Colliers

Columbus

Retail

24Q2

Key Takeaways

- Over 96 percent of tracked retail properties are leased
- Majority of construction deliveries were freestanding properties
- Q2 vacancy rate increased to 3.67 percent

Vacancy Rate	Net Absorption	Under Construction
3.67%	-4K SF	649K SF
YOY ▲ / FORECAST ▼	YOY ▼ / FORECAST ▲	YOY ▲ / FORECAST ▼

Regional Summary

The Columbus retail market saw small negative absorption this quarter, with a slight vacancy rate increase from last quarter to 3.67 percent. Limited availability is a critical factor in the lower absorption trend, as 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 looming 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 650,000 square feet of space is under construction, representing 0.5% of the total market inventory. With build-to-suit projects driving most of the construction activity in the market, just 25% of the space under construction remains available. The biggest leases that were signed this quarter were Slick City, who took 32,143 square feet at 1170-1194 Polaris Pkwy in the Polaris submarket, followed by Where Ya Bin, who leased 28,400 square feet at 6000-61000 Sawmill Rd in the Dublin submarket. Anchored by a diverse range of businesses, from local boutiques to national chains, the market sustained steady leasing activity. E-commerce integration continued to be a focal point for retailers. Additionally, prime retail locations in Columbus remained sought after, reflecting sustained investor confidence. As the city grows and diversifies, the commercial retail sector is poised for further innovation and expansion in the quarters ahead.

Market Indicators

3.90% Columbus Unemployment Rate

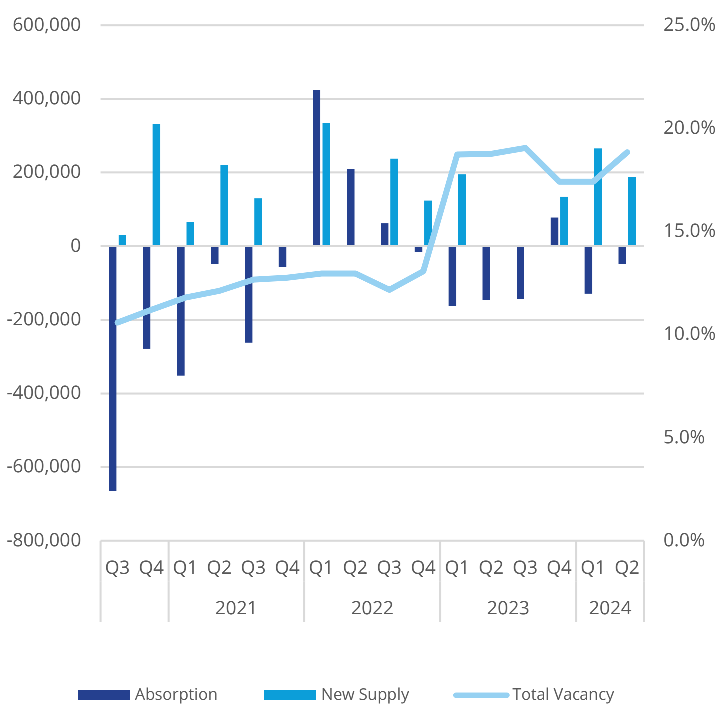
2.81% Columbus GDP – Quarterly % Change YoY

4.40% U.S. 10 Year Treasury Note

Historic Comparison

	23 Q2 YoY	24 Q1 QoQ	24 Q2 Current
New Supply (in thousands of SF)	86.7	147.0	187.6
Absorption (in thousands of SF)	176.0	71.7	-4.4
Overall Vacancy	3.70%	3.60%	3.67%
Overall Occupancy	96.30%	96.40%	96.33%
Under Construction (in thousands of SF)	653.9	641.7	649.0

Market Graph



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

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Foot Traffic Analysis

465.1K Average Number of Visits YoY

13.33% Yearly % Change in Foot Traffic

-1.78% Quarterly % Change in Foot Traffic

5.46 Average Frequency of Visits

Apparel

Retailer	Average Visits	2023 % Change	Average Frequency
Banana Republic	114.2K	-8.87%	3.55
Burlington Stores	100.3K	-6.49%	4.79
The Men's Warehouse	93.3K	5.74%	2.88
Columbus Average	84.6K	5.21%	3.86

Department Stores

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Macy's	446.6K	-40.62%	3.99
Nordstrom	273.1K	-10.12%	3.50
Kohl's	173.9K	7.08%	3.56
Columbus Average	146.1K	-1.81%	3.52

Discounters

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Dollar Tree	69.7K	9.17%	3.64
Family Dollar Stores	48.2K	0.73%	3.45
Dollar General	37.8K	12.22%	3.45
Columbus Average	49.2K	6.01%	4.05

Drug Stores

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Walgreens	75.5K	1.62%	3.99
CVS	68.1K	4.08%	4.27
Discount Drug Mart	68K	-0.24%	5.36
Columbus Average	60.2K	4.08%	3.89

Experiential

Retailer	Average Visits	2022 % Δ Change	Average Frequency
AMC Entertainment	377.4K	2.62%	3.95
Marcus Theatres	163.7K	2.64%	3.74
Cinemark Theatres	138.7K	-3.43%	3.96
Columbus Average	150.8K	-2.4%	3.97

Financial Services

Retailer	Average Visits	2022 % Δ Change	Average Frequency
The Huntington National Bank	46.6K	7.79%	4.70
Chase	45.8K	4.82%	4.24
PNC Financial Services	33.0K	3.12%	4.15
Columbus Average	32K	3.00%	4.30

Columbus

Retail

24Q2

Foot Traffic Analysis

Grocery

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Walmart	579.2K	2.82%	4.81
Costco Wholesale Corp.	568.3K	3.75%	4.62
Sam's Club	454.5K	3.20%	4.38
Columbus Average	267.6K	1.47%	5.21

Health & Fitness

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Crunch	169.6K	11.93%	10.51
Lifetime Fitness	150.7K	16.01%	10.17
Planet Fitness	146.6K	20.91%	7.27
Columbus Average	38.3K	-0.41%	6.83

Home Improvement & Housewares

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Lowe's	155.3K	-16.23%	3.77
The Home Depot	147.2K	-9.99%	4.04
Tractor Supply Co.	131.5K	7.52%	4.54
Columbus Average	57.9K	-5.61%	4.01

Personal Care & Cosmetics

Retailer	Average Visits	2022 % Change	Average Frequency
ULTA Beauty	78.5K	6.25%	3.31
Palm Beach Tan	44.0K	-2.42%	6.16
L'OCCITANE	13.1K	44.26%	3.23
Columbus Average	35.2K	1.01%	4.09

Restaurants

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Chick-fil-a	462.3K	8.45%	4.00
Raising Cane's	169.0K	-1.17%	4.63
McAlister's Deli	191.1K	6.97%	5.25
Columbus Average	71.0K	4.29%	3.87

Sporting Goods

Retailer	Average Visits	2022 % Δ Change	Average Frequency
Dick's Sporting Goods	243.5K	-3.43%	3.66
Field & Stream	160.9K	26.92%	3.12
REI	71.2K	7.60%	3.82
Columbus Average	228.5K	3.73%	4.21

Source: *RetailStat Real Estate Intelligence*

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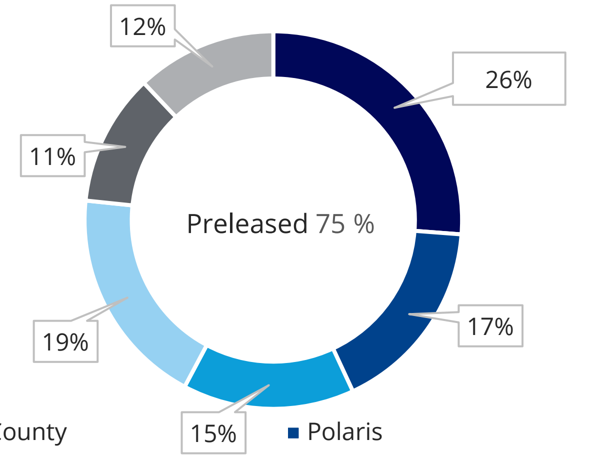
Retail

24Q2

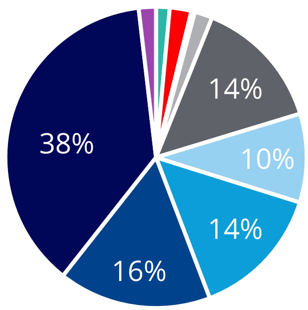
Under Construction

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 300,000 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 largest properties under construction are build-to-suit, such as the new BJ's Wholesale Club at 100,000 square feet in New Albany, which is the first Columbus area location since 2002. 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 such developments as Trueman Blvd and The Blakely, feeding into the national trend of more work and play developments.

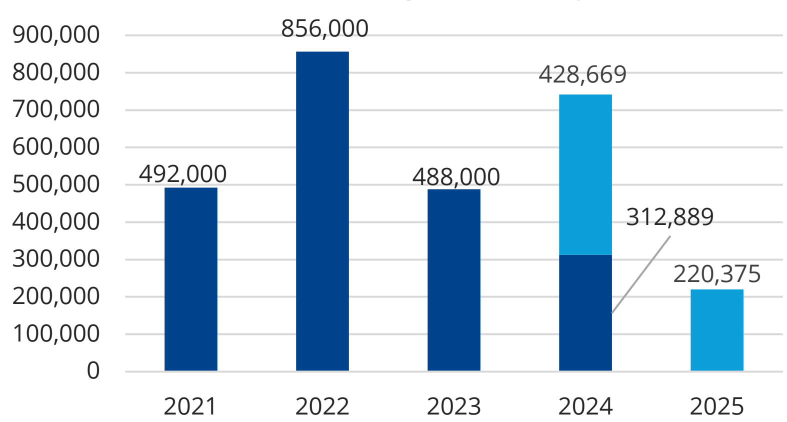
Construction By Leading Submarkets



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
8425 Orange Center Dr/ Bj's Wholesale	Lewis Center	100,000	100.00%	Q3 2024	Bj's Wholesale
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

Significant Sales Activity

Address	Size	Buyer	Sales Price
6300 E Livingston Ave	101,621	Madhuri Chenepali	$5,400,000
1700 E Dublin Granville Rd	17,596	AcuteCare Health System	$5,000,000
4085 Hamilton Square Blvd	12,150	Realty Income Corporation	$4,741,650
161-167 N High St	27,627	Independent Home Healthcare	$4,300,000
1469-1537 W Broad St	34,369	Sunshine Stores & Hotels	$3,724,000

Significant Lease Activity

Address	Size	Tenant	Deal Type
1170-1194 Polaris Pkwy	32,143	Slick City	New
6000-61000 Sawmill Rd	28,400	Where Ya Bin	New
3583 E Broad St	15,048	Volunteers of America	New
350-470 E Broad St	13,934	QSR	New
4946 Blazer Pkwy	12,411	Lightbridge Academy	New

Columbus | 24Q2 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	10,425,402	2.16%	0.00%	3.57%	2.16%	97.84%	5,515	-
Easton	4,465,735	0.80%	0.00%	1.09%	0.80%	99.20%	-	-
Grove City	2,414,542	1.58%	0.59%	1.25%	2.17%	97.83%	10,972	18,120
Polaris	5,984,603	1.76%	0.07%	3.18%	1.83%	98.17%	106,000	-
Powell	2,528,881	3.97%	0.25%	6.43%	4.22%	95.78%	43,000	-
Short North	1,258,923	1.64%	1.31%	2.56%	2.95%	97.05%	-	34,000
Westerville	6,194,209	1.84%	0.18%	2.77%	2.02%	97.98%	-	-
*Overall Total	93,199,258	3.61%	0.28%	4.03%	3.89%	96.11%	641,785	312,889

*** 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	0.56%	0.00%	0.36%	0.56%	99.44%	-	50,000
Bank	1,380,459	1.65%	0.00%	0.94%	1.65%	98.35%	-	2,819
Bar/Nightclub	327,079	1.87%	0.00%	1.17%	1.87%	98.13%	-	-
Convenience Store	650,735	2.00%	0.00%	1.11%	2.00%	98.00%	9,500	4,000
Department Store	2,965,842	3.37%	0.00%	3.37%	3.37%	96.63%	-	-
Drug Store	747,560	2.02%	0.00%	2.02%	2.02%	97.98%	-	-
Fast Food	1,537,232	0.97%	0.00%	0.65%	0.97%	99.03%	2,500	-
Freestanding	54,655,881	4.57%	0.32%	4.81%	4.89%	95.11%	12,400	-
Health Club	933,448	6.04%	0.00%	8.31%	6.04%	93.96%	92,400	-
Restaurant	2,965,286	2.81%	0.77%	2.83%	3.58%	96.42%	-	-
Service Station	422,828	0.00%	0.00%	0.00%	0.00%	100.00%	-	-
Supermarket	4,046,098	0.54%	0.00%	0.49%	0.54%	99.46%	243,664	-

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	13,584,745	1.96%	0.18%	1.99%	2.14%	97.86%	29,555	21,085
6,500 - 11,999	11,234,100	2.06%	0.20%	3.13%	2.25%	97.75%	42,830	7,000
12,000+	68,380,413	4.19%	0.32%	4.58%	4.51%	95.49%	579,199	119,287

FOR MORE INFORMATION
Collin Fitzgerald
Research Manager
Columbus
+1 614 436 9800
collin.fitzgerald@colliers.com