

KBC INSIGHTS | INDUSTRIAL MARKET UPDATE

Columbus

ECONOMY

- AI continued to drive economic growth with AI capex spending driving business investment growth while AI related corporate earnings growth drove equity valuations and with-it consumer spending growth.
- Retail spending rebounded strongly in August across multiple retailer categories including online retailers.
- AI and AI supporting companies are increasingly creating logistics space demand as they store materials for the construction of semiconductor fabs, data centers and the equipment that will fill them.
- Increased defense, satellite, drone, and aerospace manufacturing activity is also supporting logistics space demand in select markets.
- The economic outlook will hinge on the sustainability of AI capex spending and earnings growth, employment and wage growth, retail sales, financial market conditions, and geopolitical events with their impact on energy markets and market sentiment.

INTEREST RATES

- There are multiple factors influencing the direction of the 10-year Treasury rate including increased AI and government related borrowing.
- Both support demand for logistics space as they drive increased demand for goods, goods which need to be stored and distributed driving demand for logistics space.
- Geopolitics and its impact on energy markets have both the greatest near-term uncertainty and potential impact on interest rates.
- The impact of rates going forward on the logistics sector will depend on the reasons interest rates are moving in the direction they do.

VACANCY

- Vacancy continued to decline, falling to 4.5% by the end of Q3, down 80 basis points (bps) from last quarter (5.3%), and down 270 bps versus Q3 2025 (7.2%).
- Inventory remains very stable at 272 million square feet (M SF) and has only increased 0.2% since this time last year.
- Grove City vacancy increased from 3.7% in Q2 to 8.4% in Q3, as 135,000 SF became available with the completion of Grove City Innovation Center, Building 2 (3741 Grove City Road).

TRENDS: LOGISTICS PROPERTIES

	Q3 2025	Q3 2026	Chg YOY
Vacancy	7.2%	4.5%	▼
Net Asking Rents	$5.80	$6.44	▲
Net Absorption, SF	2.6M	4.6M	▲
Under Construction, SF	5.8M	11.2M	▲
New Deliveries, SF	260K	445K	▲

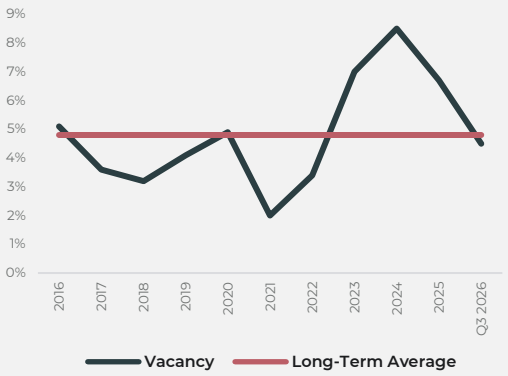
ECONOMIC INDICATORS

	MAY-25	MAY-26	Delta	
National Warehousing Employment (thousands)	1,853	1,831	-1.2%	▼

	2024	2025	Delta	
Columbus MSA Population	2.22M	2.24M	0.8%	▲

▶ Increases / Decreases YOY

VACANCY VS. LONG-TERM AVERAGE





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RENT

- Rents continue to rise, up to $6.44 per square foot (/SF) at the end of Q3. This is an increase of 3.2% (+$0.20/SF) versus last quarter and an 11% increase (+$0.64/SF) versus Q3 2025.
- Most submarkets were stable quarter-over-quarter (QOQ), with a few notable exceptions. Rents in East Columbus rose 10.5% and are now at $7.92/SF. In Grove City, rents decreased 11.5%, dropping down to $5.53/SF.
- New Albany remains the highest-rent submarket at $13.00/SF, followed by Dublin ($10.95/SF), Delaware ($10.24/SF) and Plain City ($9.78/SF).

SUBLEASE

- Sublease availability increased 14% QOQ to 1.6M SF, even as overall available space declined.
- Of the leasing activity year-to-date (YTD), roughly 3.4% of it was from subleases.
- Availability remains highly concentrated in Rickenbacker, which accounts for approximately 70% of available sublease space at the end of Q3; Grove City accounts for 17% of available sublease space.
- The quarterly increase was largely driven by nearly 300,000 SF of new sublease availability in Grove City.

Q3 VACANCY & ASKING RENT



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Asking Rent	$3.03	$3.41	$3.52	$3.53	$3.91	$4.28	$4.81	$6.07	$5.78	$5.80	$6.44
Vacancy	5.4%	4.0%	3.8%	3.8%	5.8%	2.8%	2.1%	5.6%	7.2%	7.2%	4.5%





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MAJOR ANNOUNCEMENTS

- Bayer announced their plans to build a $2.2B pharmaceutical manufacturing plant in New Albany. Groundbreaking is expected to happen in 2027, with manufacturing expected to start in 2031. A second facility is scheduled to follow in 2034.
- Honda proposed a new manufacturing facility in Marysville, situated as an expansion of the existing Honda plant in East Liberty. The facility would take up roughly 300 acres and employ 3,000 workers.
- These projects reinforce Columbus's increasingly diverse manufacturing base, with major investment spanning the automotive and pharmaceutical sectors.

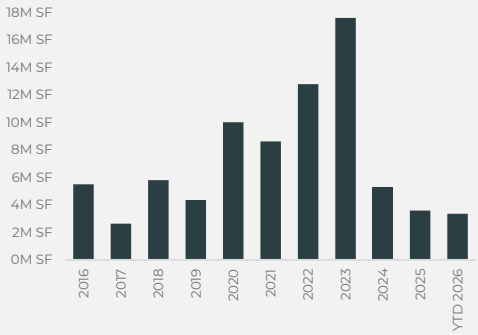
DEMAND

- Q3 net absorption reached 4.6M SF, up 55% since last quarter, marking the strongest quarter since Q3 2023 and reflecting a meaningful acceleration in occupied space.
- YTD net absorption is at 10.7M SF, more than double the 3.4M SF recorded during the same period in 2025, reflecting sustained demand and contributing to continued vacancy compression.
- Leasing activity surged to 9.2M SF in Q3, up 89% from 4.9M SF in Q2, representing a significant increase in tenant activity during the quarter.
- YTD leasing activity is up 28% versus the same period in 2025, indicating that stronger activity extends beyond the Q3 spike and reflects broader momentum throughout 2026.

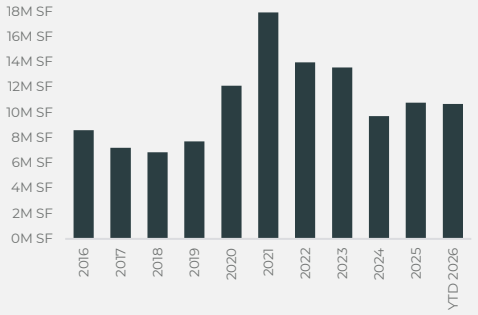
CONSTRUCTION

- Under Construction inventory nearly doubled QOQ, moving from 5.8M SF to 11.2M SF, an increase of 94%. The number of projects increased only modestly, reflecting a shift toward significantly larger projects.
- Development remains concentrated in Rickenbacker, which accounts for 52% of buildings currently under construction.
- Q3 recorded 445,000 SF in completions (310,240 SF in East Columbus; 135,000 SF in Grove City), but YTD completions are at 3.4M SF, up 7% compared to this time last year.
- Construction starts reached 5.6M SF in the third quarter, bringing the YTD construction starts to 11.2M SF – more than 2x last year's YTD total of 3.6M SF.

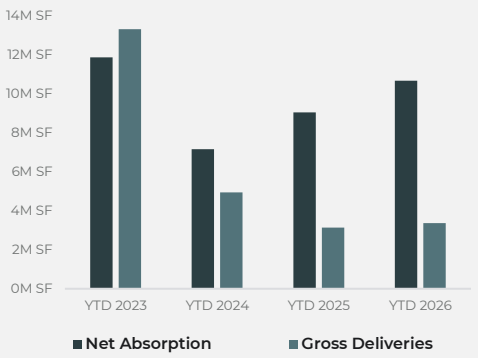
NEW SUPPLY



NET ABSORPTION



SUPPLY & DEMAND





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MARKET SUMMARY Q3 2026

Submarket Cluster	Total Inventory*	Vacancy Rate	Q3 2026 Overall Net Absorption	2026 YTD Overall Net Absorption	2026 YTD Leasing Activity	Under Construction	2026 YTD Construction Completions	Overall Asking NNN
Rickenbacker	88,663,815	5.0%	401,416	1,815,804	7,195,687	5,312,500	1,375,378	$5.88
Central Columbus	32,275,031	1.5%	325,806	315,816	908,509	183,479	698,634	$5.95
West Columbus	30,792,317	17.5%	(-11,561)	70,416	1,057,145	158,100	-	-
North Columbus	28,820,000	1.2%	72,140	539,182	379,810	316,900	20,000	$7.82
West Jefferson	17,170,315	0.0%	1,922,600	1,922,600	3,111,380	1,067,000	-	$5.25
Grove City	14,518,338	8.4%	(-369,371)	68,044	768,097	-	135,000	$5.53
New Albany	13,985,381	0.6%	338,054	604,610	695,983	777,213	892,360	$13.00
East Columbus	13,954,308	3.2%	(-183,416)	278,883	975,380	177,607	501,317	$7.92
Newark	13,657,686	1.2%	267,822	308,859	500,922	-	42,500	-
Delaware	8,187,749	0.2%	414,024	405,619	538,724	294,262	-	$10.24
Marysville	5,937,155	6.2%	21,246	48,546	100,700	-	-	$7.17
Canal Winchester	4,966,813	3.5%	-	190,165	845,325	1,309,813	-	$8.25
Bolton Field	4,207,137	1.9%	-	159,875	101,082	946,303	-	-
Plain City	2,830,867	1.1%	31,775	39,625	7,000	-	-	-
Dublin	940,749	2.3%	(-22,000)	(-22,000)	9,748	-	-	-
Columbus Market**	**272,422,371**	**4.5%**	**4,640,065**	**10,674,581**	**18,374,810**	**11,941,735**	**3,366,301**	**$6.44**

**Statistics reflect industrial inventory 30K+ SF*

***Columbus market totals include properties outside the defined submarkets*

SIGNIFICANT LEASE TRANSACTIONS Q3 2026

Property Address	Submarket	Square Feet	Lease Type
4229 Raymond Avenue	Rickenbacker	1,027,649	NNN
220 Park West Drive	West Jefferson	845,280	NNN
6360 Port Road	Rickenbacker	434,120	NNN
200 Park West Drive	West Jefferson	343,500	NNN
3232 Alum Creek Drive	Rickenbacker	302,400	NNN
3080 Alum Creek Drive	Rickenbacker	302,039	NNN
5765 Green Pointe Drive North	Rickenbacker	201,680	NNN

KBCADVISORS

Beau Taggart
+1 614 581 2314
beau.taggart@kbcadvisors.com

Joe Kimener
+1 614 313 9626
joe.kimener@kbcadvisors.com

Margaret Rooney
Market Researcher
+1 630 373 0115
margaret.rooney@kbcadvisors.com

Columbus Office
1086 N 4th Street, Suite 111
Columbus, OH 43201

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