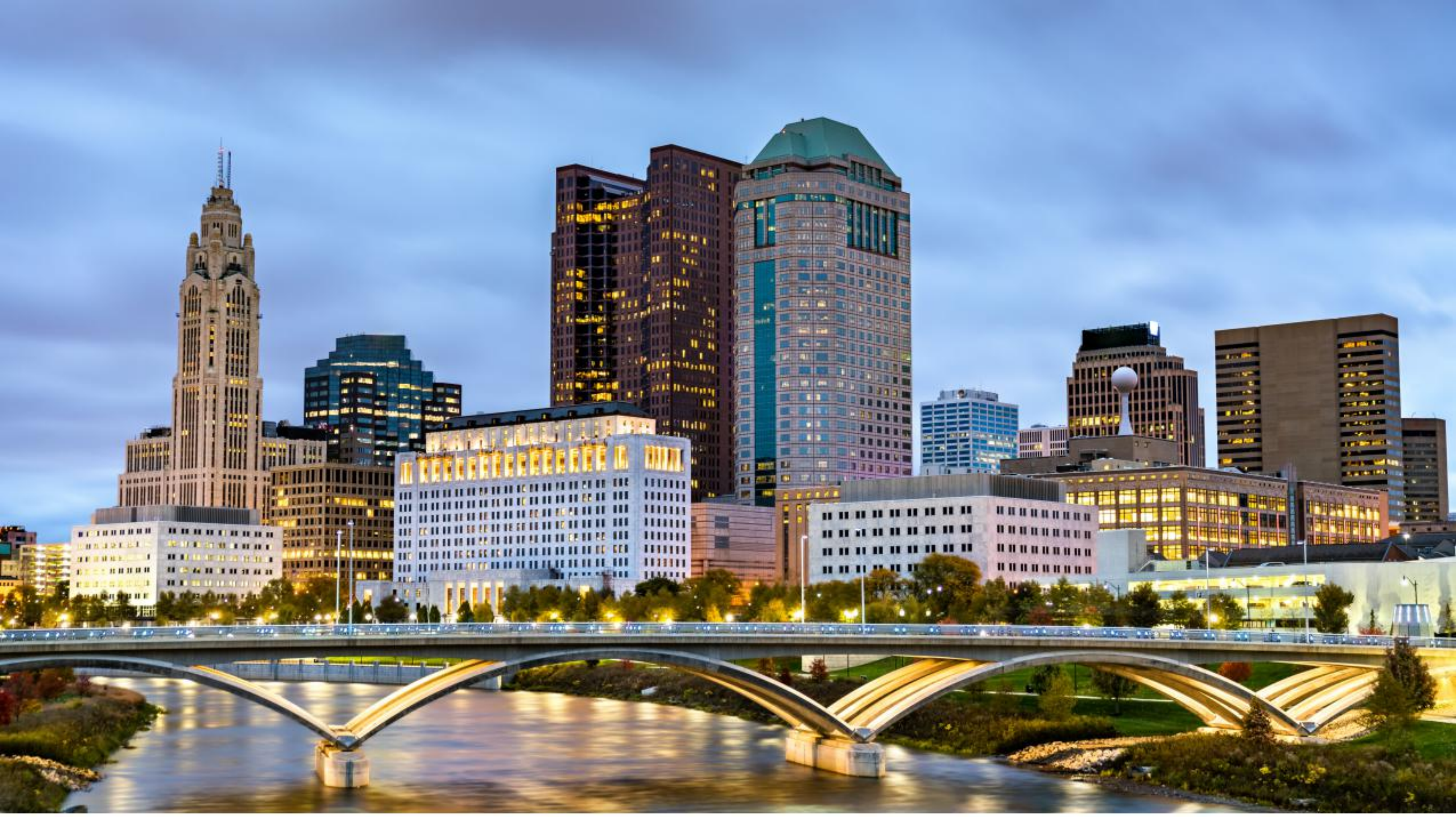


Q2 2025

COLUMBUS, OHIO COMMERCIAL REAL ESTATE MARKET REPORT

A comprehensive market report on Columbus, Ohio.

ROTH REAL ESTATE GROUP

GENERAL MARKET OUTLOOK – Q3 2025

Columbus continues to show resilience across most CRE sectors, with retail and industrial outperforming despite macroeconomic headwinds. Office remains in transition, though leasing activity is recovering. Developers are re-engaging cautiously as fundamentals stabilize.

KEY HIGHLIGHTS

RETAIL VACANCY

Dropped to 2.72%, with strong net absorption and demand for neighborhood centers.

INDUSTRIAL NET ABSORPTION

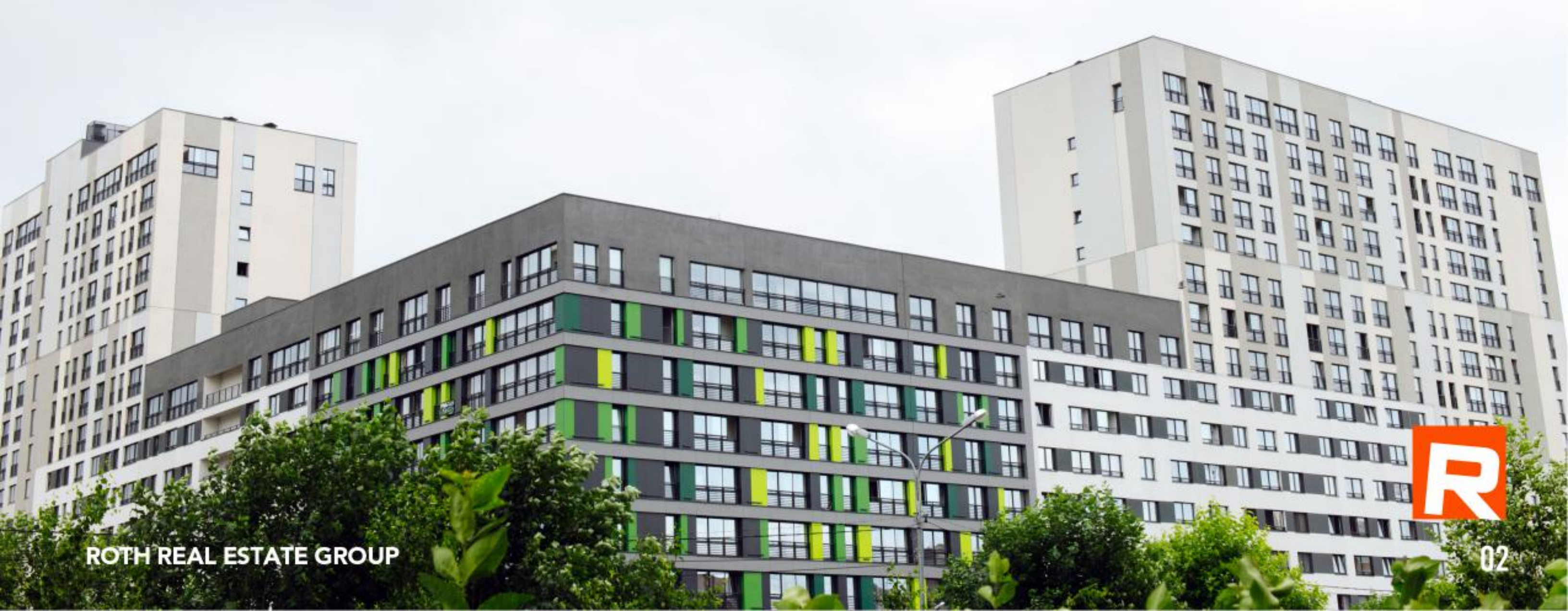
Reached 1.87M SF, led by bulk logistics and build-to-suit demand.

OFFICE NET ABSORPTION

Turned positive (+183K SF), showing signs of post-pandemic stabilization.

CONSTRUCTION

Heavily concentrated in Licking and East submarkets, especially for modern bulk and data-aligned assets.



GENERAL MARKET SNAPSHOT

Retail demand is solid with Crunch Fitness and other users leading leasing activity. Construction is down 45% YoY, creating a tight market for new storefronts. Hilliard and Delaware account for nearly half of new development, mostly mixed-use.

334M SF
NET ABSORPTION

The market recorded positive net absorption, marking a 36% increase year-over-year.

351K SF
UNDER CONSTRUCTION

These trends indicate a dynamic retail environment in Columbus, with strong demand for mixed-use and storefront retail spaces, but also potential challenges due to economic pressures affecting consumer behavior.

HOTTEST PROPERTY TYPE: MIXED-USE DEVELOPMENTS + STOREFRONT RETAIL

The Columbus retail market maintained a low vacancy rate, reflecting strong tenant demand and limited new supply.

RETAIL VACANCY RATE (Q2 2025)

→ 2.7%

CONSUMER TREND IMPACT

Persistent inflation is dampening consumer spending and contributing to an uptick in store closures. While retail demand has been resilient in recent years, absorption levels may begin to normalize as market fundamentals adjust.

Retailers are targeting mixed-use and walkable nodes where daily needs, dining, and experience overlap—that's where we're seeing the strongest leasing traction."

- William Roth, CEO & Founder, Principal Broker, Roth Real Estate Group

RETAIL RENTS RISING IN PREMIUM CORRIDORS

Retail is benefiting from evolving consumer habits, where convenience and experience matter most. Retailers are targeting suburban mixed-use developments and high-traffic nodes. Rents are expected to rise slightly in premium corridors, while vacancy remains stable.

RETAIL MARKET SNAPSHOT

The Columbus retail market sustained its positive trajectory in Q2, logging a third straight quarter of net absorption. A lack of new speculative construction, paired with elevated tenant demand, is keeping vacancy low across both urban nodes and high-growth suburbs. Service-based tenants, grocers, and fitness users are among the most active.

HOT

HOTTEST PROPERTY TYPE: GROCERY-ANCHORED CENTERS, HEALTH & FITNESS CLUBS, + SUBURBAN STOREFRONTS

+70–75K SF
NET ABSORPTION

2.72%
RETAIL VACANCY RATE (Q2 2025)

0.25–0.46 MSF
UNDER CONSTRUCTION

NEW SUPPLY DELIVERED
30.8K SF

$19.6/SF
AVG ASKING RENT

INVESTMENT VOLUME
$95M AT $140/SF AVG

CONSUMER TREND IMPACT

Rising operating costs and fewer large spaces have intensified competition for neighborhood-scale formats. Small- and mid-box retail remains a magnet for private capital.

"The Columbus retail leasing market remains strong, especially in suburban corridors. Class A centers are nearly full, while B/C product is seeing higher turnover. Investors are watching closely."

- William Roth, CEO & Founder, Principal Broker, Roth Real Estate Group

RETAIL FORECAST + TRENDS

Expect persistent demand in suburban nodes like Powell, Hilliard, and Grandview. Leasing will favor essential retail and experiential concepts with build-to-suit activity leading new deliveries.

OFFICE MARKET SNAPSHOT

The Columbus office market showed early signs of recovery in Q2, posting 183K SF of positive net absorption. Leasing was driven by small- to mid-size tenants prioritizing flexible, amenity-rich spaces. Development remains minimal, with most new space integrated into mixed-use projects.

HOT

HOTTEST PROPERTY TYPE: UBURBAN CLASS A OFFICES UNDER 20K SF

±69K SF

NET ABSORPTION

OFFICE VACANCY RATE (Q2 2025)

TENANT TREND IMPACT

Hybrid work models continue to reshape space needs, but the shift from relocations to renewals signals a stabilizing office environment. Healthcare, education, and government tenants remain active.

200K SF (mixed-use office)

UNDER CONSTRUCTION

$20.90/SF

AVG ASKING RENT

KEY LEASING: EASTON PHASE III (16K SF)

KEY SALES 3344 MORSE CROSSING ($7.75M), 810 JASONWAY ($5.3M)

TRENDS+ FORECAST

The bifurcation trend will deepen—ESG-friendly, well-located offices will lease faster, while outdated Class B/C space may face continued pressure or conversion. Smaller tenants (<10K SF) are active. Office-to-multifamily conversions and low new supply are helping stabilize occupancy. Look for activity to stay focused on Class A, amenity-rich suburban assets .

"We're in a reset phase. Tenants want modern space, but they're also reevaluating how much they need. The spaces seeing traction are smartly laid out, amenity-driven, and inspire return-to-office."

— Scott Steidel, Partner, Senior VP, Roth Real Estate Group

INDUSTRIAL MARKET SNAPSHOT

HOT

HOTTEST PROPERTY TYPE: MODERN BULK DISTRIBUTION (100K–300K SF) IN LICKING AND EAST SUBMARKETS

Columbus remains one of the nation's strongest industrial hubs. Demand remains concentrated in logistics and modern manufacturing, with speculative activity rebounding in Q2. Licking County leads all submarkets with pre-leased bulk product and the lowest vacancy.

+1.9–2.4MSF

NET ABSORPTION

The majority of the space under construction is for build-to-suit facilities, reflecting ongoing demand for customized industrial spaces.

3.5–5.4 MSF

UNDER CONSTRUCTION

The industrial sector rebounded with positive net absorption, driven by significant leasing and owner-user sales of new bulk distribution buildings.

The overall vacancy rate in the Greater Columbus industrial market decreased, indicating a tightening market.

INDUSTRIAL VACANCY RATE (Q2 2025)

→ **8.2–8.7%**

TENANT TREND IMPACT

Mid-box users are fueling absorption, especially in high-clear, flexible distribution product. Developers are focused on power- and infrastructure-ready land.

AVERAGE ASKING RENT

$6

PER SF (NET)

This marks a 3.0% year-over-year decrease, though rates have remained above the $6 threshold for eight consecutive quarters.

TOP LEASES

J. BOREN & SONS (1.28M SF) – LICKING
RYDER LOGISTICS (766K SF) – LICKING

TOP SALES

11555 BRISCOE PKWY (1.2M SF) – $136M
4448 RICKENBACKER PKWY (429K SF) – $67.4M

TRENDS+ FORECAST

Spec construction is accelerating again. Expect rents to rise modestly, with cold storage and advanced manufacturing assets attracting both users and capital.

"What's most exciting is the shift from just-in-time to just-in-case logistics. That's translating into real demand for mid-size distribution hubs across Columbus."

— Andy Patton, Partner/CBO, Roth Real Estate Group

LAND MARKET SNAPSHOT

Land transactions were robust in Q2, with interest expanding beyond New Albany into emerging corridors like Canal Winchester and Plain City. Utility readiness, entitlement clarity, and adjacency to tech users are driving pricing power.

HOT

HOTTEST LAND AREA: CANAL WINCHESTER, PLAIN CITY, AND RICKENBACKER-ADJACENT INDUSTRIAL ZONES

$265M+ TOTAL SALES VOLUME

Sales volume increased, approaching 2023 levels, with sale prices per square foot reaching a two-year high.

$5.19M TOP SALE

9850 Innovation Campus Way

Cap rates for entitled land are holding steady in the 5-6% range, with premiums for utility-ready parcels in data center corridors.

CAP RATE (Q2 2025)

→ 5-6%

"With tech growth and infrastructure investments, Columbus continues to be one of the most strategic land plays in the Midwest. We're seeing unprecedented urgency in utility-ready land."

— Andy Patton, Partner/CBO, Roth Real Estate Group

BUYER PROFILE

The Columbus land buyer pool in Q2 2025 is dominated by tech and logistics infrastructure players, with institutional industrial developers and national builders aggressively chasing shovel-ready suburban land. Private equity funds are land banking in growth corridors, while local users chase smaller infill sites. Utility readiness and entitlement speed are the #1 deal drivers. Private equity / family offices land-banking sites near Intel and AWS corridors.

TRENDS+ FORECAST

Developers are prioritizing shovel-ready sites, with suburban municipalities showing flexibility on zoning and incentives. Look for increased activity tied to AWS and Intel expansion corridors.

SUBMARKET SPOTLIGHT

CANAL WINCHESTER

Why it's Hot: The city's strategic access to U.S. Route 33, growing population base, and proactive zoning initiatives are attracting industrial, retail, and mixed-use developers. Canal Winchester is emerging as a competitive alternative to Groveport and Obetz for both logistics users and neighborhood-scale retail.

RETAIL OCCUPANCY RATE

>95%

AVERAGE ASKING RENT (RETAIL)

$25 PSF/YR

INDUSTRIAL OCCUPANCY RATE

>1.9%

RETAIL TREND

Convenience, service, and grocery-anchored users dominate; limited supply keeps rents firm.

PROPERTIES TO WATCH

6535 OLEY SPEAKS WAY CANAL WINCHESTER, OH 43110

- **Available Space:** 45,400 SF (industrial/warehouse)
- **Highlights:** Smaller bay availability at premium rates ($8.50–$12.00/SF/yr); flexible layout and good visibility. Serves as a benchmark for industrial pricing pressure in the submarket.

10013 BUSEY RD CANAL WINCHESTER, OH 43110

- **Available Space:** 40,008 – 90,165 SF industrial / flex / advanced manufacturing
- **Office / Showroom Component:** ~8,864 SF of Class A office / showroom
- **Highlights / Features:** Fully air-conditioned warehouse + office, 32–35' clear heights, 2,000+ amps heavy power, dedicated transformer + generator, ESFR sprinklers

Images of third-party properties courtesy of CoStar.

SUBMARKET SPOTLIGHT

FRANKLINTON

Why it's Hot: Franklinton is emerging as one of Columbus's most dynamic creative districts. Once considered fringe, the area is now attracting strong investment in multifamily, retail, and creative office space. Anchored by breweries, arts organizations, and adaptive reuse projects, Franklinton offers a vibrant live/work/play environment that appeals to entrepreneurs, residents, and visitors alike. Proximity to Downtown and the Scioto Peninsula redevelopment is fueling growth.

RETAIL OCCUPANCY RATE

>94%

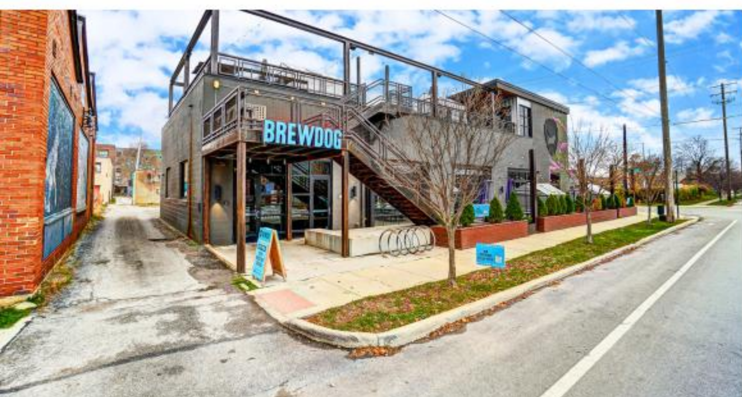
AVERAGE ASKING RENT (RETAIL)

$23 PSF/YR

RETAIL TREND

Adaptive reuse and mixed-use redevelopment are reshaping Franklinton into a hub for boutique retail, food & beverage, and creative office.

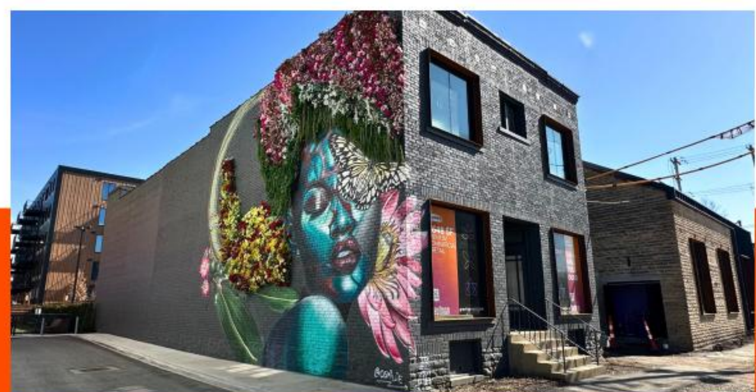
PROPERTIES TO WATCH



463 W TOWN ST - BREWDOG
COLUMBUS, OH 43215

- **Sale Type: Prime** Sale Leaseback Investment Opportunity
- **Size:** 4,936 SF
- **Highlights:** High-profile corner, nationally recognized tenant, strong foot traffic near Scioto Peninsula.

VIEW LISTING



68 MCDOWELL ST - GRAVITY-ADJACENT
COLUMBUS, OH 43215

- **Sale Type:** Investment/Owner-User Opportunity
- **Size:** 4,648 SF Retail
- **Highlights:** Near riverfront projects, flexible zoning potential, strong upside for retail/office/mixed-use.

VIEW LISTING

HIDDEN OPPORTUNITIES

WHITEHALL

New public-private partnerships and redevelopment of retail corridors offer ground-up and infill opportunities.

CANAL DISTRICT (SOUTH OF DOWNTOWN)

Infrastructure upgrades and growing restaurant presence are building long-term value.

NORTHLAND

Older retail centers present repositioning potential for medical office, flex, and discount retail uses.

4.85M SF of industrial leasing was recorded in Q2 2025, and 5.4M SF of industrial space is currently under development

↑ 4.85M SF

RECENTLY SIGNED INDUSTRIAL LEASES IN COLUMBUS

ECONOMIC INDICATORS

JOB GROWTH

Central Ohio added ~4,400 jobs in early 2025, reflecting ~0.4% growth year-over-year. The metro also saw ~1.7% annual nonfarm employment growth by mid-2025.

POPULATION GROWTH

The Columbus metro added ~30,348 residents between 2023–2024, expanding ~1.4% to ~2,225,377 total.

GDP GROWTH

The Columbus MSA's output expanded by ~2.2% year-over-year, with strong contributions from tech, logistics, and life sciences. (2023 gross product ~$182B)

KEY NOTABLE ACTIVITY

- **Phillips Edison & Co.** acquired two Lewis Center centers totaling 98K SF
- **Intel's Licking County** campus continues to influence land demand
- **Amazon/AWS** projects driving data center land and construction
- **Anduril Industries** earmarked ~500 acres near Rickenbacker for a 5M SF advanced manufacturing site (>4,000 jobs).

HOW THIS IMPACTS YOU

- **Investors:** Population + job growth underpin stable demand and tailwinds for industrial, land, and suburban retail.
- **Tenants:** Tightening occupancy in well-positioned spaces—early renewals or expansions will secure better terms.
- **Developers:** Utility-ready parcels near major infrastructure, transit corridors, and tech expansion zones are gold.

QUARTER IN REVIEW Q2 2025

CRE INVESTMENT VOLUME
$50-$100M

DEVELOPMENT PIPELINE
$5.6M SF

CAP RATES
6.5-7.5%

Industrial trades tighter at 5.0–6.5% for modern bulk with credit tenants.

KEY PERFORMANCE INDICATORS

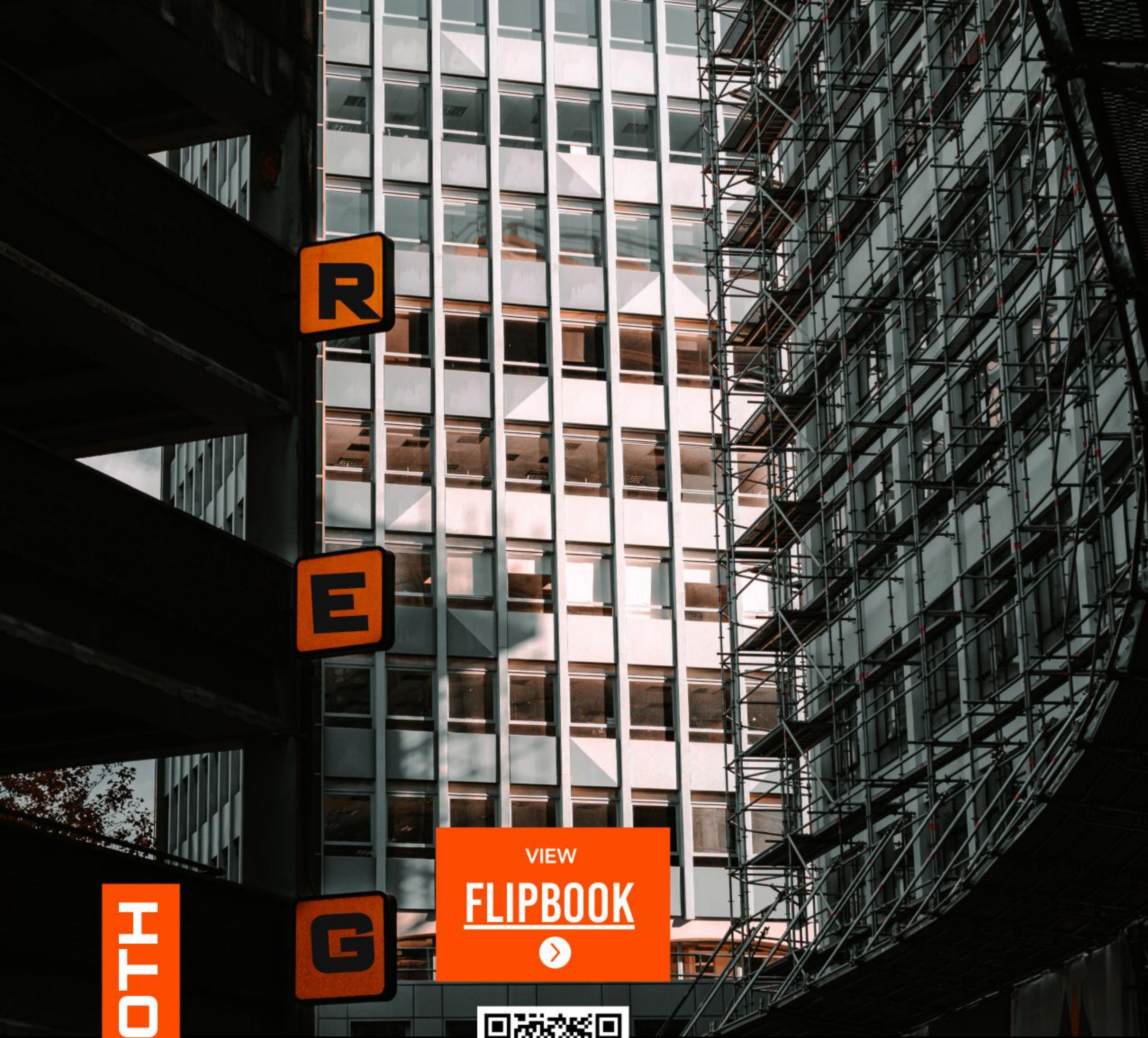
- **Retail:** Positive absorption, rising occupancy (97.3%)
- **Office:** First positive quarter in a year (+183K SF)
- **Industrial:** Net absorption strong, with demand outpacing new supply
- **Investment Volume:** Retail leads activity; office trades limited
- **Development:** Focused in Licking, Powell, and Hilliard submarkets

WHAT'S AHEAD

- **Retail:** Rents may rise slightly as Class A space remains constrained.
- **Office:** Landlords will focus on amenity upgrades and smart layouts.
- **Industrial:** Leasing to remain brisk; expect uptick in mid-box spec groundbreakings.
- **Land:** Builders will aggressively target pre-entitled parcels.

SECOND HALF 2025 FORECAST

- **Retail:** Development will stay tight. Leasing focused on daily-needs retail and fitness.
- **Office:** Renewals will dominate. Creative reuse may accelerate in urban corridors.
- **Industrial:** Licking, East, and Southeast submarkets will lead. Rents expected to increase modestly.
- **Land:** Look for more trades in power-adjacent and fiber-ready sites.



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