INVESTMENT FORECAST

Industrial

Columbus

IPA INSTITUTIONAL PROPERTY ADVISORS

2026

Large Tenant Expansions Help Draw Significant Influx of Institutional Capital

Vacancy declines as major commitments lead to absorption gains. Demand has begun to catch up with the large supply wave of the past four years, marking the first metrowide annual vacancy decline, with the rate falling about 180 basis points as of the first quarter of 2026. Much of the new demand was in Licking County, where the average new lease size was 400,000 square feet. Many of these leases were signed by notable names such as Kosch Logistics, Illuminate USA, Ryder Systems, and Meta, resulting in local vacancy dropping about 670 basis points to 2.8 percent. Along with a tapering supply pipeline, this momentum should put upward pressure on the average asking rent. Anduril recently completed its first manufacturing facility and anticipates completing the second building by year-end, totaling 1.7 million square feet in Pickaway County, just south of Rickenbacker International Airport. This could bring future demand from auxiliary industries in southeast Columbus and Pickaway County.

Influx of capital signals investor conviction as vacancy tightens. The average sale price per square foot rose by roughly 10 percent over the year ended in March as transaction activity continued to grow. Institutions expanded their presence with a significant increase in transactions over $20 million, helping activity more than double. This ramp-up in institutional activity could signal long-term confidence in the market as Columbus is expected to remain one of the least vacant major metros in 2026. Warehouses continued to be favored by private and institutional investors, making up approximately 70 percent of transactions, with a strong concentration in southeast and northeast Columbus. These areas will likely remain the most active with their proximity to international airports and major interstates.

2026 MARKET FORECAST

+1.3% — **Employment:** The labor market is expected to rebound, adding a net of 15,000 positions. This addition will marginally exceed the previous 10-year annual average.

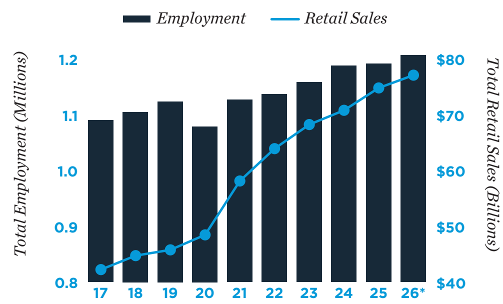
4.1 million *sq. ft.* — **Construction:** Inventory will grow by 1.3 percent, marking the lowest level of completions since 2017. Outside Anduril's Arsenal-1, Licking County will receive the bulk of the new supply.

-50 bps — **Vacancy:** With the pipeline tapering, the vacancy rate edges down to 7.0 percent by year-end 2026. However, this remains about 210 basis points above the 2015-2019 average.

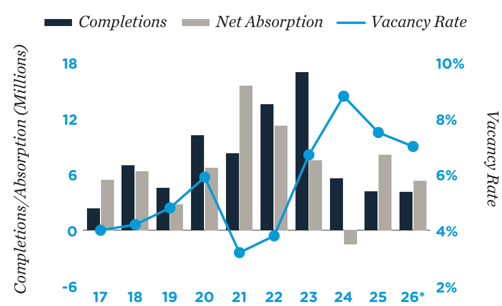
+6.1% — **Rent:** After two years of vacancy decreases, the average asking rent will move higher to $7.50 per square foot, establishing a new record high for the metro.

INVESTMENT: *Licking County and northeast Columbus rank among the three least-vacant submarkets nationwide, with over 40 million square feet of inventory, which could increase competition for listings.*

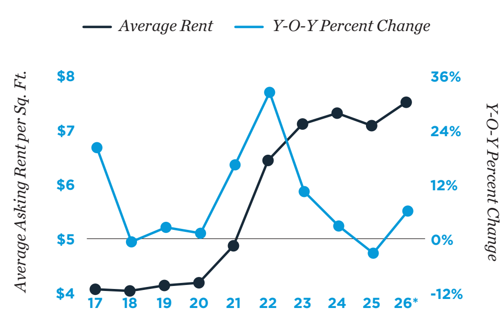
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Industrial

Alan L. Pontius

Senior Managing Director, National Division Leader

Tel: (415) 963-3000 | apontius@ipausa.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. 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 office 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.