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Industrial demand hits record high in Columbus, Ohio

Healthy leasing, limited speculative development support tightening market

JBS Logistics signed the largest deal year to date, leasing a 1.3 million-square-foot distribution center in Pataskala that was completed in 2023. (CoStar)

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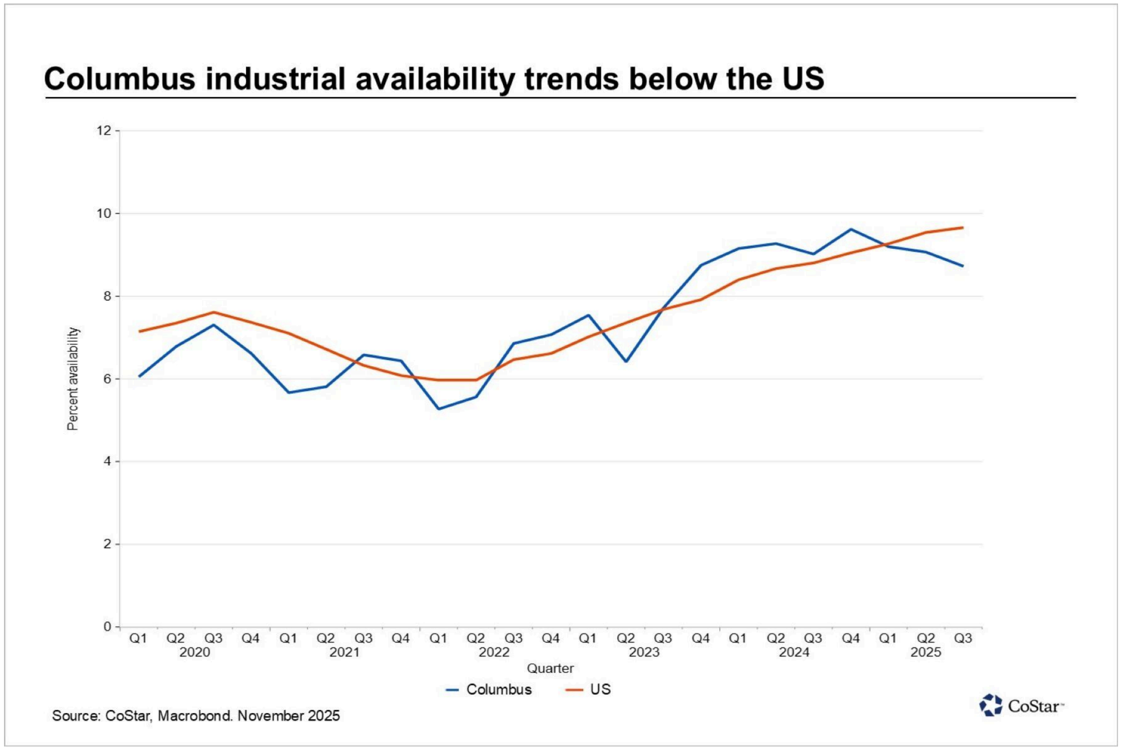
Third-quarter industrial demand was the strongest on record in Columbus, Ohio, pushing the amount of available space to a 21-month low and marking the third straight quarter of decreasing availability.

Net absorption — the difference in space occupied versus vacated in a given period — totaled an unprecedented 6.7 million square feet in the third quarter, bringing the 12-month total to 10.5 million square feet, according to CoStar data.

Meanwhile, completions have moderated, with 6.8 million square feet added to the market over the past 12 months — a 36% pullback compared to last year.

As demand for industrial space far outpaced completions, Columbus' availability rate fell 40 basis points quarter over quarter to 8.7%. The amount of available industrial space tightened for the third quarter in a row, while the national benchmark continued to rise, hitting a decade high of 9.6%.



One large move-in accounted for close to 20% of third-quarter net absorption: JBS Logistics' lease of a 1.3 million-square-foot distribution center in Pataskala. The deal represents the largest industrial lease signed in the Columbus market in five years, CoStar data shows.

Thanks to the JBS deal, properties larger than 500,000 square feet experienced the sharpest contraction in availability rates compared to other property sizes, falling 150 basis points year over year to 9.8%.

While new-to-market leasing volume softened from recent highs, it remains above pre-pandemic norms. This suggests healthy demand trends over the near term, with net absorption forecasted to total nearly 6 million square feet in 2026. That would be slightly ahead of the average in the years preceding the pandemic.

Speculative development remains limited in Columbus, contributing to tightening availability. Although increased groundbreakings pushed construction to a two-year high at 12.8 million square feet, around 80% of space underway is preleased, and supply pressure remains limited.

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