400 s.f.
 Tenant: DHL
 Type: New Lease

3

Address: 107 Heritage Dr
 Size: 524,187 s.f.
 Tenant: XPO Logistics
 Type: Renewal

5

Address: 4150 Lockbourne Ind Pkwy
 Size: 398,471 s.f.
 Tenant: Total Distribution
 Type: Renewal

4

Address: 127 Heritage Dr
 Size: 523,965 s.f.
 Tenant: Coty Inc
 Type: Renewal

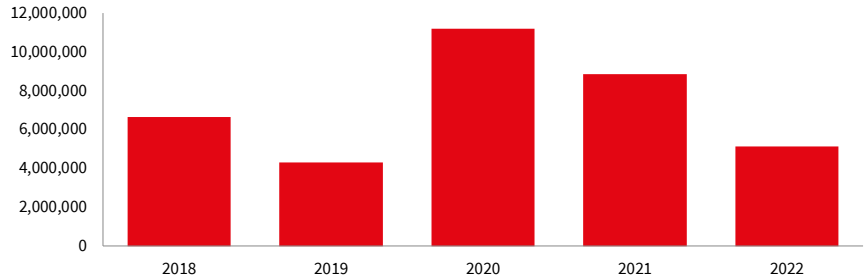
This dashboard analyzes industrial developments $\geq 30,000$ s.f.

New deliveries

5,120,062

Total delivered (s.f.)

Completions in-depth	
Total leased at delivery (%)	70.4%
Total speculative at delivery (s.f.)	3,230,744
Total BTS at delivery (s.f.)	1,889,318
Total Owner-User at delivery (s.f.)	-
Total # of properties delivered	12
Asking rental rate (low - high)	\$4.25 - \$6.95



Historical deliveries (s.f.)

Notable deliveries

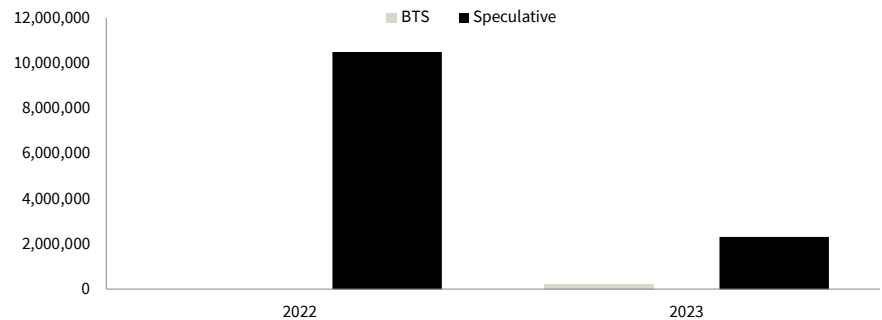
Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Leased at delivery (%)
West Jefferson Logistics Center	Outlying (West Jeff)	Pizzuti	1,090,000	Speculative	Q2 2022	0%
Owens Corning BTS	Outlying (Hebron)	VanTrust	750,000	BTS	Q1 2022	100%
1814 Rail Ct N	Southeast	Duke Realty	582,400	Speculative	Q2 2022	100%
9885 Innovation Campus Way	Outlying (New Albany)	Scannell Properties	354,640	Speculative	Q2 2022	100%
New Albany 315	Outlying (New Albany)	VanTrust	315,385	Speculative	Q1 2022	62%

Under construction

13,004,371

Under construction (s.f.)

Under construction in-depth	
Total pre-leased (%)	10.0%
Total speculative under construction (s.f.)	12,789,371
Total BTS under construction (s.f.)	215,000
Total Owner-user under construction (s.f.)	-
Total # of properties UC	28
Asking rental rate (low - high)	\$4.25-\$6.95

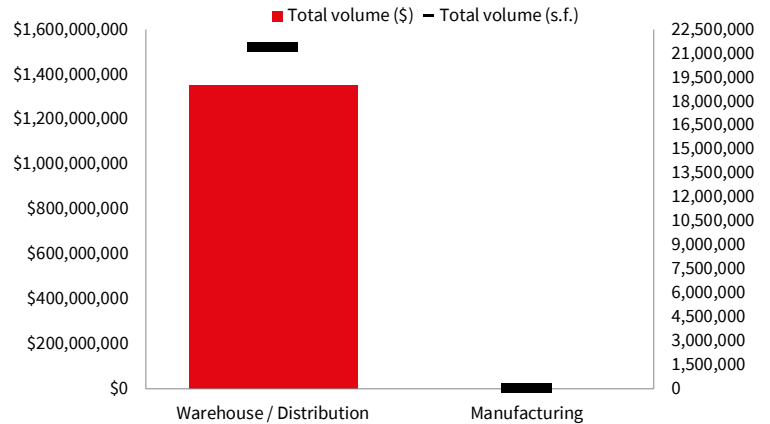


Top 5 projects currently under construction

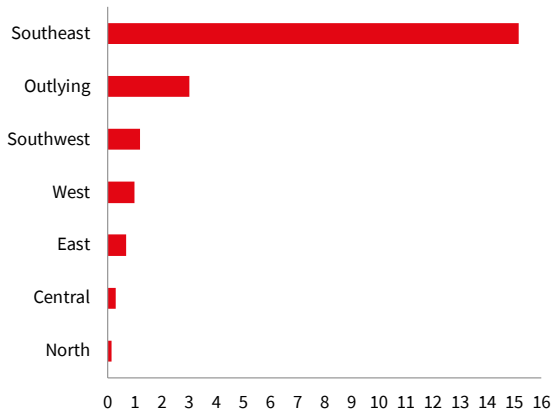
Building	Submarket	Owner	RBA (s.f.)	Construction type	Delivery date	Pre-leased (%)
Rickenbacker Exchange Bldg 2	Southeast	VanTrust	1,194,865	Speculative	Q3 2022	0%
Red Chip Farms Bldg A	Outlying (Etna)	Red Rock Developments	1,092,000	Speculative	Q3 2022	0%
The Cubes Etna	Outlying (Etna)	CRG/Lexington	1,074,840	Speculative	Q3 2022	0%
RLP Bldg 7	Southeast	CT Realty	1,068,750	Speculative	Q3 2022	0%
1489 Rohr Rd	Southeast	Trident Capital Group	1,055,686	Speculative	Q4 2022	0%

12 months at a glance

Total volume (\$)	\$1,352,510,008
Total volume (s.f.)	21,399,819
Number of transactions	64
Number of investment sales	76
Number of owner-user sales	8
Number of sale-leasebacks	0



Sales volume by submarket (million s.f.)



Average price per square foot



Noteable sales transactions

Property name	Buyer	Seller	Size (s.f.)	Sales price	\$ p.s.f.	Sale date
Rickenbacker West I and II	Heitman	Pizzuti	511,164	\$70,100,000	\$137	Apr-22
Core5 Southgate	Sealy & Company	Core5	437,589	\$56,250,000	\$129	Apr-22
Rickenbacker Logistics Park	Kohlberg Kravis Roberts Co	Walton Street Capital	1,146,780	\$131,750,000	\$115	Oct-21
8825 Smith's Mill Rd	W.P. Carey Inc	KDC US Holdings	235,455	\$27,000,000	\$114	May-21
5740 Green Pointe Dr	MDH Partners	Oakridge Development	100,000	\$9,300,000	\$93	Mar-22
Rickenbacker Exchange	Mid-America Management	VanTrust Real Estate LLC	1,022,000	\$93,000,000	\$91	Nov-21
WPT Portfolio	Blackstone REIT	WPT Industrial REIT	1,718,271	\$157,194,175	\$91	Oct-21
Synnex BTS	Industrial Logistics Properties	Duke Realty Corporation	358,000	\$31,500,000	\$88	Jun-21
2600 E Main St	Mitchell Asset Group	The Babcock & Wilcox Co	450,000	\$29,953,806	\$67	Aug-21
3800-3880 Groveport Rd	Stockbridge Capital Group	Transwestern Investment Group	705,600	\$35,600,000	\$62	Jul-21



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