

INVESTMENT FORECAST

Office
Columbus Metro Area

IPA
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ADVISORS

2025

Columbus Retail Market Stands Out in Key Aspect as Suburban Expansion Accelerates

Decade-high leasing volume highlights retail resilience. Columbus was the only major U.S. market to post its highest leasing volume of the past decade in 2024, driven by expanding tenant demand and major corporate investments. Beyond ongoing developments from Intel and Honda, Anduril recently announced plans for a new facility, which should be the largest single hiring event in Ohio's history. The project is set to add 4,000 new jobs over the next 10 years, reinforcing employment and long-term population growth. These initiatives are expected to draw retailers to the north, northeast and east suburbs of Franklin County. Outer areas like Delaware and Fairfield counties should also see sustained demand following last year's vacancy declines. While some closer-in suburbs experienced elevated store closures in 2024, vacancy stayed below historical norms. Backfilling from discount retailers, gyms and experiential concepts is anticipated to support leasing momentum in these areas. With new supply forecast to reach record lows this year, vacancy risks across the metro should further diminish.

Rising rents draw investors beyond the Outerbelt. Columbus' average single-tenant asking rent was up nearly 25 percent from 2019 to year-end 2024 — the second-fastest pace in the Midwest — which should support investment activity. Stronger rent gains outside Interstate 270 are poised to sustain buyer interest in the broader metro area, particularly for inline shops and net-leased quick-service retailers. The metro's low entry costs are also expected to attract out-of-state investors. Modern, convenience-oriented assets, such as fast-food restaurants, should remain popular targets for possible portfolio sales. Growing consumer demand for experience-driven retail may also boost investor interest in lifestyle and power centers with strong entertainment anchors.

2025 MARKET FORECAST

+0.7%



EMPLOYMENT: Columbus' workforce will expand by 8,000 positions this year, leading all major Ohio markets, though job gains will reach only about half of the 2014-2019 annual average.

300,000
sq. ft.



CONSTRUCTION: Completions this year will hit their lowest annual total since at least 2007. Deliveries are evenly distributed across the metro and primarily consist of build-to-suit projects.

+10 bps



VACANCY: Minimal new supply and improved job growth will help contain vacancy expansion this year. At 4.3 percent, vacancy will remain below the metro's long-term average of 5.7 percent.

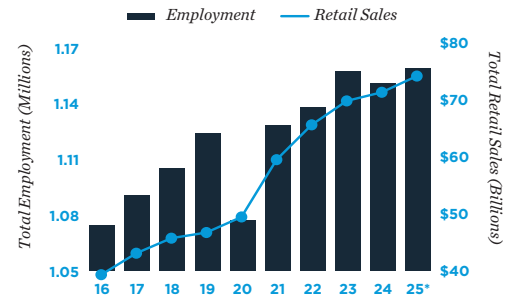
+1.5%



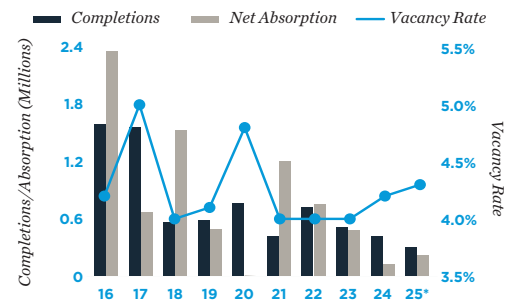
RENT: Historically tight vacancy will support modest rent growth, with stronger gains expected in growing outer suburbs. The metro's mean asking rate reaches \$16.75 per square foot by year-end.

INVESTMENT: *The area around Ohio State University and Dublin ranks among the 10 least vacant single-tenant submarkets nationwide with at least 15 million square feet of inventory, likely drawing investor interest.*

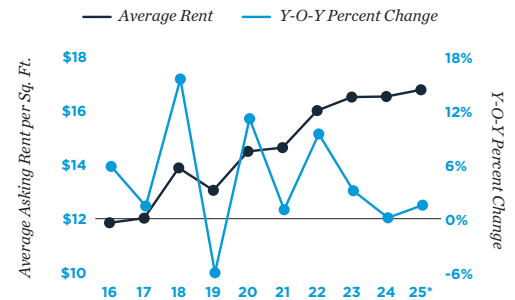
Economic Trends



Supply and Demand



Rent Trends



* Forecast

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2024. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.