

### Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate dropped 0.2 percentage points from 4.9% in February 2016 to 4.7% in February 2017. The unemployment rate for the state of Ohio was reported at 5.0% January 2016 which was stagnant from 5.0% January 2017. The Columbus metropolitan statistical area job creation totaled 20,300 in the Columbus metropolitan statistical area over the past year. The Columbus unemployment rate increased from 4.7% January 2016 to 4.8% January 2017.

### Market Overview

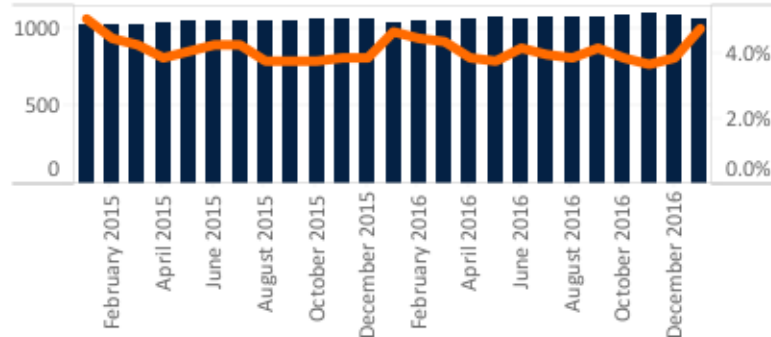
The Columbus industrial market recorded 339,807 square feet (sf) of negative absorption during 1Q 2017. Absorption was down from the positive net absorption of 1.8 msf recorded during 1Q 2016. The total vacancy rate has decreased from 6.2% in 1Q 2016 to 5.2% at the close of 1Q 2017. Weighted average asking rents in all specific uses decreased from \$3.56 psf at the close of 1Q 2016 compared to \$3.50 psf at the close of 1Q 2017. Under construction activity continued to be strong in the Columbus Industrial Market. At the close of 1Q 2016 there were 3.8M sf under construction compared to over 2.4M sf under construction at the close of 1Q 2017.

### Market Highlights

Some of the large contributors to the negative net absorption that recorded at the close of 1Q 2017 were Rexnord vacating 175,416 sf and leaving the Columbus market, Rockmill Industrial building was sold and remains vacant for 160,000 sf, Quad Graphics vacated 111,600 sf, SLS INC vacated 108,000 sf and T Marzetti Company vacated 105,622 sf. During the 1Q 2017 311,000 sf was delivered. The 2.4M sf that is currently under construction, 76% of the space has been pre-leased. Out of the 2.4M sf under construction approximately 614,000 sf is speculative with 36% of the speculative sf pre-leased.

### Columbus Employment

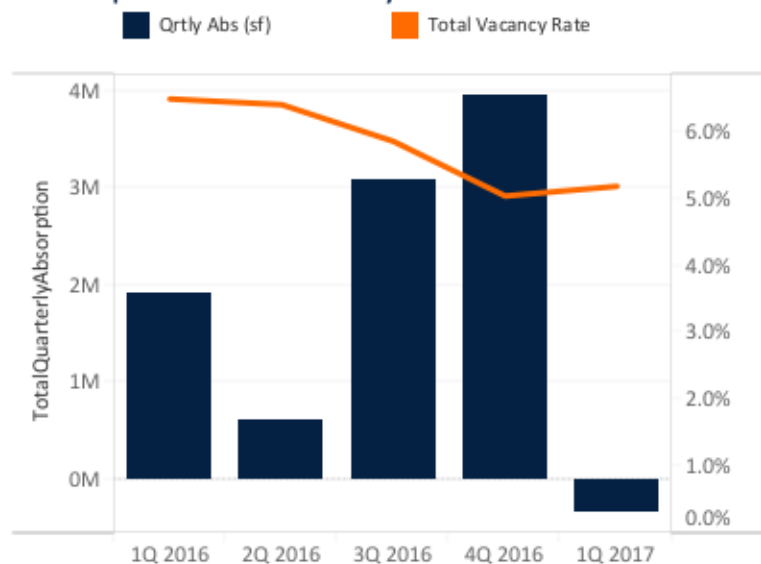
Source: BLS



### Market Recap

Inventory (sf)	271,518,141
# of Bldgs	3,258
Qrtly Abs (sf)	-339,807
Total Avail Rate	7.9%
Total Vacancy Rate	5.2%
U/C Inventory (sf)	2,454,331
Delivered (sf)	311,000
Weighted Average Asking Rate (NNN)	\$3.50

### Absorption and Vacancy Rate



## Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Flex	26,590,767	1,987,539	1,111,963	4.2%	156,864	156,864
Lt Ind	48,620,678	2,214,676	1,652,496	3.4%	-52,116	-52,116
Mfg	37,284,521	2,692,943	1,625,742	4.4%	-96,232	-96,232
Whse/Dist	159,022,175	14,469,389	9,687,867	6.1%	-348,323	-348,323
Overall	271,518,141	21,364,547	14,078,068	5.2%	-339,807	-339,807

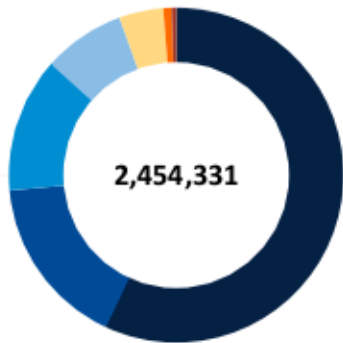
## Overview by Market (Total)

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
Delaware Cty	Flex	413,220	14,500	10,900	2.6%	-2,500	-2,500
	Lt Ind	3,189,360	47,765	0	0.0%	0	0
	Mfg	1,496,776	454,022	3,640	0.2%	-3,640	-3,640
	Whse/Dist	3,008,413	206,529	206,529	6.9%	0	0
Fairfield Cty	Flex	448,635	10,000	10,000	2.2%	-2,000	-2,000
	Lt Ind	3,746,334	244,247	244,247	6.5%	-18,000	-18,000
	Mfg	2,072,755	0	0	0.0%	0	0
	Whse/Dist	3,098,045	381,148	373,318	12.1%	-160,000	-160,000
GFC-CBD	Flex	107,593	0	0	0.0%	0	0
	Lt Ind	1,610,060	10,151	10,151	0.6%	-10,151	-10,151
	Mfg	573,948	0	0	0.0%	0	0
	Whse/Dist	870,027	0	0	0.0%	0	0
GFC-East	Flex	4,776,770	303,924	122,489	2.6%	22,495	22,495
	Lt Ind	6,383,032	224,351	194,934	3.1%	20,480	20,480
	Mfg	3,677,169	406,699	305,717	8.3%	-40,207	-40,207
	Whse/Dist	15,279,810	259,935	44,879	0.3%	2,186	2,186
GFC-North	Flex	6,822,629	551,193	350,397	5.1%	42,585	42,585
	Lt Ind	7,077,674	340,143	245,652	3.5%	-78,212	-78,212
	Mfg	1,278,591	12,400	12,400	1.0%	0	0
	Whse/Dist	6,859,455	251,782	143,321	2.1%	-117,395	-117,395
GFC-Southeast	Flex	3,366,811	250,798	215,953	6.4%	10,100	10,100
	Lt Ind	6,913,281	485,623	287,729	4.2%	-73,342	-73,342
	Mfg	6,037,873	619,598	202,725	3.4%	-50,000	-50,000
	Whse/Dist	64,706,097	8,011,272	5,936,338	9.2%	21,614	21,614
GFC-Southwest	Flex	1,918,761	326,809	32,366	1.7%	11,010	11,010
	Lt Ind	2,761,801	44,951	14,880	0.5%	41,609	41,609
	Mfg	1,079,913	0	0	0.0%	0	0
	Whse/Dist	15,901,985	1,391,264	825,990	5.2%	-132,762	-132,762
GFC-West	Flex	6,538,191	285,640	183,183	2.8%	61,874	61,874
	Lt Ind	4,992,466	69,842	15,500	0.3%	5,500	5,500
Overall		271,518,141	21,364,547	14,078,068	5.2%	-339,807	-339,807

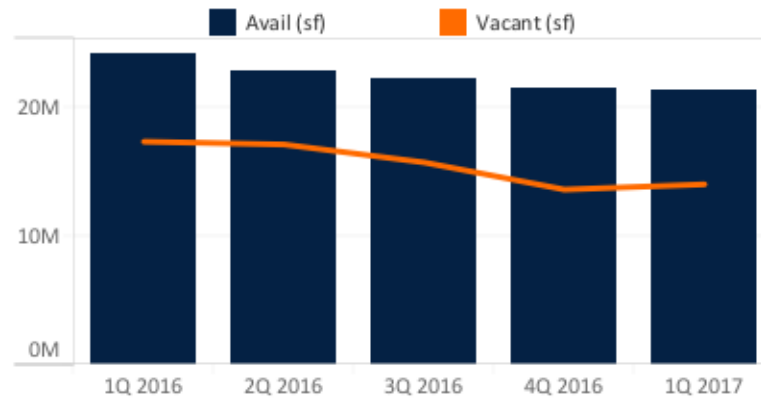
Overview by Market (Total) Cont'd

Market Name	Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qrtly Abs (sf)	YTD Net Abs (sf)
GFC-West	Mfg	2,378,565	202,472	169,352	7.1%	-2,385	-2,385
	Whse/Dist	26,699,092	2,329,185	1,312,154	4.9%	-173,081	-173,081
Licking Cty	Flex	1,260,661	100,915	90,915	7.2%	0	0
	Lt Ind	5,415,806	303,706	303,706	5.6%	0	0
	Mfg	10,192,274	947,752	881,908	8.7%	0	0
	Whse/Dist	11,632,488	1,559,601	810,945	7.0%	32,745	32,745
Madison Cty	Flex	216,424	0	0	0.0%	0	0
	Lt Ind	1,540,158	0	0	0.0%	0	0
	Mfg	1,785,657	0	0	0.0%	0	0
	Whse/Dist	8,266,815	0	0	0.0%	0	0
Pickaway Cty	Flex	145,774	59,750	59,750	41.0%	0	0
	Lt Ind	1,686,399	223,900	223,900	13.3%	0	0
	Mfg	1,951,000	0	0	0.0%	0	0
	Whse/Dist	1,977,373	46,393	34,393	1.7%	178,370	178,370
Union Cty	Flex	575,298	84,010	36,010	6.3%	13,300	13,300
	Lt Ind	3,304,307	219,997	111,797	3.4%	60,000	60,000
	Mfg	4,760,000	50,000	50,000	1.1%	0	0
	Whse/Dist	722,575	32,280	0	0.0%	0	0
Overall		271,518,141	21,364,547	14,078,068	5.2%	-339,807	-339,807

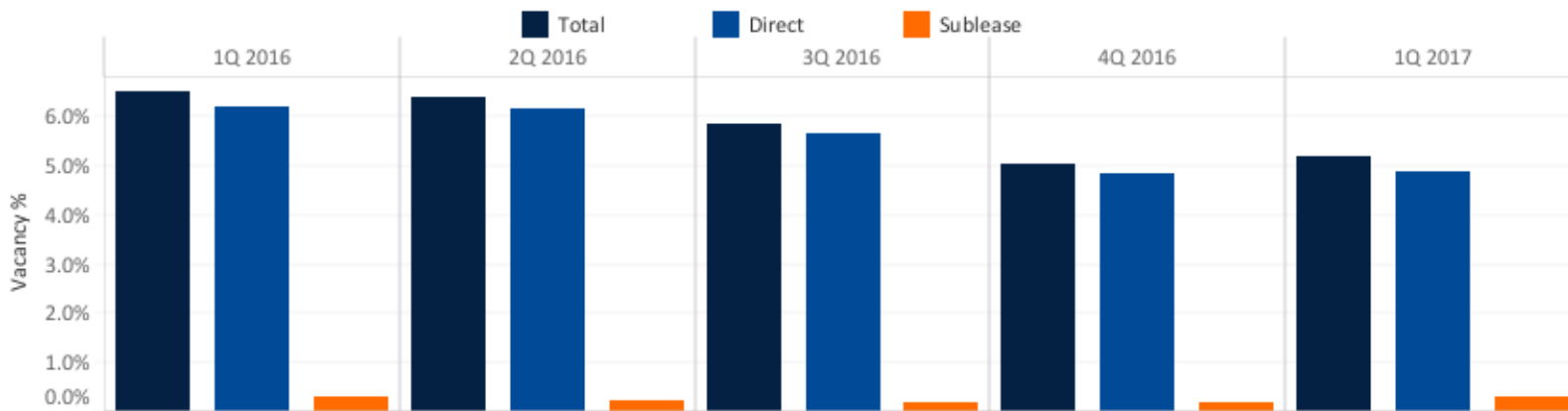
#### Construction by Market



#### Total Available and Vacant



#### Vacancy Rate



#### Overview by Specific Use (Direct)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	26,590,767	1,940,588	1,111,963	4.2%	149,664	149,664
Lt Ind	48,620,678	2,214,676	1,652,496	3.4%	-67,116	-67,116
Mfg	37,284,521	2,692,943	1,625,742	4.4%	-96,232	-96,232
Whse/Dist	159,022,175	13,489,194	8,896,101	5.6%	-98,130	-98,130
Overall	271,518,141	20,337,401	13,286,302	4.9%	-111,814	-111,814

#### Overview by Specific Use (Sublease)

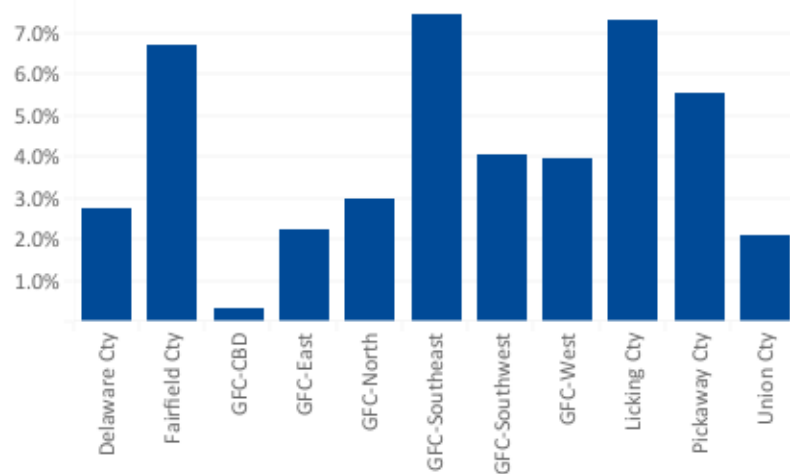
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Flex	26,590,767	46,951	0	0.0%	7,200	7,200
Lt Ind	48,620,678	0	0	0.0%	15,000	15,000
Mfg	37,284,521	0	0	0.0%	0	0
Whse/Dist	159,022,175	980,195	791,766	0.5%	-250,193	-250,193
Overall	271,518,141	1,027,146	791,766	0.3%	-227,993	-227,993

### Direct Vacancy Rates

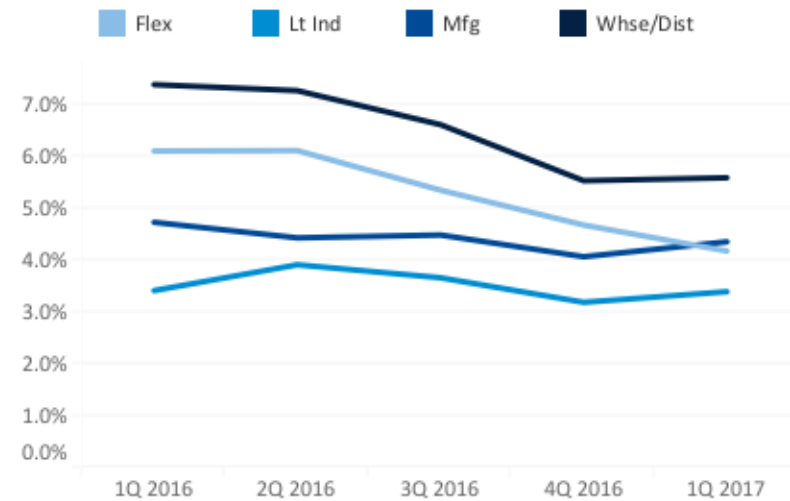
#### By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Delaware Cty	Flex	1.2%	1.2%	1.2%	2.0%	2.6%
	Lt Ind	0.0%	0.0%	0.0%	0.0%	0.0%
	Mfg	0.7%	0.1%	0.1%	0.0%	0.2%
	Whse/Dist	7.4%	12.3%	6.9%	6.9%	6.9%
Fairfield Cty	Flex	9.2%	1.8%	1.8%	1.8%	2.2%
	Lt Ind	7.1%	6.1%	7.7%	6.1%	6.5%
	Mfg	0.0%	0.0%	0.0%	0.0%	0.0%
	Whse/Dist	7.8%	7.8%	6.9%	6.9%	12.1%
GFC-CBD	Flex	56.4%	65.0%	65.0%	0.0%	0.0%
	Lt Ind	0.0%	0.0%	0.0%	0.0%	0.6%
	Mfg	0.0%	0.0%	0.0%	0.0%	0.0%
	Whse/Dist	0.0%	0.0%	0.0%	0.0%	0.0%
GFC-East	Flex	4.3%	2.4%	1.9%	2.3%	2.6%
	Lt Ind	3.3%	5.0%	3.9%	2.9%	3.1%
	Mfg	8.6%	8.1%	8.1%	7.2%	8.3%
	Whse/Dist	0.9%	0.6%	2.0%	2.0%	0.3%
GFC-North	Flex	4.7%	6.8%	6.2%	5.9%	5.1%
	Lt Ind	1.6%	1.8%	1.4%	2.4%	3.5%
	Mfg	0.8%	0.8%	0.8%	0.8%	1.0%
	Whse/Dist	9.0%	6.1%	1.9%	0.4%	0.6%
GFC-Southeast	Flex	7.0%	6.7%	6.3%	6.7%	6.4%
	Lt Ind	3.9%	4.4%	4.5%	3.1%	4.2%
	Mfg	5.3%	4.4%	4.2%	2.5%	3.4%
	Whse/Dist	10.6%	10.6%	9.7%	8.5%	8.2%
GFC-Southwest	Flex	3.7%	2.2%	1.8%	2.3%	1.7%
	Lt Ind	3.7%	3.7%	3.3%	2.1%	0.5%
	Mfg	5.5%	0.4%	0.0%	0.0%	0.0%
	Whse/Dist	8.9%	8.9%	7.4%	4.4%	5.2%
GFC-West	Flex	5.6%	5.5%	4.0%	3.8%	2.8%
	Lt Ind	2.7%	2.5%	2.1%	0.0%	0.3%
	Mfg	6.2%	7.4%	8.9%	7.0%	7.1%
	Whse/Dist	4.7%	5.0%	4.6%	4.0%	4.6%
Licking Cty	Flex	8.1%	8.1%	7.1%	7.1%	7.2%
	Lt Ind	3.5%	6.9%	5.8%	5.6%	5.6%
	Mfg	8.7%	8.7%	8.7%	8.7%	8.7%
	Whse/Dist	6.6%	5.2%	5.9%	5.1%	7.0%
Madison Cty	Flex	3.0%	3.0%	3.0%	0.0%	0.0%
	Lt Ind	0.0%	0.0%	0.0%	0.0%	0.0%
	Mfg	0.0%	0.0%	0.0%	0.0%	0.0%
	Whse/Dist	0.0%	0.0%	0.0%	0.0%	0.0%
Pickaway Cty	Flex	41.0%	41.0%	41.0%	41.0%	41.0%
	Lt Ind	16.6%	13.3%	13.3%	13.3%	13.3%
	Mfg	0.0%	0.0%	0.0%	0.0%	0.0%
	Whse/Dist	13.3%	13.3%	13.3%	10.8%	1.7%
Union Cty	Flex	5.0%	7.7%	7.7%	8.6%	6.3%
	Lt Ind	3.4%	3.4%	3.4%	5.2%	3.4%
	Mfg	1.1%	1.1%	1.1%	1.1%	1.1%
	Whse/Dist	9.0%	9.0%	9.0%	0.0%	0.0%
Overall		6.2%	6.2%	5.7%	4.8%	4.9%

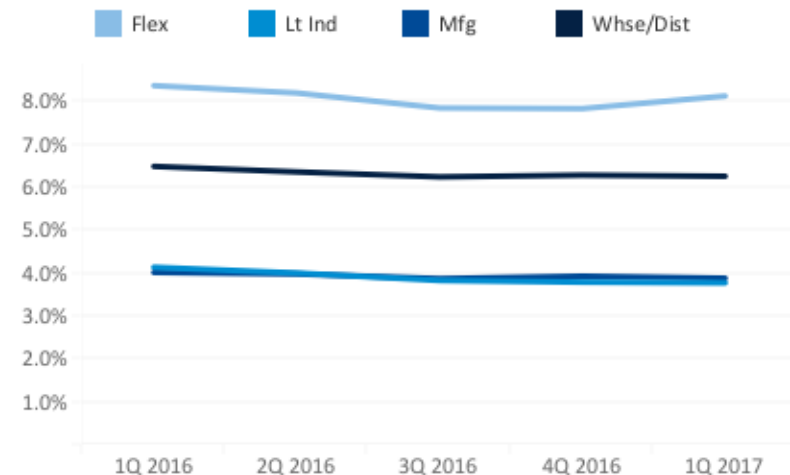
#### By Market



#### Columbus By Specific Use



#### National by Specific Use

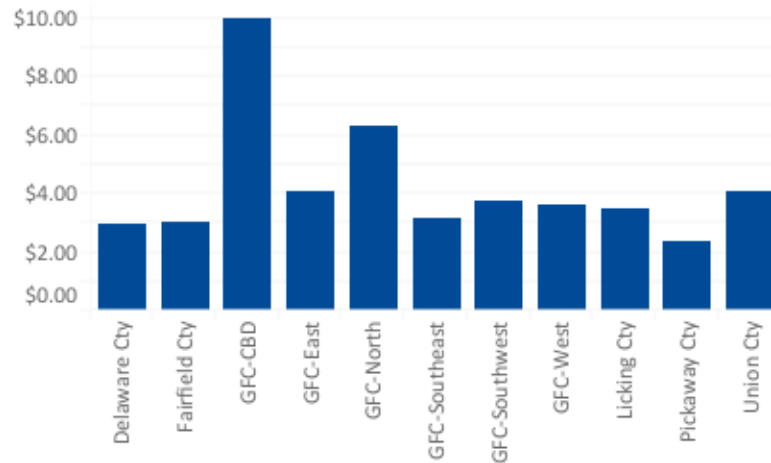


## Direct Weighted Average Asking Rates (NNN)

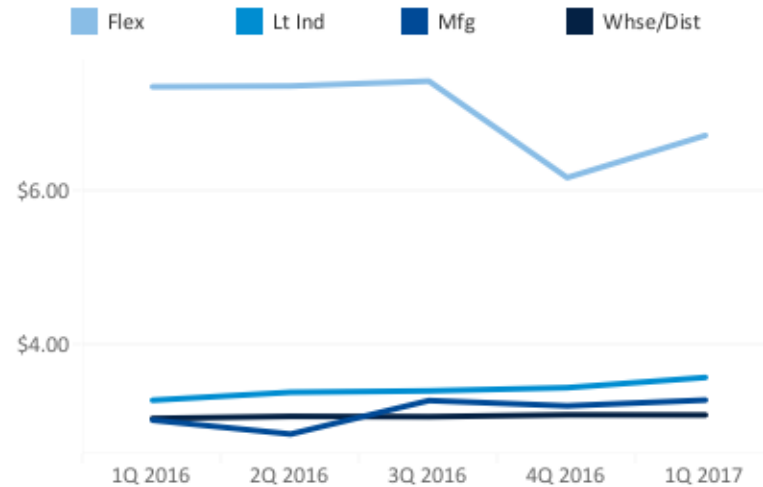
### By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Delaware Cty	Flex	\$6.95	\$6.95	\$6.95	\$6.38	\$6.85
	Lt Ind	-	-	-	-	\$3.77
	Mfg	\$2.55	\$2.50	\$2.55	\$2.55	\$2.55
	Whse/Dist	\$3.06	\$3.08	\$3.33	\$3.33	\$3.33
Fairfield Cty	Flex	\$5.23	\$5.23	\$5.23	\$5.23	\$5.43
	Lt Ind	\$3.84	\$4.00	\$4.00	\$4.00	\$4.00
	Mfg	-	-	-	-	-
GFC-CBD	Flex	\$16.50	\$16.50	\$16.50	-	-
	Lt Ind	\$5.75	-	\$10.00	\$10.00	\$10.00
	Mfg	-	-	\$4.50	-	-
GFC-East	Flex	\$6.65	\$6.91	\$7.05	\$6.75	\$6.88
	Lt Ind	\$2.69	\$3.31	\$3.20	\$2.98	\$2.98
	Mfg	-	\$2.75	\$3.79	\$3.79	\$4.03
	Whse/Dist	\$4.27	\$3.62	\$3.69	\$3.62	\$3.78
GFC-North	Flex	\$6.34	\$6.35	\$6.74	\$6.75	\$7.05
	Lt Ind	\$5.24	\$5.49	\$5.42	\$5.42	\$5.83
	Mfg	\$5.25	\$5.25	\$5.25	\$5.25	\$5.25
	Whse/Dist	\$3.31	\$3.17	\$3.64	\$3.59	\$3.75
GFC-Southeast	Flex	\$6.29	\$6.42	\$6.49	\$6.57	\$6.54
	Lt Ind	\$3.12	\$2.98	\$2.93	\$3.16	\$3.33
	Mfg	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
	Whse/Dist	\$3.00	\$3.06	\$3.00	\$3.04	\$3.02
GFC-Southwest	Flex	\$6.86	\$6.83	\$6.82	\$6.31	\$6.23
	Lt Ind	\$6.00	-	-	-	-
	Mfg	-	-	-	-	-
	Whse/Dist	\$3.18	\$3.19	\$3.20	\$3.21	\$3.22
GFC-West	Flex	\$6.14	\$6.22	\$5.69	\$6.05	\$8.00
	Lt Ind	\$3.45	\$4.15	\$3.95	\$4.51	\$4.51
	Mfg	\$3.47	\$2.75	\$2.75	\$3.03	\$3.27
	Whse/Dist	\$2.76	\$2.81	\$2.84	\$2.95	\$3.05
Licking Cty	Flex	\$5.50	\$4.50	\$4.50	\$4.50	\$4.87
	Lt Ind	\$3.60	\$3.88	\$3.88	\$3.87	\$3.87
	Mfg	\$3.89	\$3.89	\$3.89	\$3.89	\$3.74
	Whse/Dist	\$3.15	\$2.93	\$3.02	\$3.02	\$3.07
Madison Cty	Flex	-	-	-	-	-
	Lt Ind	-	-	-	-	-
	Mfg	-	-	-	-	-
	Whse/Dist	-	-	-	-	-
Pickaway Cty	Flex	\$2.50	\$2.50	\$2.50	\$2.50	-
	Lt Ind	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
	Mfg	-	-	-	-	-
	Whse/Dist	\$3.73	\$3.73	\$3.73	\$3.73	\$3.50
Union Cty	Flex	\$5.67	\$6.30	\$6.00	\$5.94	\$5.59
	Lt Ind	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25
	Mfg	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
	Whse/Dist	\$3.50	\$3.50	\$3.50	-	-
Overall		\$3.56	\$3.58	\$3.62	\$3.45	\$3.50

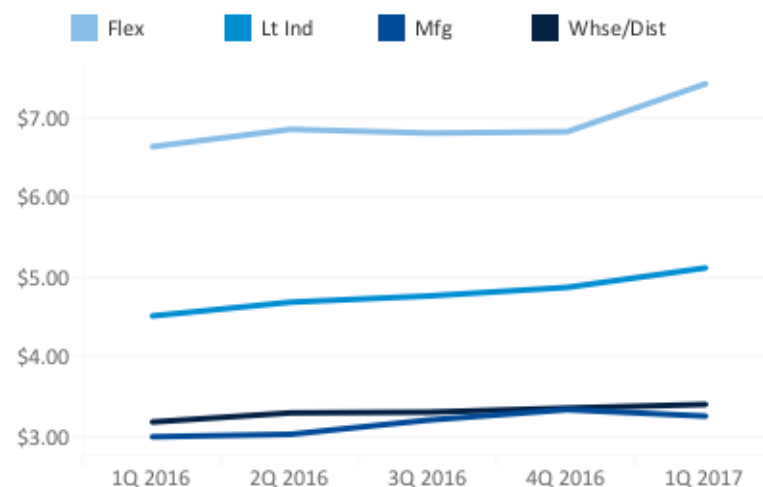
### By Market



### Columbus by Specific Use

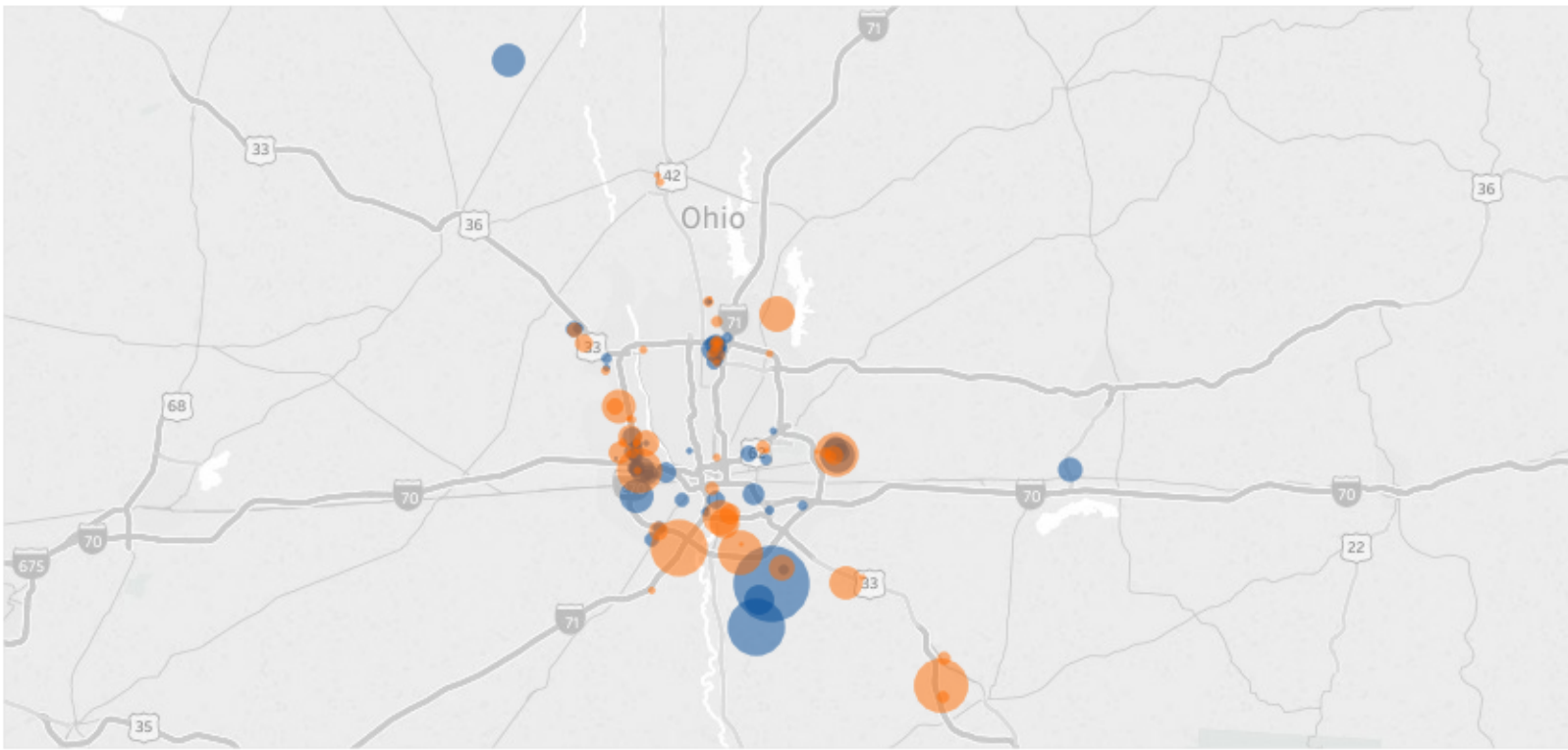


### National by Specific Use



### Absorption Map

● Negative
 ● Positive



### Largest Positives (Total)

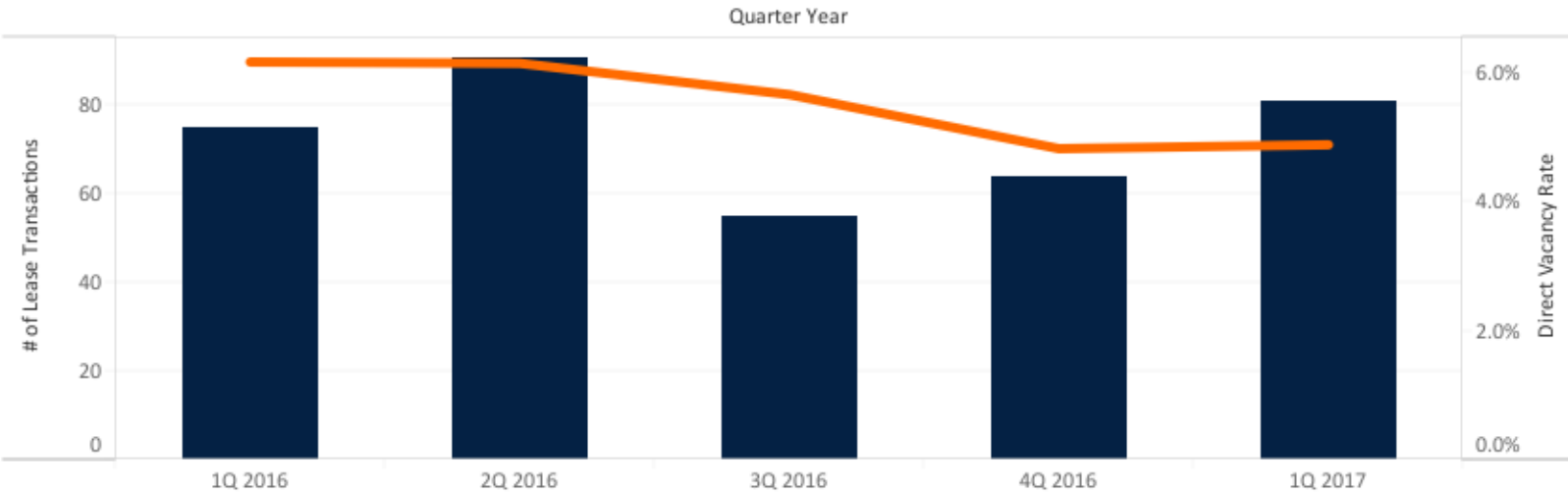
PropertyName	Significant Transactions	Market Name	Specific Use	
Rickenbacker 3	State Of Ohio leased 314,092SF	GFC-Southeast	Whse/Dist	314,092
Duke Building 482	Mars Petcare leased 178,370SF	Pickaway Cty	Whse/Dist	178,370
350 McCormick Blvd	D+S Distribution leased 65,415 SF	GFC-East	Mfg	65,415
520 Industrial Mile Rd	Special Design Products Inc. leased the bldg 62,014SF	GFC-Southwest	Whse/Dist	62,014
200 Ottawa St	Bldg has been reported as sold	Union Cty	Lt Ind	60,000
Foreign Trade Centre I	JNH Logistics leased 48,500SF	GFC-Southeast	Lt Ind	48,500
6950 Worthington Galena Rd	busStrut leased 32,912SF; Undisclosed leased 1,740SF	GFC-North	Flex	34,652
701 Kaderly Dr	Bask Enterprises Inc purchased the bldg on 3/06/2017	GFC-West	Mfg	33,723

### Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
SouthPark IV	Rexnord vacated (left Columbus market) 175,416SF	GFC-Southwest	Whse/Dist	-175,416
Rockmill Industrial Park Bldg 5	Dysart Warehouse vacated 160,000SF	Fairfield Cty	Whse/Dist	-160,000
Creekside III	Red Envelope Inc	GFC-Southeast	Whse/Dist	-150,193
711 Distribution Dr	Quad Graphics vacated 111,600SF	GFC-West	Whse/Dist	-111,600
4150 Lockbourne Industrial Pkwy	SLS, INC vacated 108,000SF	GFC-Southeast	Whse/Dist	-108,000
6660 Broughton Ave	T Marzetti Co vacated 105,622 SF	GFC-East	Mfg	-105,622
8288 Green Meadows Dr N	Eagle Logistics vacated 100,000 SF	GFC-North	Whse/Dist	-100,000
525 Maxtown Rd	Worthington Cylinders Corporation vacated 69,280SF	GFC-North	Lt Ind	-69,280

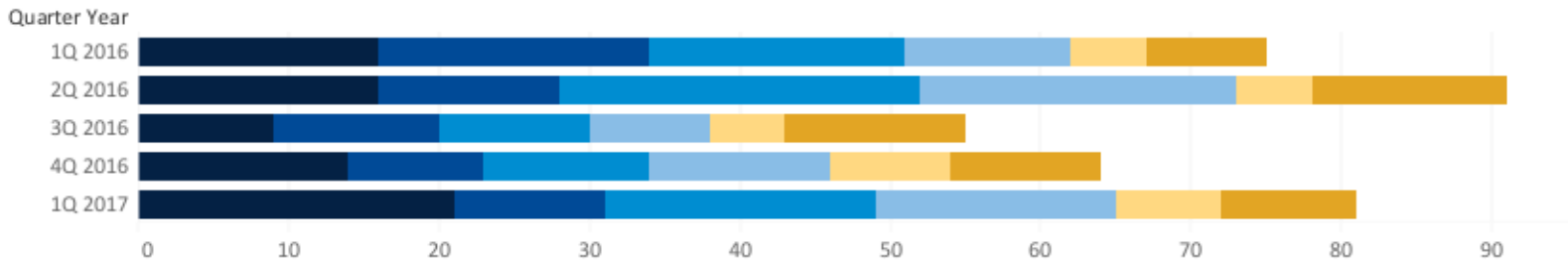
### Leasing Activity Trends

Direct Vacancy Rate Lease Transactions



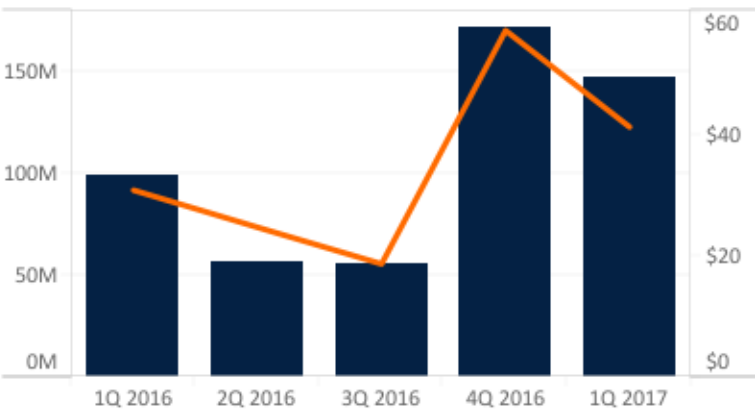
### Leasing Activity (# of New Deals)

Size Range (sf)  
 <2.5K 2.5K - 5K 5K - 10K 10K - 25K 25K - 50K >50K SF



### Sales Volume vs. Price/SF

Aggregate Sales Volume Avg Price/sf



### Top Sales

Property	Sale Date	Buyer	Sale Price
FedEx Smart Post Facility	01/13/2017	G&I IX 6840 Pontius LLC	\$27,963,954
Air East III	01/13/2017	G&I IX 7070 Pontius LLC	\$25,137,026
6000 Green Pointe Dr S	01/13/2017	G&I IX 6000 Green Pointe LLC	\$13,375,000
2970-3024 Charter St	01/13/2017	G&I IX Charter ST LLC	\$12,171,072
5331-5353 Fisher Rd	01/13/2017	G&I IX Fisher LLC	\$8,775,209



## Terminology

Term	Definition
Direct Vacant SF	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Flex/R&D	30+% is finished office; less than 24' clear height; at least one dock/drive-in door.
Inventory	The total square feet of all existing single tenant, multi tenant and owner occupied industrial properties greater than 10,000 SF.
Light Industrial	Used for general industrial purposes.
Manufacturing	Used for manufacturing purposes; includes features such as heavy power, cranes, above average floor load capacity, specialized systems and equipment, etc.
Net Absorption	The net change in physically occupied space from quarter to quarter, expressed in square feet.
Sublease SF	Space that is offered for lease by a current tenant, or his agent, within a property.
Total Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Total Vacant SF	The total of all of the vacant square footage within a building, including both direct and sublease space. Whether the tenant is paying rent or not, the space is considered vacant only if it is unoccupied.
Warehouse/Distribution	Can be subdivided; 18'+ clear height; sprinklered; dock high loading; less than 5% office. Used for general warehouse purposes.
Weighted Average Direct Lease Rate	The weighted average of all direct asking lease rates expressed as a triple net (NNN) rental rate and weighted on total direct available square feet. Non-net rates (such as Modified Gross) have been adjusted to reflect a triple net (NNN) rate.
Xceligent Partner	Central Ohio Commercial Information Exchange (COCIE)

*This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.*

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