3Q25

Columbus Industrial Market Overview

NEWMARK

Market Observations

Economy

- The Columbus metro's economy gained jobs in year-over-year percentages in August of 2025, as the MSA's total nonfarm employment increased annually by 1.1%.This came after achieving a 1.3% gain in July. National nonfarm employment increased year-over-year by 0.9% in August, after three straight months of 1.0% gains.
- The Mining, Logging, and Construction sector realized an annual job growth of 1.4% in August for the Columbus MSA. The Manufacturing sector posted a gain of 1.0%. The Trade, Transportation, and Utilities sector came in at negative 1.0% year-over-year and was the worst performing sector in the market. The Other Services sector led all industries in annual job growth at 4.4% in August for the Columbus MSA.

Major Transactions

- New leases, along with a couple of expansions, highlighted the third quarter of 2025. Faro Services, Inc. led the quarter's lease transactions with a new 630,000 SF lease at 7070 Pontius Rd. in the Rickenbacker submarket. Also in the Rickenbacker submarket, Bleckmann signed a 514,490 SF lease at 3538 Tradeport Ct. and CJ Logistics America, LLC inked a 352,012 SF lease at 2190 W. Creekside Pkwy. MEI Rigging & Crating executed a 367,633 SF expansion at 840 Hilliard Rome Rd. in the West submarket, while Hims & Hers signed new lease of 352,012 SF at 9885 Innovation Campus Way in the Northeast submarket.
- Notable sale transactions this past quarter include Morgan Stanley Real Estate Investing's $22.0 million acquisition of the Giant Eagle-occupied 105,000 SF cold storage warehouse located in the East submarket at 6660 Broughton Ave. for $209.52/SF. Giant Eagle has a long-term lease in place, which made the property an attractive investment. The 205,000 SF property located at 392-488 Outerbelt St., also in the East, traded to AH Columbus LLC for $33.0 million, or $160.98/SF. In the Rickenbacker submarket, the 260,729 SF building located at 3188 Toy Rd. transferred from Molto Properties to Blue Vista Capital Management for $37.7 million, or $144.40/SF, just as the second quarter ended and the third quarter began.

Leasing Market Fundamentals

- Class A warehouse leasing represented 53.0% of overall activity through three quarters, which is on par with 2024's 53.5%. At the current pace, Class A leasing volume at 8.4 million SF, which is already higher than years 2010 through 2020, should finish 2025 with a higher total than 2023 and 2024.
- The Columbus industrial market recorded 3.5 million SF of positive net absorption in the third quarter, which contracted the overall quarterly vacancy rate by 100 basis points to 7.7%. Roughly 1.8% of Columbus' industrial inventory has been absorbed thus far in 2025, amongst the top in the nation. Anduril's first quarter 2025 lease of 773,114 SF at 4641 Elizabeth Ave. in the Rickenbacker submarket occupied this past quarter to help pace the third quarter absorption.
- The third quarter's average direct asking rental rate was $6.13/SF, up $0.02/SF from the previous quarter.

Outlook

- Investment transactions made up approximately 63.6% of sales this past quarter, overtaking owner/user purchases for the second quarter in a row. Sale prices per square foot jumped to $112.00/SF in the third quarter, the highest mark in the last seven quarters. Though many economic headwinds persist, investment activity holds firm in the region, helping to reinforce the Columbus industrial market's status as an attractive Midwest investment option for capital.
- With a number of significant third quarter lease signings that will occupy in future quarters, the market should continue to perform well heading into the last quarter of 2025 and into 2026.
- The Columbus industrial market continued to show strong leasing fundamentals in the third quarter. Columbus has been among the top performing markets across the country year to date and has also experienced multiple new projects announced. The buzz surrounding Anduril has continued to pick up steam, with the potential of other users following suit in the coming year. Robust activity should continue through the end of the year, and several more announcements of advanced manufacturing deals could be on the horizon.

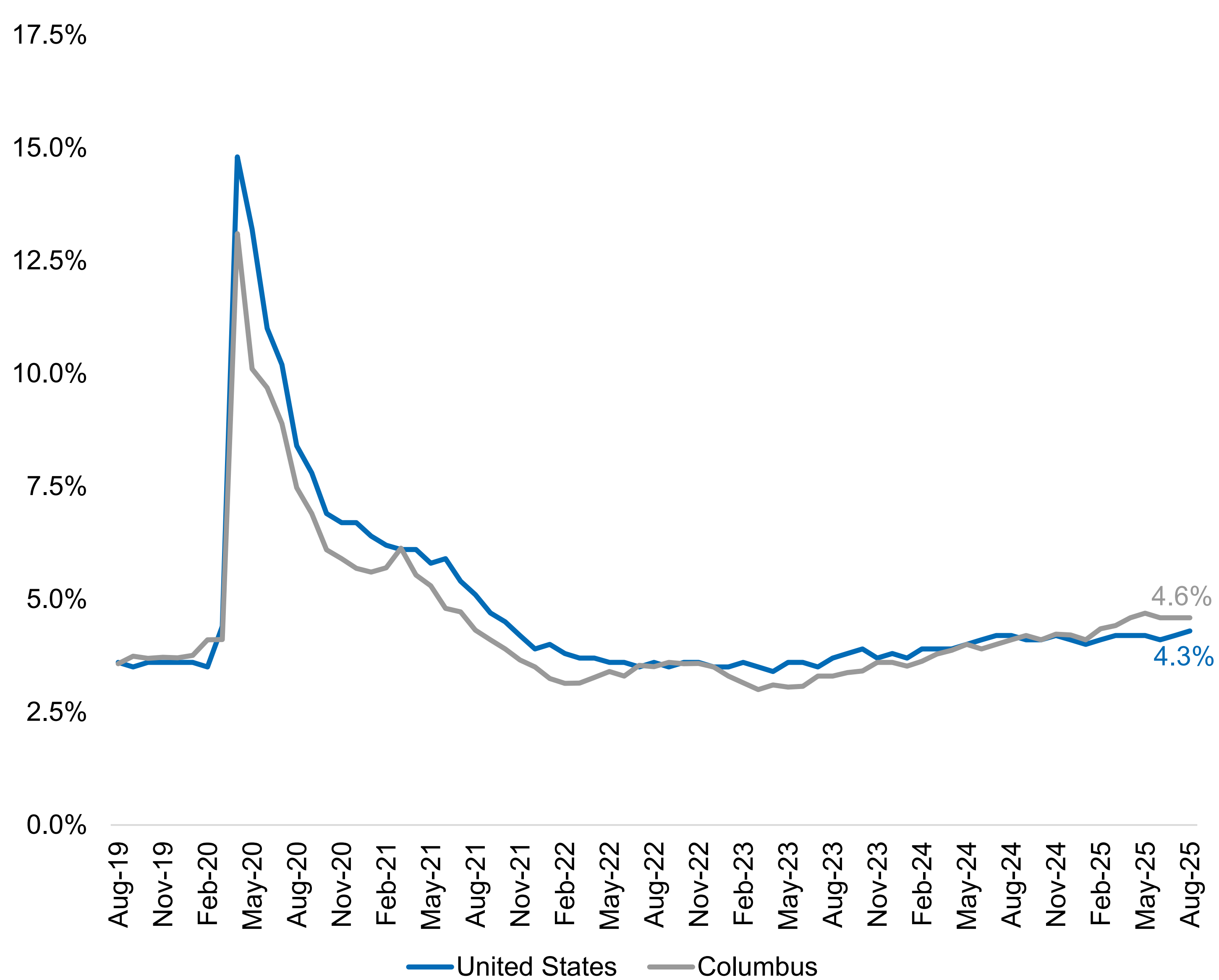
TABLE OF CONTENTS

Economy

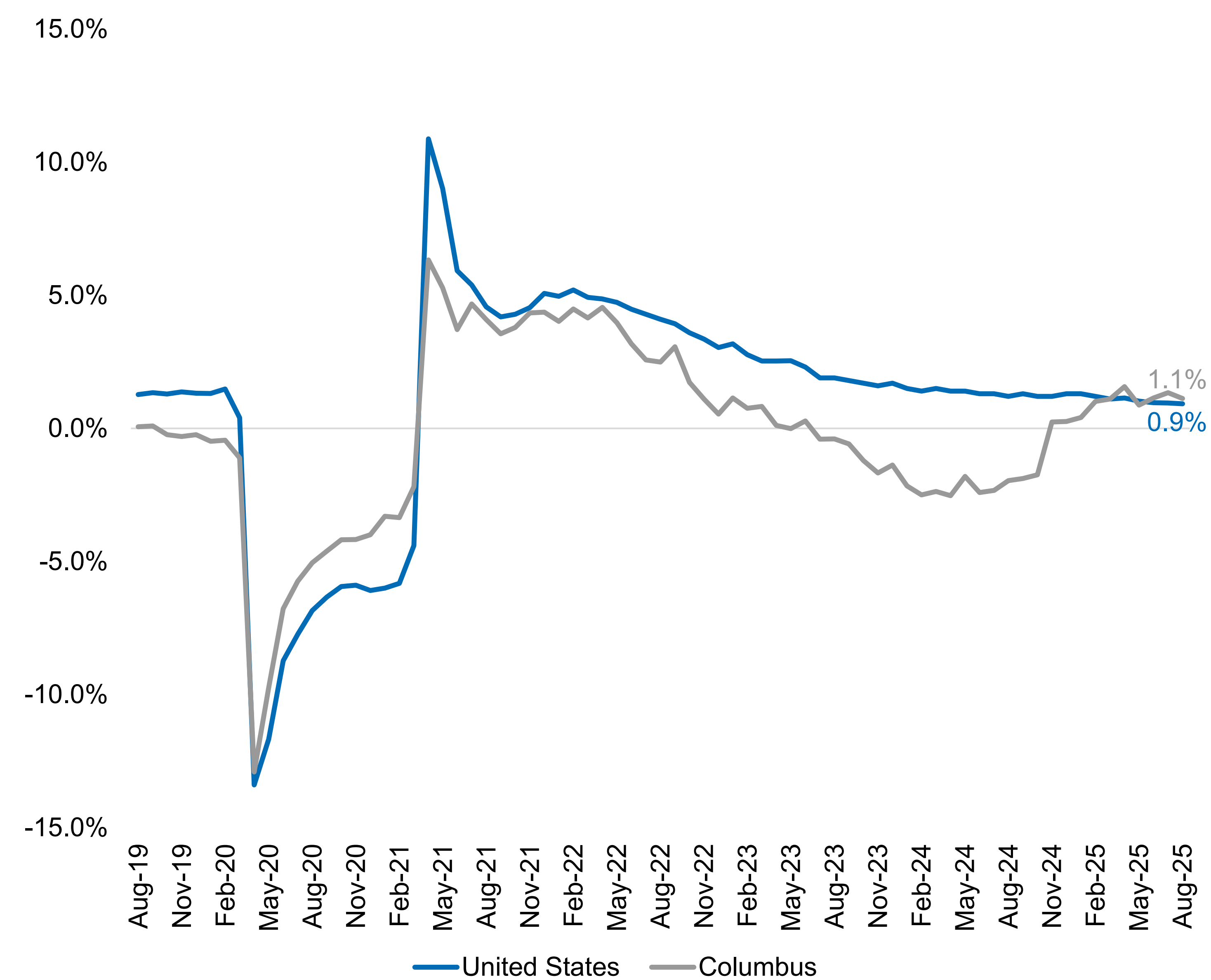
Columbus and United States Unemployment and Nonfarm Employment Trends

The Columbus metro's economy gained jobs in year-over-year percentages in August of 2025, as the MSA's total nonfarm employment increased annually by 1.1%.This came after achieving a 1.3% gain in July. National nonfarm employment increased year-over-year by 0.9% in August, after three straight months of 1.0% gains. Columbus's most recent unemployment rate in August 2025 came in at 4.6%, after hitting 4.7% in May and then coming down to 4.6% in June and July.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

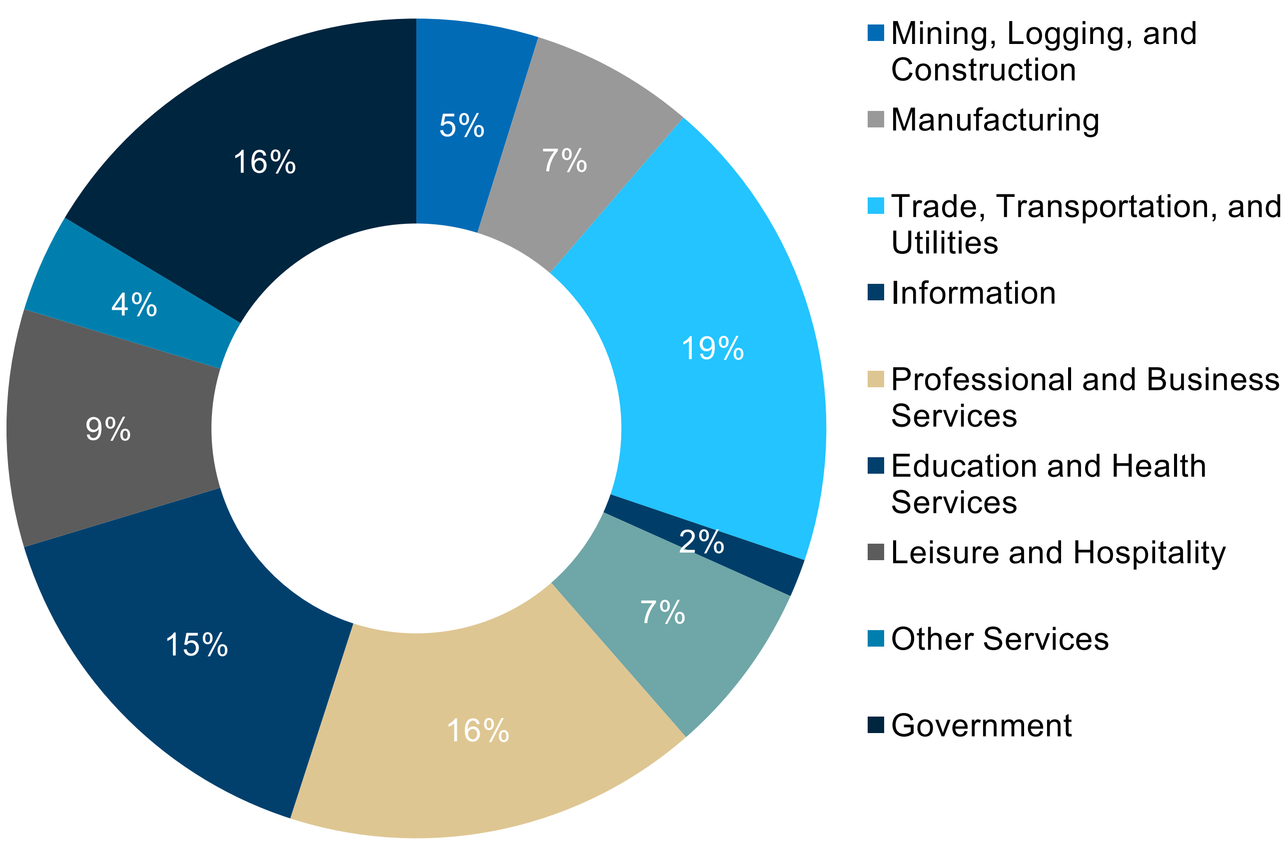


Source: U.S. Bureau of Labor Statistics, Columbus MSA

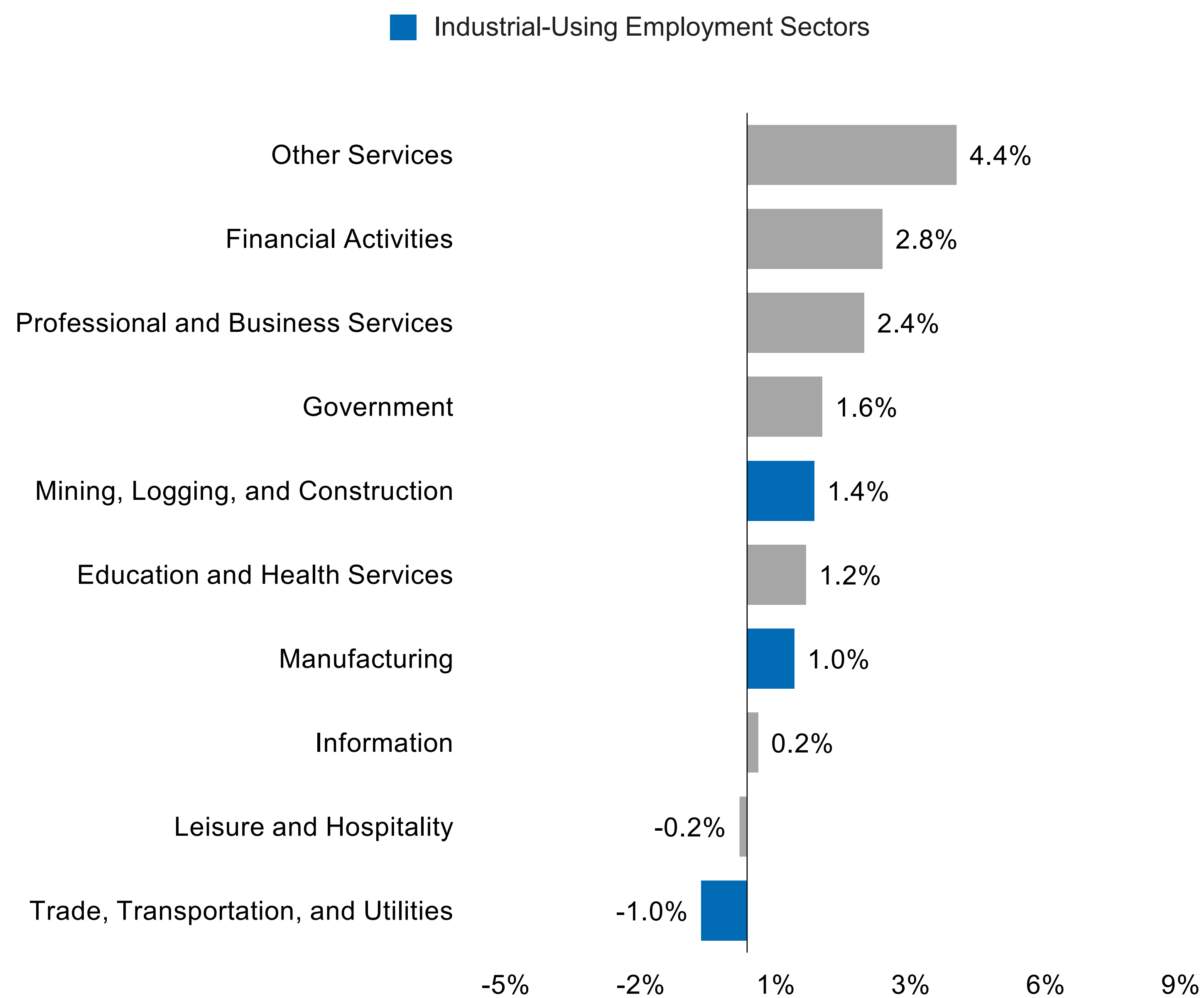
Job Gains in Two of Three Industrial-Using Employment Sectors

Eight of 10 industry sectors in the market saw employment gains from August 2024 to August 2025. The Mining, Logging, and Construction sector realized an annual job growth of 1.4% in August for the Columbus MSA. The Manufacturing sector posted a gain of 1.0%. The Trade, Transportation, and Utilities sector came in at negative 1.0% year-over-year and was the worst performing sector in the market. The Other Services sector led all industries in annual job growth at 4.4% in August for the Columbus MSA.

Employment by Industry, August 2025



Employment Growth by Industry, 12-Month % Change, August 2025

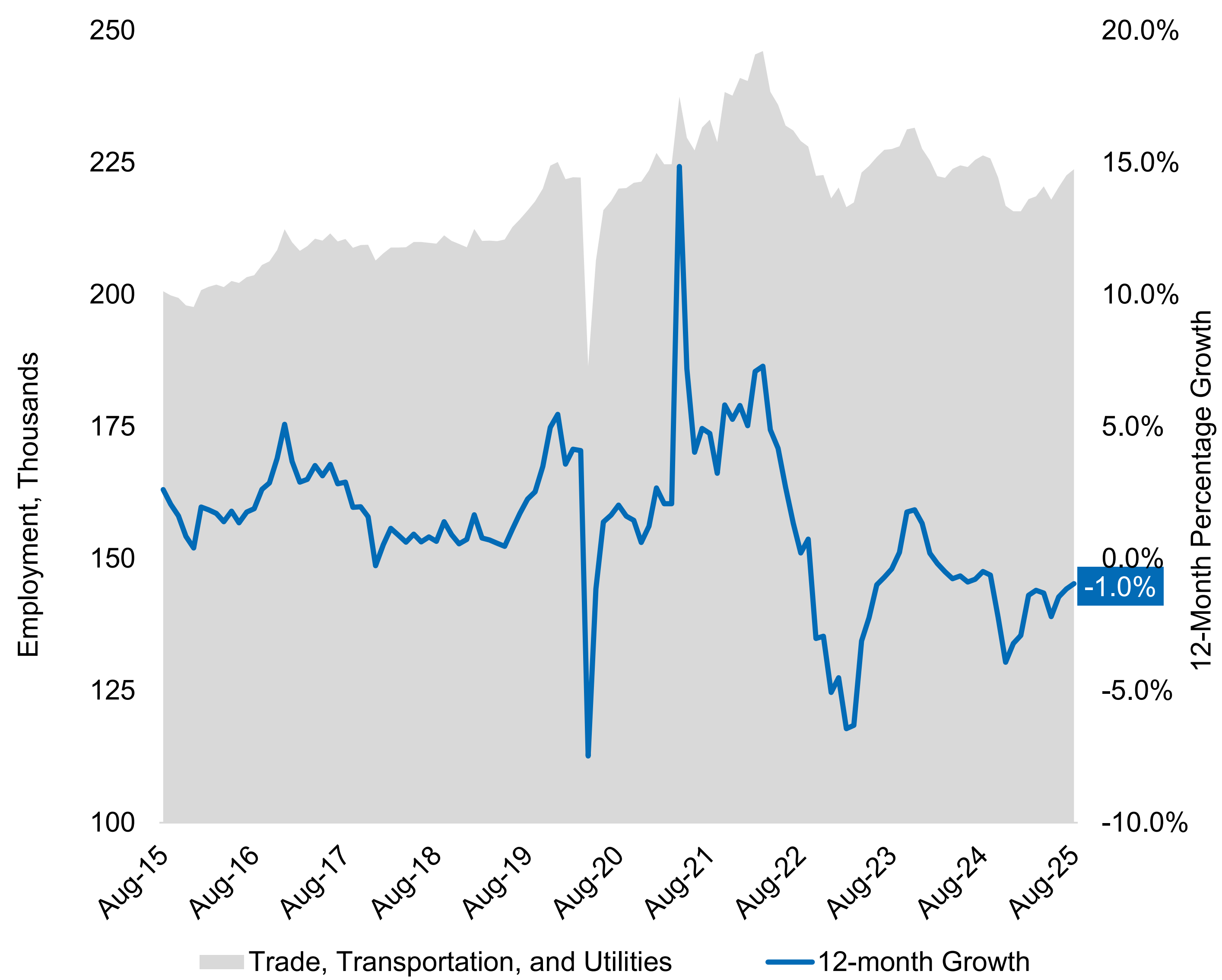


Source: U.S. Bureau of Labor Statistics, Columbus MSA

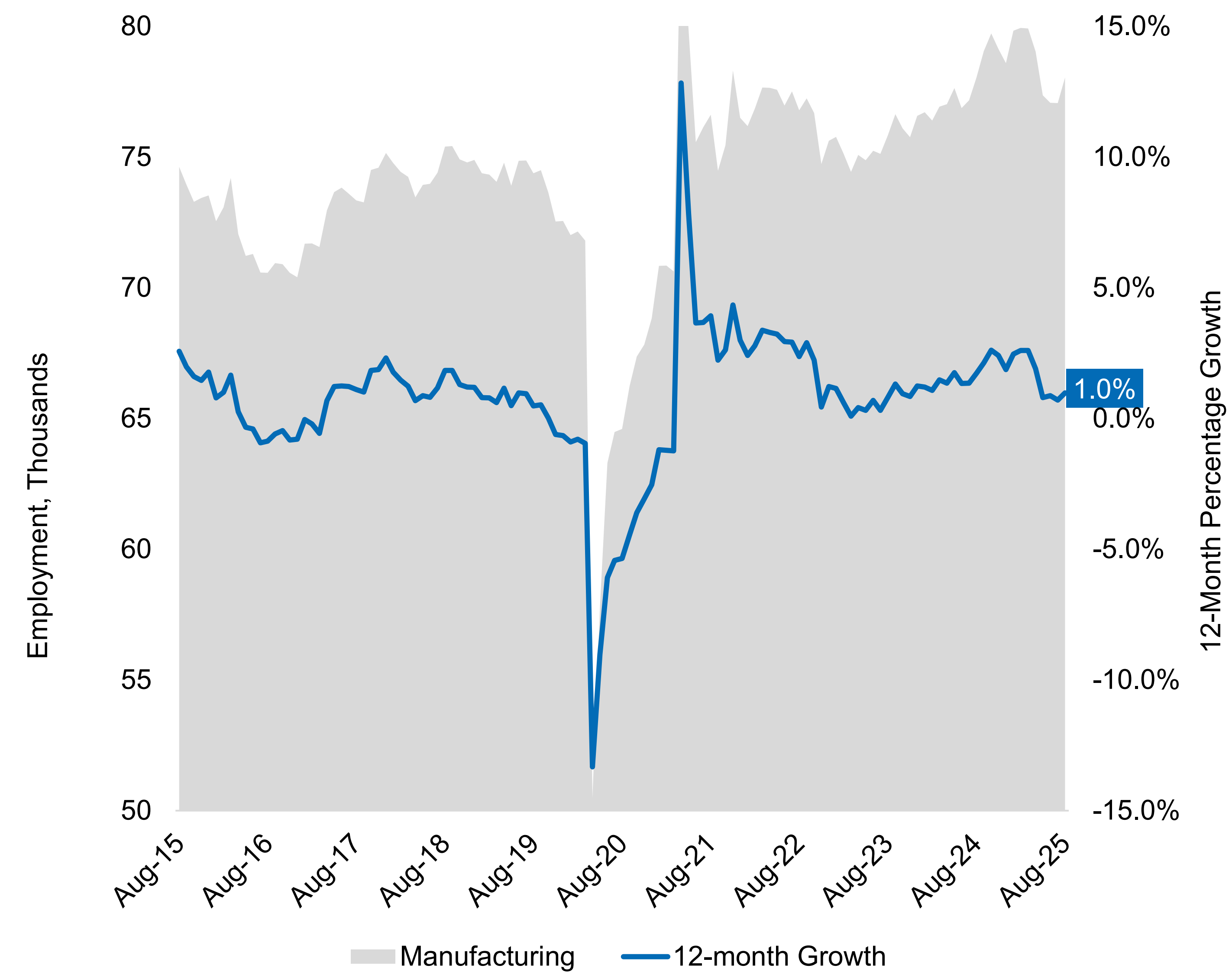
Jobs In Manufacturing Sector Up, Trade/Transportation/Utilities Down

Over the past year, the Columbus manufacturing sector saw a 1.0% increase in jobs. Since early 2025, Columbus manufacturing has been steady, with stable employment and modest growth. Resilient operations and moderate local demand support activity, while broader economic uncertainty and rising industry efficiency are constraining expansion. Conversely, employment in the Trade, Transportation, and Utilities sector declined by 1.0% over the same period. The sector's challenges stem from lingering pandemic effects and deeper structural shifts in how goods are bought, sold, and moved, while the workforce is adjusting more slowly than these rapid changes. Higher interest rates, inflation, and broader economic and tariff uncertainty may have affected business confidence and hiring.

Total Employment and 12-Month Growth Rate, Trade/Transportation/Utilities



Total Employment and 12-Month Growth Rate, Manufacturing



Source: U.S. Bureau of Labor Statistics, Columbus MSA

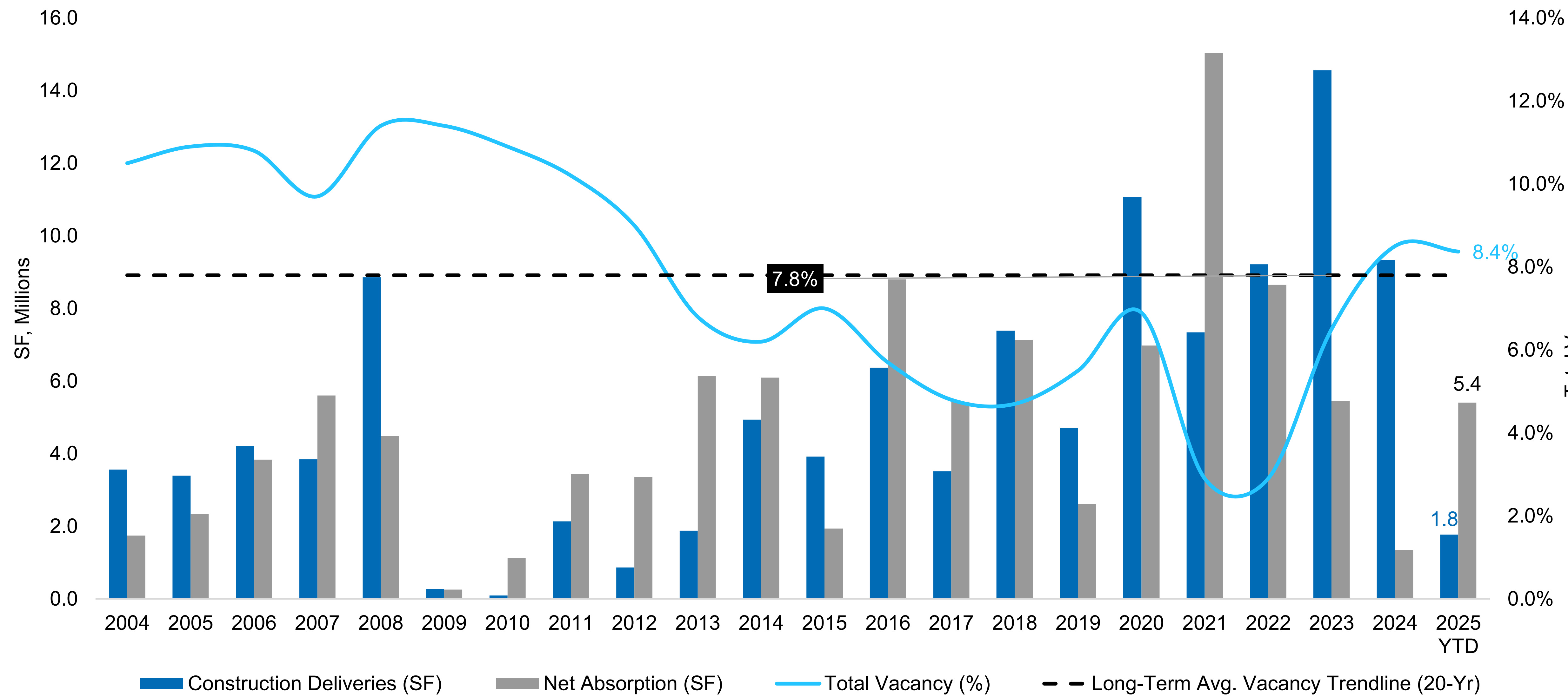
3Q25

Leasing Market Fundamentals

Third Quarter Absorption in Columbus Industrial Market Hits Recent High

The Columbus industrial market recorded 3.5 million SF of positive net absorption in the third quarter, which contracted the overall quarterly vacancy rate by 100 basis points to 7.7%. Roughly 1.8% of Columbus' industrial inventory has been absorbed thus far in 2025, amongst the top in the nation. Anduril's first quarter 2025 lease of 773,114 SF at 4641 Elizabeth Ave. in the Rickenbacker submarket occupied this past quarter to help pace the absorption. Also contributing to the most absorption since the first quarter of 2022 was Bleckmann's 514,490 SF lease at 3538 Tradeport Ct. in the Rickenbacker submarket and MEI Rigging & Crating's 367,633 SF expansion at 840 Hilliard Rome Rd. in the West submarket. With a number of significant third quarter lease signings that will occupy in future quarters, the market should continue to perform well heading into the last quarter of 2025 and into 2026. Year-to-date, the average vacancy rate for 2025 stands at 8.4%, 10 basis points lower than 2024's average of 8.5%. Though it has begun to come back down, the current year-to-date vacancy rate remains 60 basis points above the 20-year historical average of 7.8%.

Historical Construction Deliveries, Net Absorption, and Vacancy

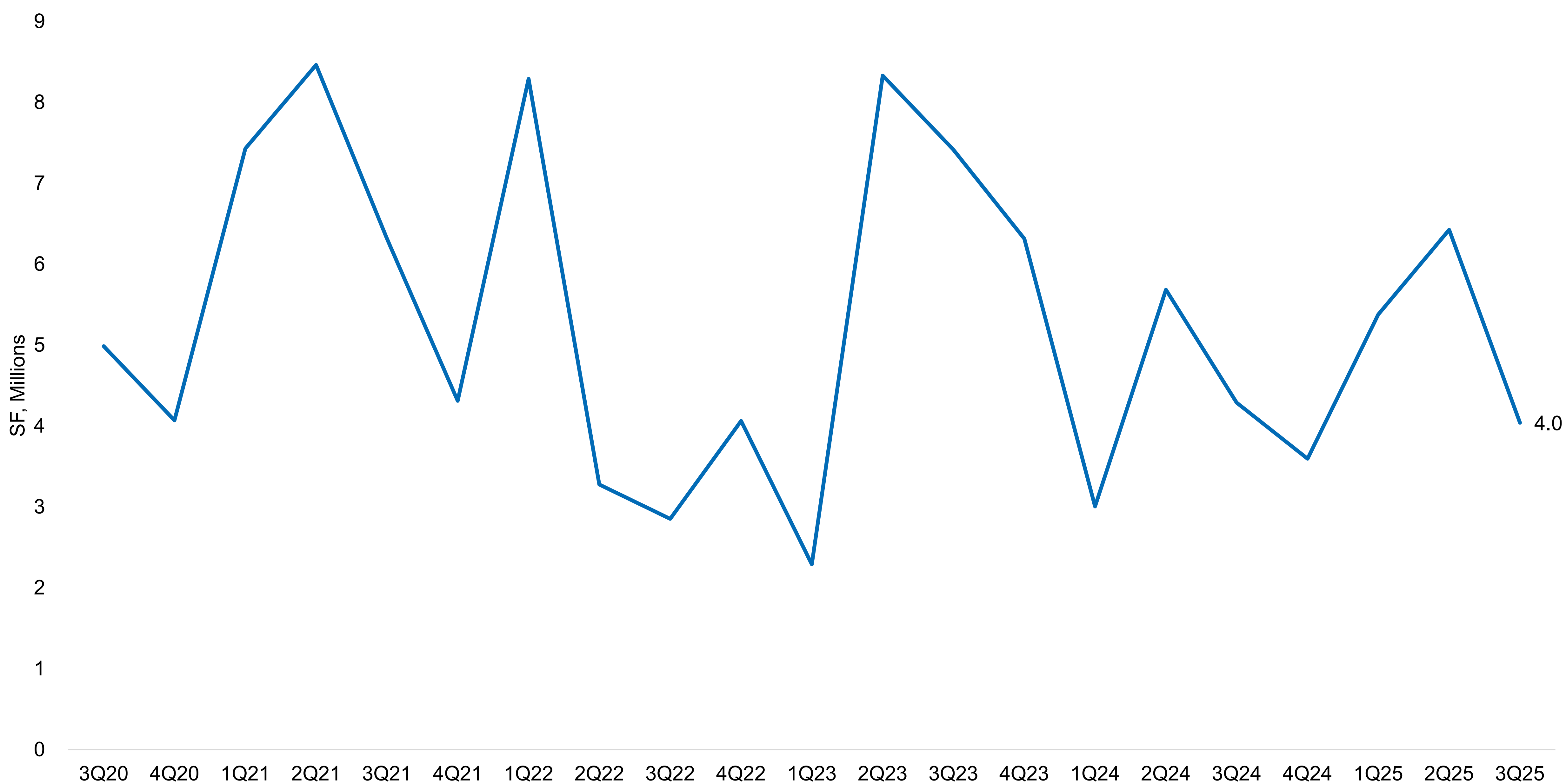


Source: Newmark Research

Leasing Activity Dips in 3Q25, Though Market Continues to be Strong

Leasing activity in the third quarter of 2025 declined to approximately 4.0 million SF, compared to 6.4 million SF in the previous quarter. Despite the recent dip, year-to-date leasing volume in 2025 could be on pace to surpass both 2022's total of 18.5 million SF and 2024’s 16.6 million SF. Momentum from leasing activity in the first and second quarters of 2025, along with a fairly strong showing in the third quarter, have all contributed to the Columbus industrial market having a very strong year thus far. Robust activity should continue through the end of 2025, and several more announcements of advanced manufacturing deals could be on the horizon.

Total Leasing Activity (SF)

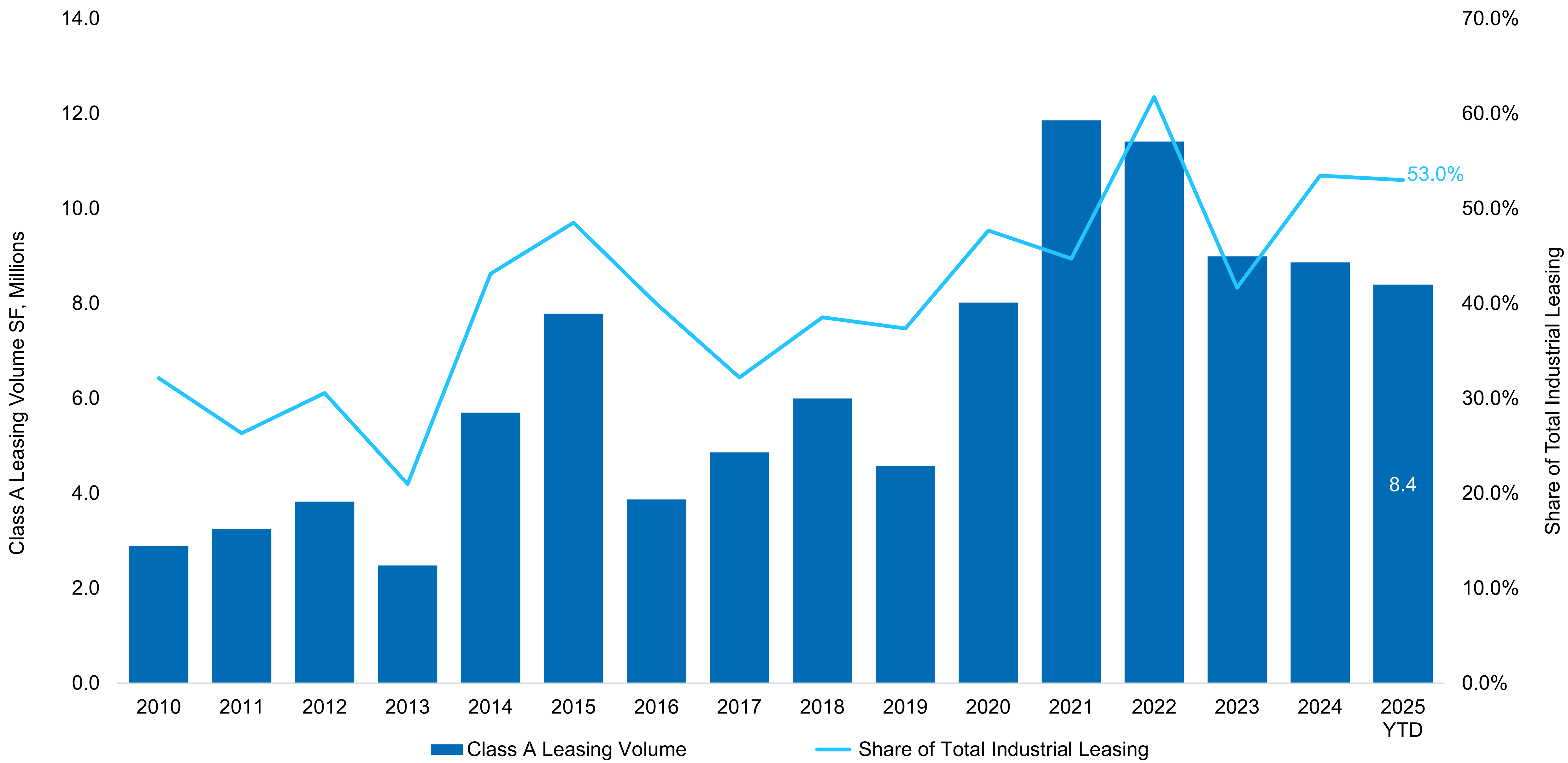


Source: Newmark Research, CoStar

Class A Warehouse Leasing Volume Over Half of Market Activity

Class A warehouse leasing represented 53.0% of overall activity through three quarters, which is on par with 2024's 53.5%. At the current pace, Class A leasing volume at 8.4 million SF, which is already higher than years 2010 through 2020, should finish 2025 with a higher total than 2023 and 2024. The Class A warehouse vacancy rate for the third quarter fell to 11.0% from 13.5% in the second quarter. Despite the solid Class A warehouse demand, vacancies in the general industrial/manufacturing sector remained markedly lower at just 2.3% in the third quarter, compared to an 8.6% vacancy rate across all classes of warehouse and distribution properties.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume

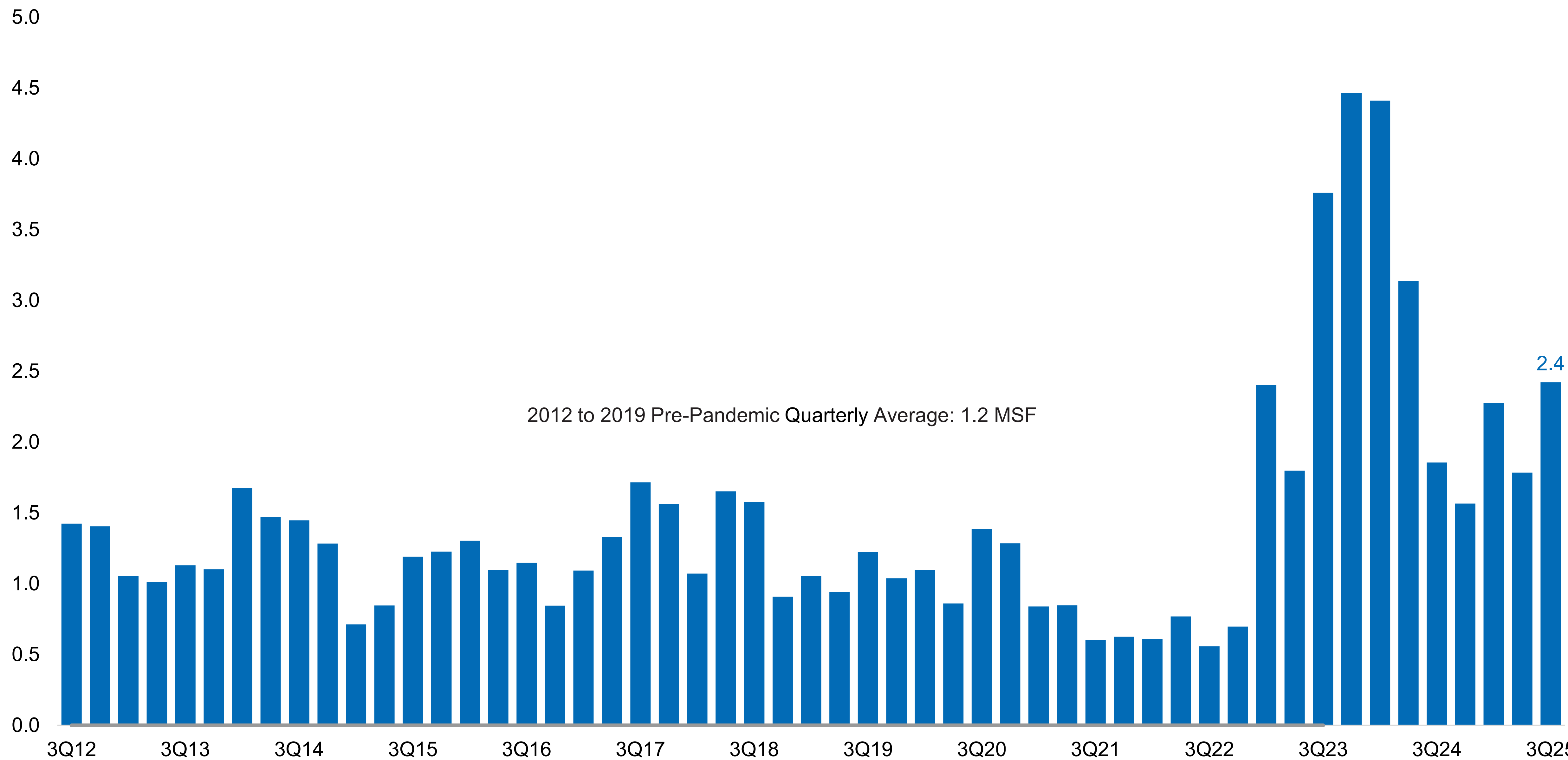


Source: Newmark Research, CoStar

Sublease Availability Climbs to 2.4 Million SF, Market Fundamentals Hold

Sublease availability increased to 2.4 million SF in the most recent quarter, up from 1.8 million SF previously. This increase puts the third quarter's square footage at its highest point since the second quarter of 2024. However, this uptick shouldn't damper the market's overall sentiment, as recent leasing fundamentals, net absorption, the decrease in direct vacancy, and a solid investment and owner/user sale environment all signify a resilient market going forward.

Available Industrial Sublease Volume (MSF)

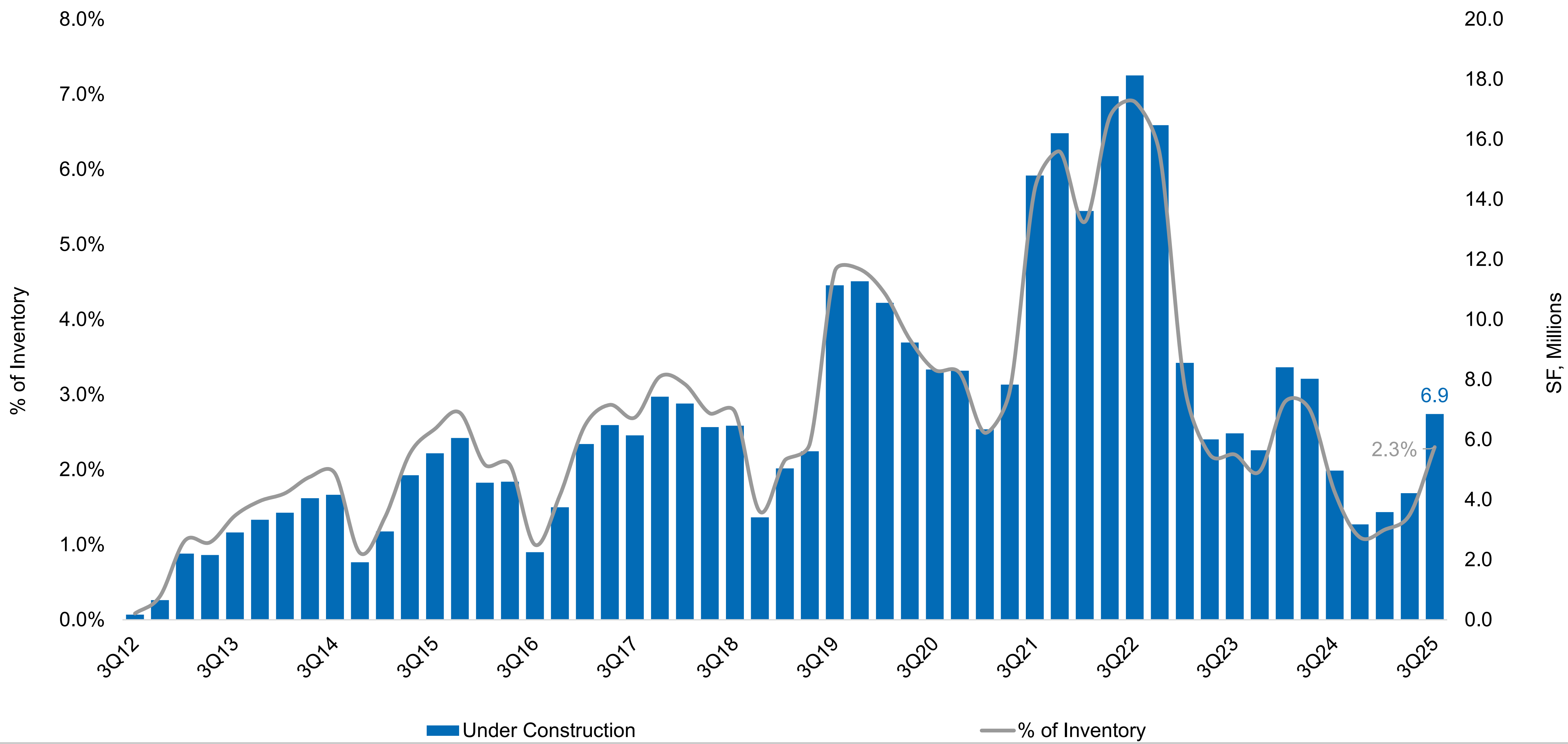


Source: Newmark Research

Industrial Pipeline Strengthens with Mega-Projects Underway

426,457 SF of industrial space was completed in the third quarter of 2025, bringing the year-to-date total to approximately 1.8 million SF. 6.9 million SF, 2.3% of inventory, was under construction in the third quarter. Notable projects that began in the third quarter include: Anduril's high-profile 924,352 SF Arsenal-1 manufacturing facility, ODW Logistics' 864,000 SF build-to-suit warehouse, BJ's Wholesale Club's 500,000 SF distribution center, and Trident Capital's 303,120 SF speculative warehouse, all in the Rickenbacker submarket. VanTrust's 300,400 SF speculative warehouse in the Northeast submarket also broke ground. Columbus was notoriously overbuilt post-pandemic until the pace of industrial construction markedly dropped in the first quarter of 2023. As the market began to right size over the past couple of years, speculative developers ramped up delayed projects, while owner-built and build-to-suit ventures continue to flourish in a market where location is advantageous and incentives have been instrumental in pushing projects over the finish line.

Industrial Under Construction and % of Inventory

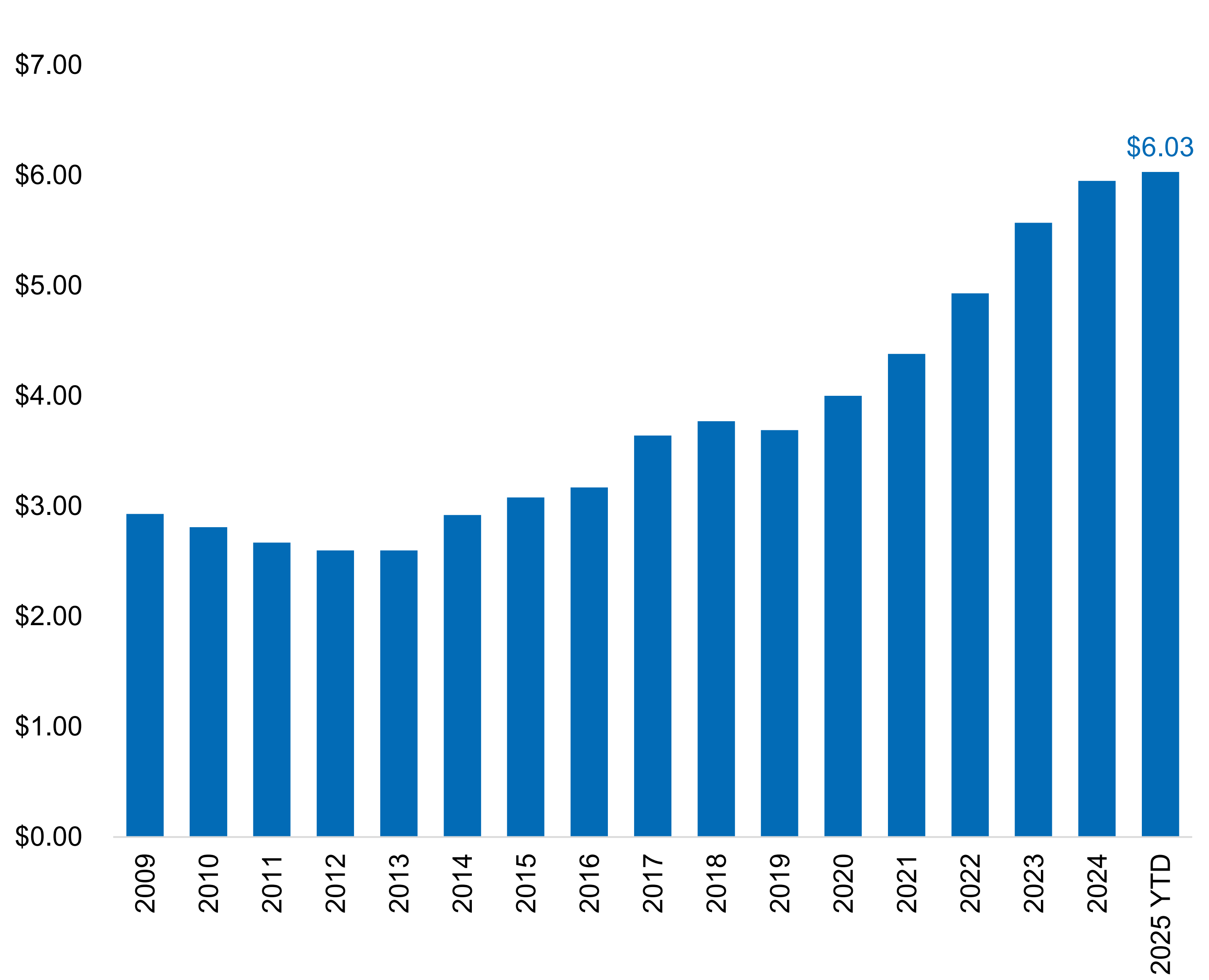


Source: Newmark Research

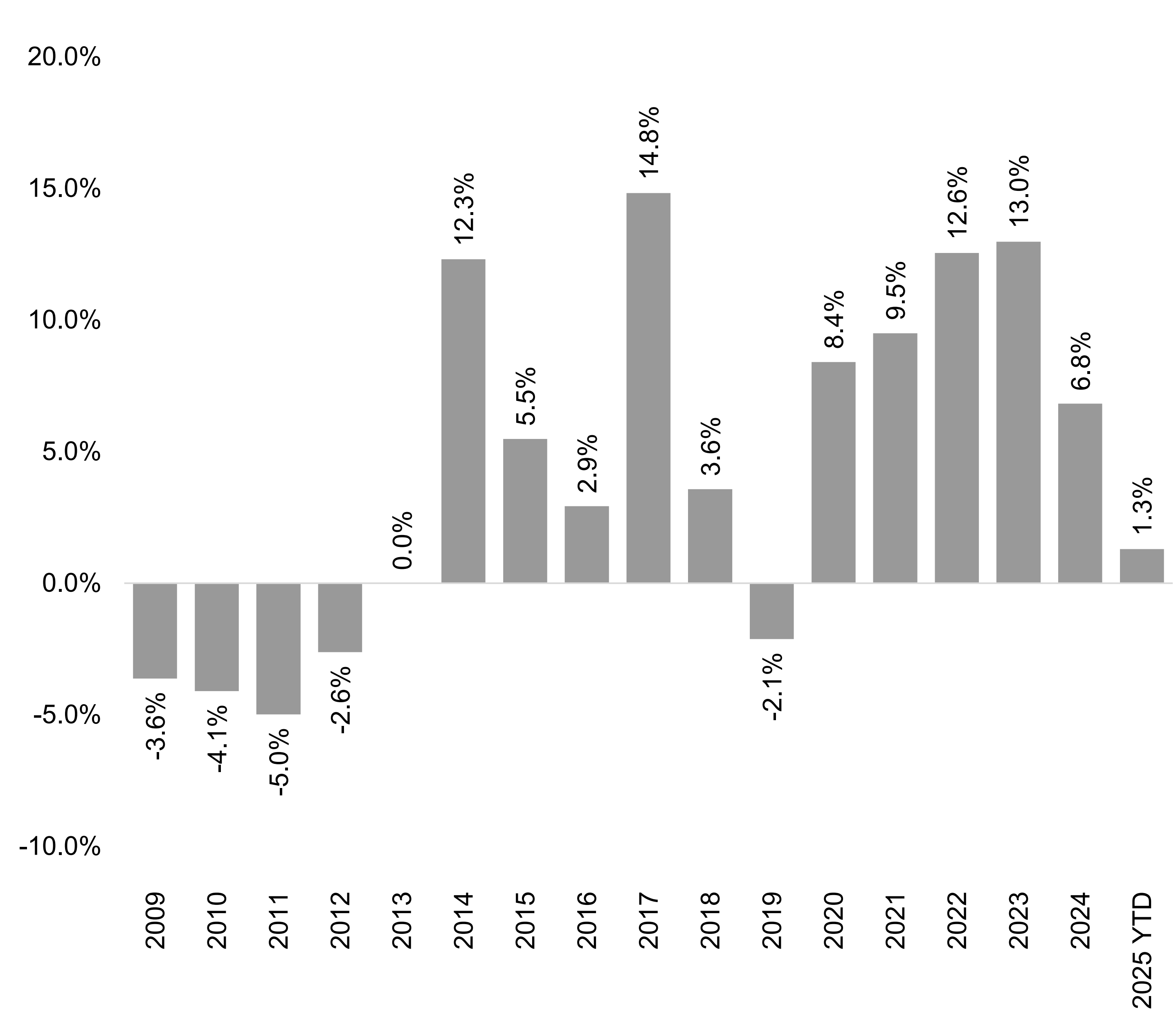
Asking Rental Rates Hold Steady

Through the first three quarters of 2025, industrial direct average asking rents were 1.3% higher than the year 2024, a modest increase compared to the previous five years of solid growth. Rent growth should continue at a slower rate as the industry continues to stabilize, though that could change if planned speculative Class A warehouse products deliver at higher rental rates in future quarters. The direct average asking rent for quarters one through three of 2025 stood at $6.03/SF, which was an increase of just $0.05/SF from the second quarter, and $0.08/SF higher than the yearly total for 2024's $5.95/SF. The third quarter's average direct asking rental rate was $6.13/SF, up $0.02/SF from the previous quarter.

Industrial Direct Average Asking Rent, $/SF, NNN



Year-over-Year Direct Asking Rent Growth Rate % Change



Source: Newmark Research

Lease and Sale Transactions in 3Q25

Select 3Q25 Industrial Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Faro Services, Inc.	7070 Pontius Rd.	Rickenbacker	Extension	630,000
Bleckmann	3538 Tradeport Ct.	Rickenbacker	Direct	514,490
MEI Rigging & Crating	840 Hilliard Rome Rd.	West	Expansion	367,633
Hims & Hers Health	9885 Innovation Campus Way	Northeast	Direct	352,012
CJ Logistics America, LLC	2190 W. Creekside Pkwy.	Rickenbacker	Direct	240,075
PECO Pallet	4545 Fisher Rd. (4533 Fisher Rd.)	West	Expansion	197,127
York Wallcoverings	1948 Norton Rd.	Southwest	Direct	144,694

Select 3Q25 Industrial Sale Transactions

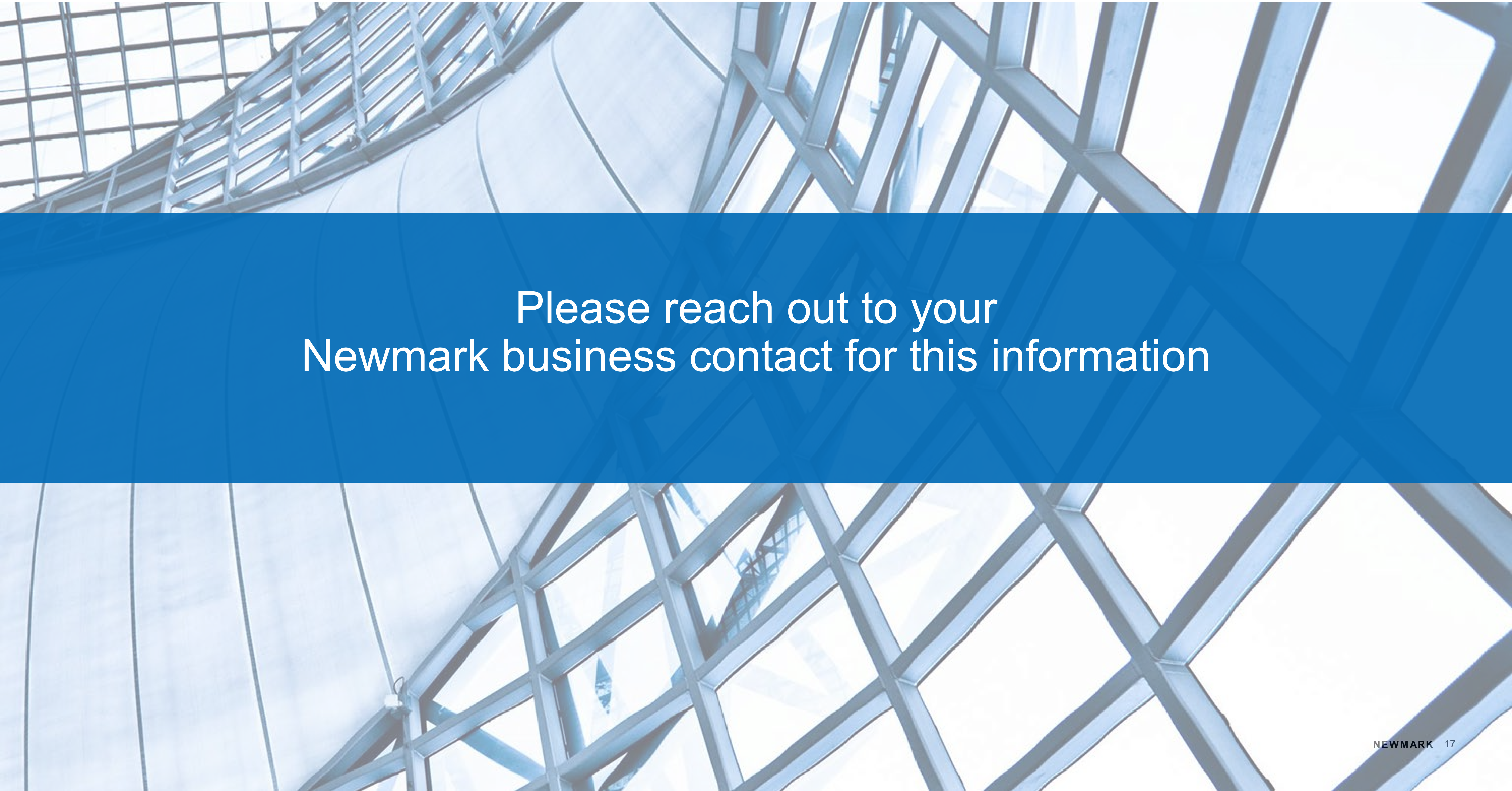
Buyer	Building	Submarket	Sale Price	Square Feet	Price Per SF
Morgan Stanley Real Estate Investing	6660 Broughton Ave.	East	$22,000,000	105,000	$209.52
AH Columbus LLC	392-488 Outerbelt St.	East	$33,000,000	205,000	$160.98
Tempus Realty Partners	3637 Lacon Rd.	West	$8,975,000	56,000	$160.27
Blue Vista Capital Management	3188 Toy Rd.	Rickenbacker	$37,650,000	260,729	$144.40
Clausen Enterprises	8865 Smith's Mill Rd.	Licking County	$25,400,000	201,810	$125.86
EQT Real Estate (formerly EQT Exeter)	7409 Mink St. SW.	Licking County	$89,050,000	946,400	$94.09
Cregger Company, Inc.	2545 Creekway Dr.	Southeast	$1,600,000	21,000	$76.19
Whirlpool/Selco Service Corporation	6241 Shook Rd.	Rickenbacker	$118,800,000	1,589,000	$74.76
Agape Campus 1157 LLC	1157 Claycraft Rd.	East	$1,582,305	23,090	$68.53
Fast Response Heating & Cooling	3311-3315 Mill Meadow Dr.	West	$2,100,000	32,002	$65.62

Source: Newmark Research, CoStar

3Q25

Appendix

Industrial Prices Stay Above $100 Per Square Foot



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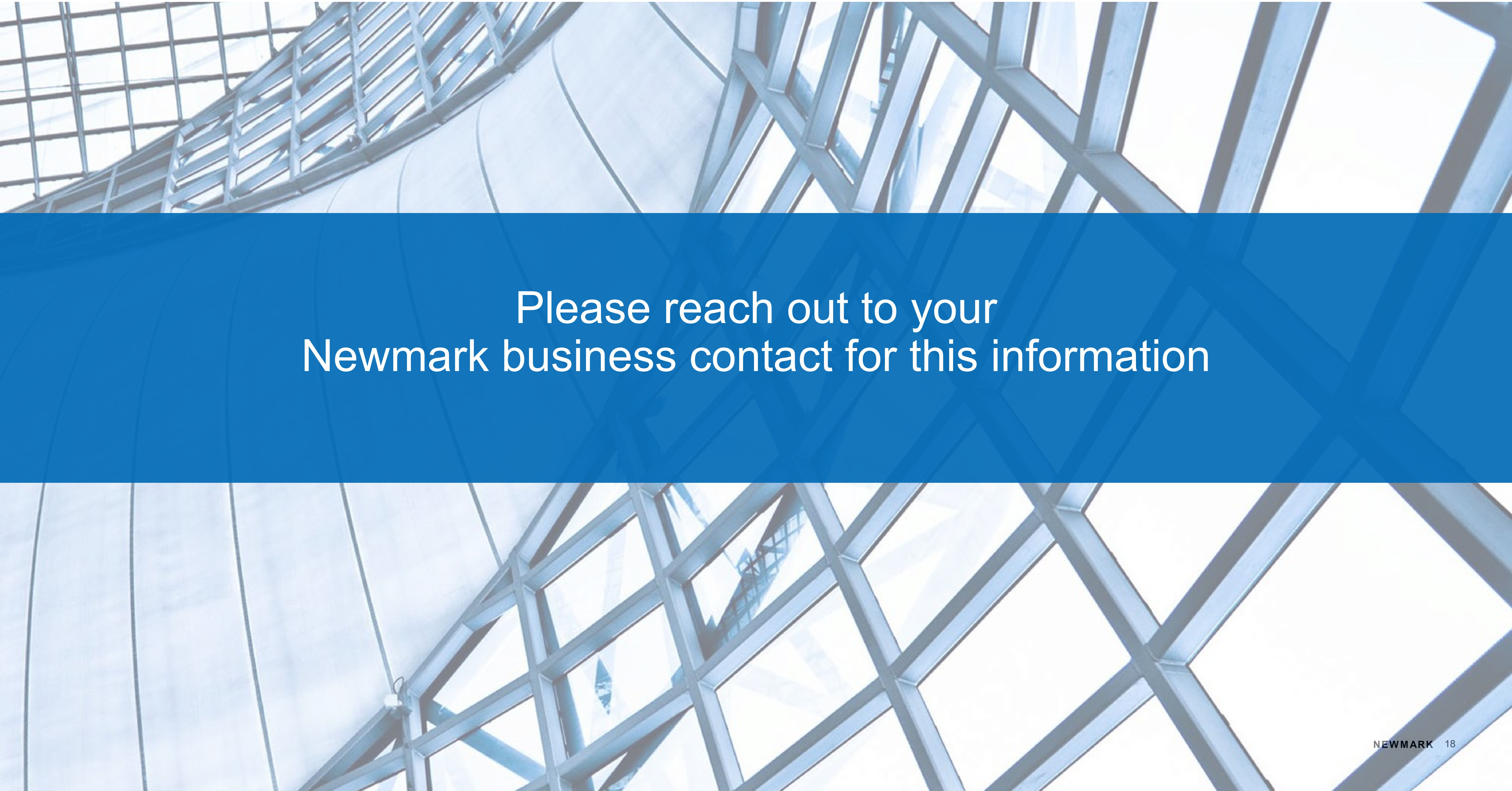
Industrial Inventory Leveling Off After Dramatic Growth



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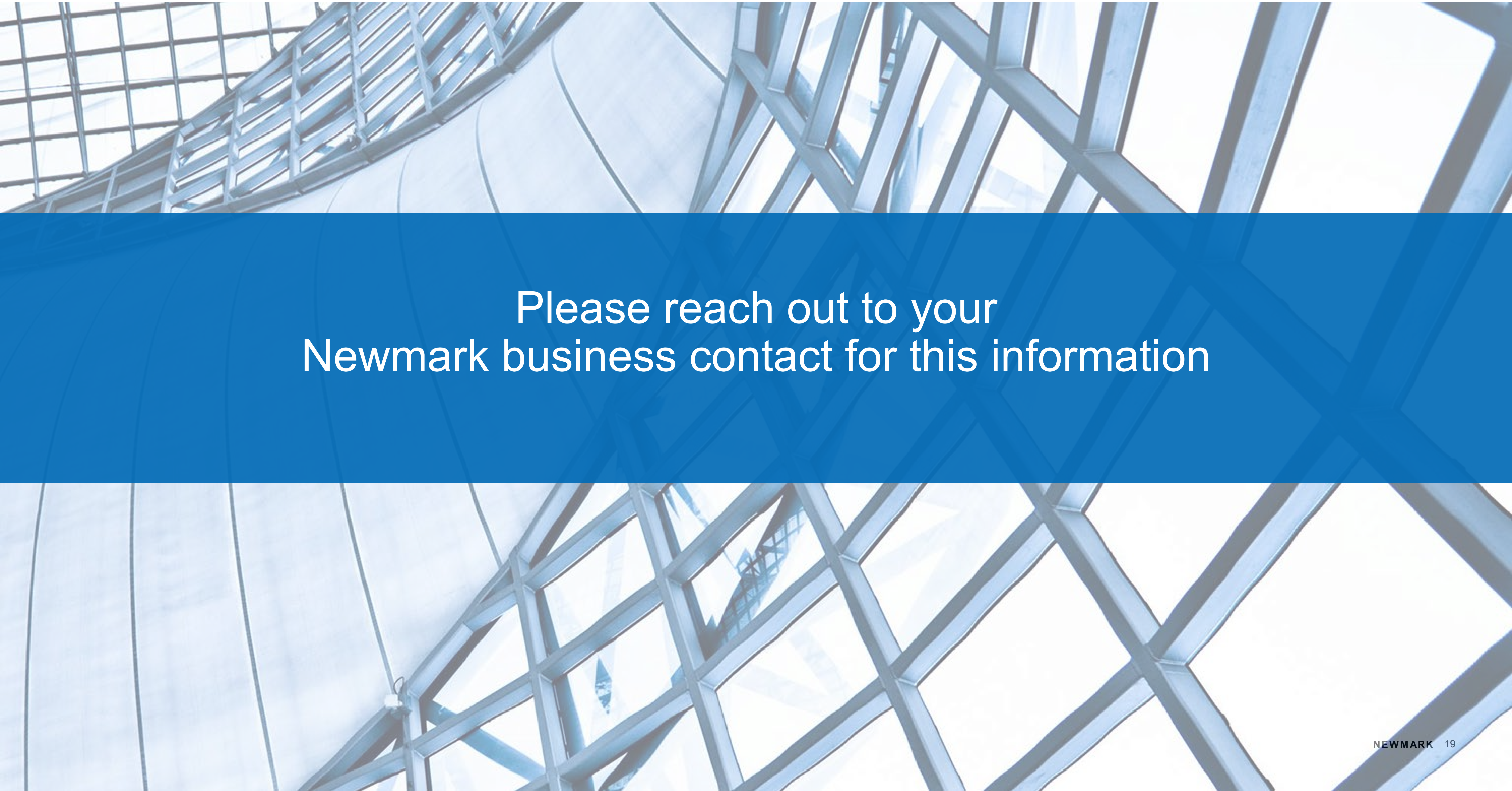
Historical Statistical Overview



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Submarket Overview

Submarket Statistics – All Classes

Columbus - Submarket Map

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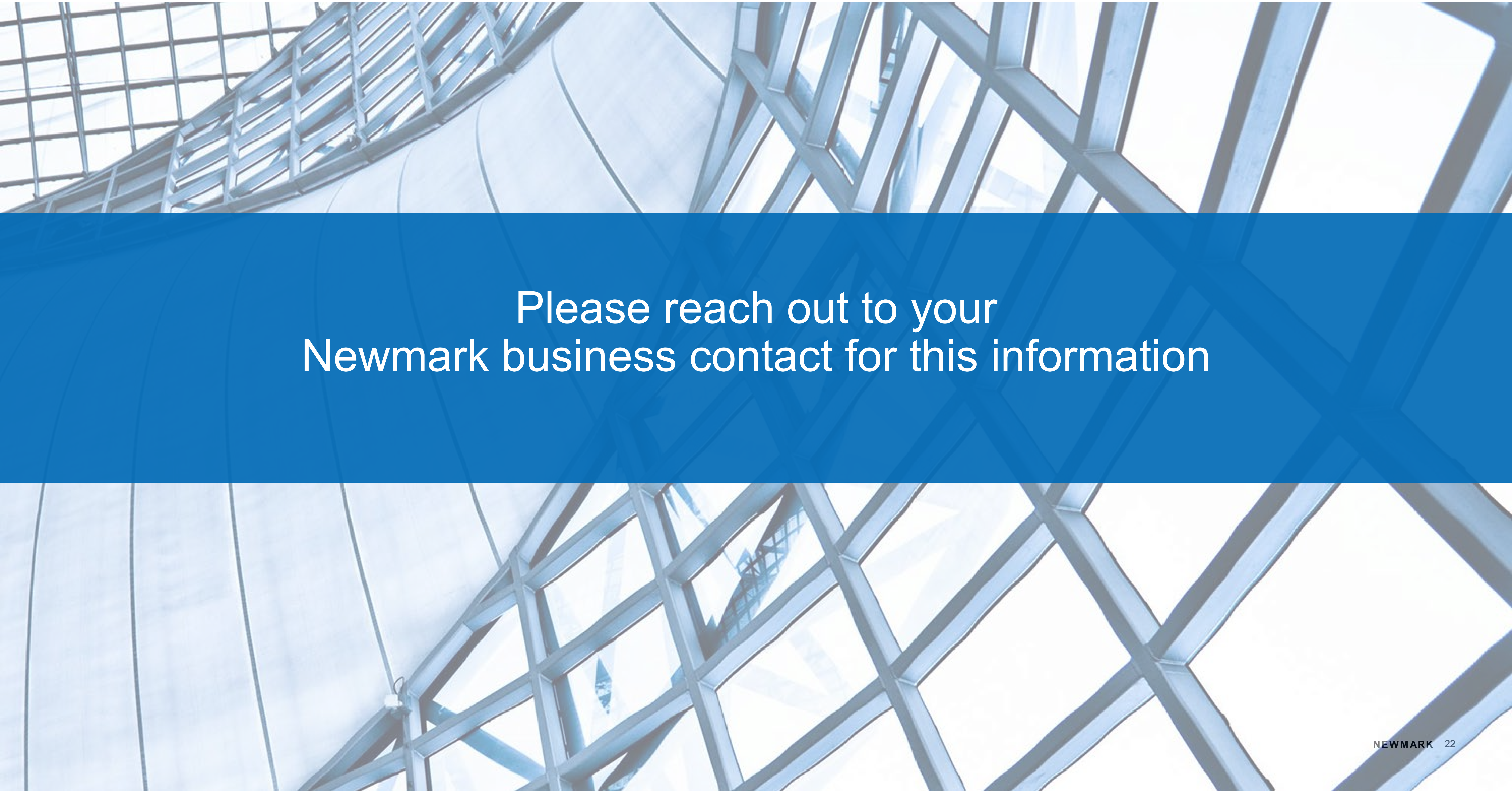
Additional Market Statistics



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