Columbus

Retail

24Q3

Key Takeaways

- Over 96 percent of tracked retail properties are leased
- Majority of construction deliveries were supermarkets
- Q3 vacancy rate increased to 3.87 percent

		YOY	FORECAST
Vacancy Rate	3.87%	▲	▼
Net Absorption	-228K SF	▼	▲
Under Construction	545K SF	▲	▼

Regional Summary

The Columbus retail market saw significant negative absorption this quarter, with a slight vacancy rate increase from last quarter to 3.87 percent. Limited availability is a critical factor in the lower absorption trend, especially for smaller spaces (under 2,500 square feet) popular among food service tenants. Tenants need help finding high-quality space following several years of historically low development activity. Consumers are still impacted by macroeconomic headwinds in Columbus, with higher prices of goods and the possibility of another recession all weighing on spending. Higher costs also impact retailers, leading to higher store closures. While demand for retail space has remained healthy in the last few years, it could trail to more typical levels. Leasing activity has remained steady despite macroeconomic conditions affecting other real estate sectors. Just 540,000 square feet of space is under construction, representing 0.5 percent of the total market inventory. With build-to-suit projects driving most of the construction activity in the market, just 25 percent of the space under construction remains available. The biggest leases that were signed this quarter were Lowes, who leased 125,357 square feet at 2888 Brice Rd in the Reynoldsburg submarket, followed by Hobby Lobby, who leased 56,598 square feet at 1300-1428 River Valley Blvd in the Lancaster submarket. E-commerce integration continued to be a focal point for retailers. Additionally, prime retail locations in Columbus remained sought after, reflecting sustained investor confidence. Columbus is well-positioned to maintain balanced market conditions. Limited supply-side pressure and a growing consumer base will support retail demand despite the potential risks of high interest rates on consumer spending and new business formations.

Market Indicators

3.45% Columbus Unemployment Rate

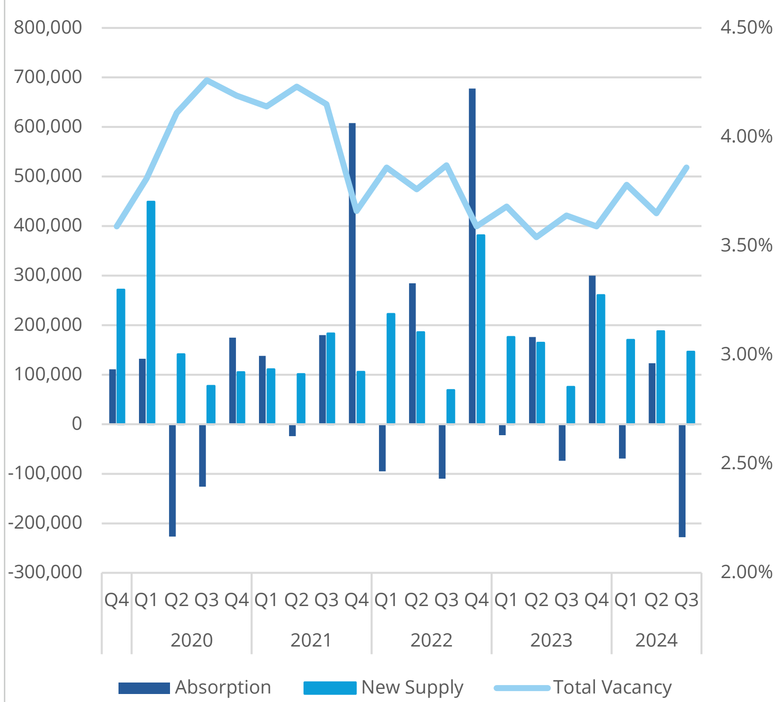
2.26% Columbus GDP – Quarterly % Change YoY

3.87% U.S. 10 Year Treasury Note

Historic Comparison

	23 Q3 YoY	24 Q2 QoQ	24 Q3 Current
New Supply (in thousands of SF)	90.1	187.6	146.4
Absorption (in thousands of SF)	-73.8	-4.4	-228.2
Overall Vacancy	3.90%	3.67%	3.87%
Overall Occupancy	96.30%	96.33%	96.13%
Under Construction (in thousands of SF)	585.0	649.0	546.2

Market Graph



The retail market has seen inconsistent absorption in recent years. However, development and vacancy have remained steady.

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Foot Traffic Analysis

477.7K Average Number of Visits YoY

3.85% Yearly % Change in Foot Traffic

2.63% Quarterly % Change in Foot Traffic

5.15 Average Frequency of Visits

Apparel

Retailer	Average Visits	2023 % Change	Average Frequency
Banana Republic	179K	10.16%	3.4
The Men's Wearhouse	118.9K	-4.66%	4.42
Burlington Stores	107.8K	-5.73%	2.58
Columbus Average	85.3K	-1.28%	3.48

Department Stores

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Macy's	463.6K	-37.81%	3.6
Nordstrom	251.6K	-14.49%	3.2
Marshall's	175.3K	1.45%	3.33
Columbus Average	144.5K	-7.92%	3.15

Discounters

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Dollar Tree	68.4K	1.6%	3.27
Family Dollar Stores	51.1K	3.05%	3.34
Dollar General	44.6K	0.82%	3.35
Columbus Average	49.9K	1.66%	3.71

Drug Stores

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Walgreens	76.5K	2.82%	3.56
Discount Drug Mart	69.5K	2.43%	4.99
CVS	67.4K	2.21%	3.84
Columbus Average	67.3K	2.76%	3.58

Experiential

Retailer	Average Visits	2022 % Δ Change	Average Frequency
AMC Entertainment	275.3K	-16.95%	3.7
Marcus Theatres	136.2K	-11.97%	3.15
Cinemark Theatres	106.3K	-29.88%	3.48
Columbus Average	143.8K	-16%	3.71

Financial Services

Retailer	Average Visits	2022 % Δ Change	Average Frequency
The Huntington National Bank	46.3K	5.68%	4.17
Chase	45.6K	3.29%	3.8
PNC Financial Services	36.2K	7.53%	4.02
Columbus Average	33.3K	4.71%	4.01

Foot Traffic Analysis

Grocery

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Walmart	603.5K	-1.16%	4.49
Costco Wholesale Corp.	584.7K	-0.63%	4.31
Sam's Club	469.3K	0.25%	4.12
Columbus Average	279.1K	-1.23%	4.93

Health & Fitness

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Crunch	161.3K	2.15%	9.09
Lifetime Fitness	156.5K	15.7%	9.33
Planet Fitness	90.3K	-6.92%	8.42
Columbus Average	39.8K	-4.27%	6.47

Home Improvement & Housewares

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Lowe's	177K	-18.21%	3.63
The Home Depot	165.6K	-10.45%	3.96
Tractor Supply Co.	138.8K	4.81%	4.28
Columbus Average	64K	-7.28%	3.78

Personal Care & Cosmetics

Retailer	Average Visits	2022 % Change	Average Frequency
ULTA Beauty	75.4K	2.63%	3.05
Elements Therapeutic Massage	72.8K	13.08%	3.08
Palm Beach Tan	46.2K	0.45%	5.31
Columbus Average	34.9K	-2.88%	3.6

Restaurants

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Chick-fil-a	393.4K	6.52%	3.88
Raising Cane's	244.9K	38.78%	4.47
McDonalds's US	202.6K	7.99%	4.11
Columbus Average	72.9K	5.89%	3.56

Sporting Goods

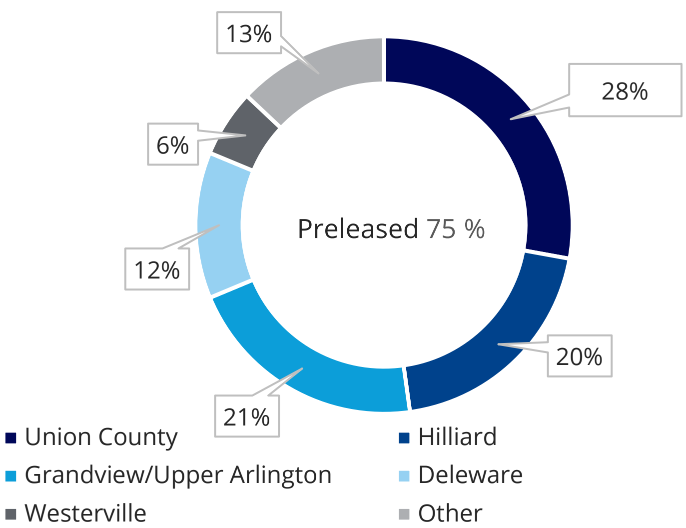
Retailer	Average Visits	2022 % Δ Change	Average Frequency
Dick's Sporting Goods	259.8K	-0.69%	3.53
Field & Stream	156.8K	6.78%	2.99
REI	77.2K	7.59%	2.69
Columbus Average	232.3K	-2.95%	3.88

Source: *RetailStat Real Estate Intelligence*

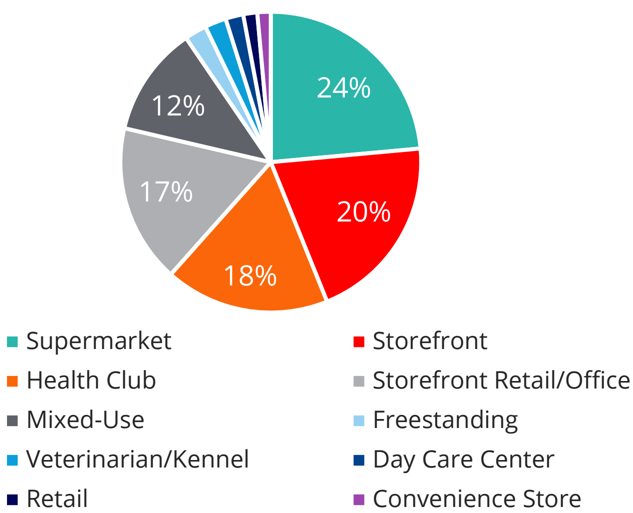
Under Construction

Retail development activity in the Columbus market has aligned with broader trends in the retail sector. Development activity has been modest over the past decade, with just 459,535 square feet delivered over the past 12 months. Elevated construction financing costs are weighing on construction activity, leading to the lack of construction. Many of the most significant properties under construction are build-to-suits, such as the new Kroger at 123,000 square feet in Dublin. Mixed-use developments include much of the new space coming online in recent months. Ten percent of current under-construction projects are mixed-use, including developments like Trueman Blvd and The Blakely, feeding into the national trend of more work-and-play developments.

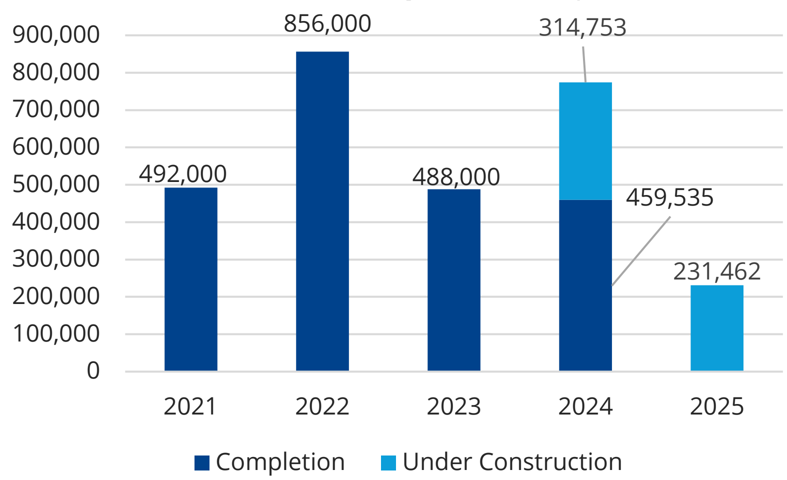
Construction By Leading Submarkets



Construction Use Type



Construction Completion SF By Year



Notable Construction Projects

Business Park/Address	Submarket	RBA	% Leased	Est. Delivery Date	Developer/ Owner/Tenant
12116 Sycamore Trace/Kroger	Dublin	123,000	100.00%	Q4 2024	Kroger
The Well	Hilliard	92,400	100.00%	Q3 2025	City of Hilliard
The Blakely	Grandview	53,195	92.40%	Q2 2024	Elford
Golden Bear Development	Upper Arlington	44,710	0.00%	Q2 2025	Arcadia Development
The Shoppes at Wedgewood	Powell	43,000	0.00%	Q4 2025	Saberi Development
12062 Sycamore Trace	Dublin	20,000	0.00%	Q4 2024	Unknown

Significant Sales Activity

Address	Size	Buyer	Sales Price	Submarket
2888 Brice Rd	125,357	Behpour Family Trust	$8,607,000	Reynoldsburg
2650-2678 Courtright Rd	58,000	Saraga International Grocery	$1,315,000	East
6585 E Broad St	45,000	Sentinel Net Lease	$8,635,000	Whitehall
4589 E Broad St	43,201	Triple Shift Entertainment	$2,500,000	Whitehall
215 W Johnstown Rd	24,036	STORE Capital Corporation	$3,830,000	Gahanna

Significant Lease Activity

Address	Size	Tenant	Deal Type	Submarket
2888 Brice Rd	125,357	Lowe’s	Renewal	Reynoldsburg
1300-1428 River Valley Blvd	56,598	Hobby Lobby	Renewal	Lancaster
747-889 Bethel Rd	**26,641**	**Grocery Outlet Inc.**	**New**	**Clintonville**
1185-1259 N Memorial Dr	20,546	Michaels	New	Lancaster
3355 E Livingston Ave	12,943	Dollar General	New	East

Bold/Blue Denotes Colliers Represented Transaction

Columbus | 24Q3 Retail | Top Active Submarket Statistics

Submarket	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Availability Rate	Vacancy Rate	Occupancy Rate	Under Construction	Deliveries SF
Dublin	10,229,158	2.47%	0.00%	3.53%	2.47%	97.53%	5,515	-
Easton	4,408,132	1.59%	0.00%	1.70%	1.59%	98.41%	-	-
Grove City	2,3351,966	1.53%	0.00%	1.41%	1.53%	98.47%	10,972	-
Polaris	6,029,168	1.72%	0.00%	2.34%	1.72%	98.28%	6,000	100,000
Powell	2,503,061	3.62%	0.25%	5.79%	3.87%	96.13%	43,000	-
Short North	1,366,625	2.01%	0.00%	2.44%	2.01%	97.99%	-	-
Westerville	6,151,990	2.19%	0.18%	2.82%	2.37%	97.63%	-	5,000
*Overall Total	93,932,006	3.68%	0.06%	3.86%	3.74%	96.26%	522,300	146,464

*** Overall total includes the statistics from all submarkets, not only the top active.**

Source: Costar

Property Type	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Availability Rate	Vacancy Rate	Occupancy Rate	Under Construction	Deliveries SF
Auto Dealership/Repair	4,848,036	0.50%	0.00%	0.36%	0.50%	99.50%	-	-
Bank	1,380,459	2.00%	0.00%	1.07%	2.00%	98.00%	-	-
Bar/Nightclub	327,079	3.58%	0.00%	4.18%	3.58%	96.42%	-	-
Convenience Store	650,735	1.97%	0.00%	0.00%	1.97%	98.03%	7,500	2,000
Department Store	2,965,842	3.37%	0.00%	3.37%	3.37%	96.63%	-	-
Drug Store	747,560	3.49%	0.00%	5.44%	3.49%	96.51%	-	-
Fast Food	1,537,232	0.99%	0.00%	1.12%	0.99%	99.01%	2,500	-
Freestanding	54,655,881	4.62%	0.02%	4.58%	4.64%	95.36%	12,400	-
Health Club	933,448	6.04%	0.00%	8.31%	6.04%	93.96%	92,400	-
Restaurant	2,965,286	3.17%	0.00%	2.77%	3.17%	96.83%	-	-
Service Station	422,828	0.00%	0.00%	0.00%	0.00%	100.00%	-	-
Supermarket	4,046,098	0.46%	0.00%	0.46%	0.46%	99.54%	123,000	120,664

Property Size SF	Total Inventory SF	Direct Vacancy Rate	Sublease Vacancy Rate	Availability Rate	Vacancy Rate	Occupancy Rate	Under Construction	Deliveries SF
0 - 6,499	13,653,719	1.84%	0.12%	1.86%	1.96%	98.04%	23,915	7,000
6,500 - 11,999	11,311,853	2.57%	0.03%	3.27%	2.60%	97.40%	63,765	6,800
12,000+	68,994,136	4.23%	0.05%	4.35%	4.28%	95.72%	458,535	132,664

FOR MORE INFORMATION
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