

4th Quarter 2015

Market Report

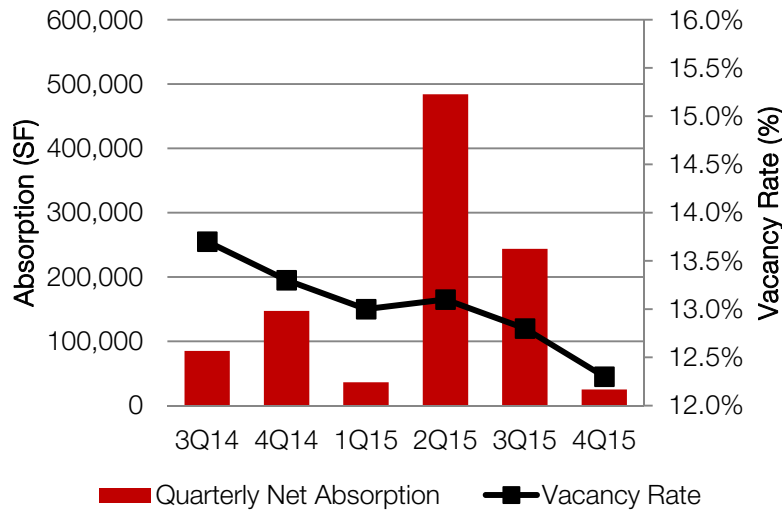




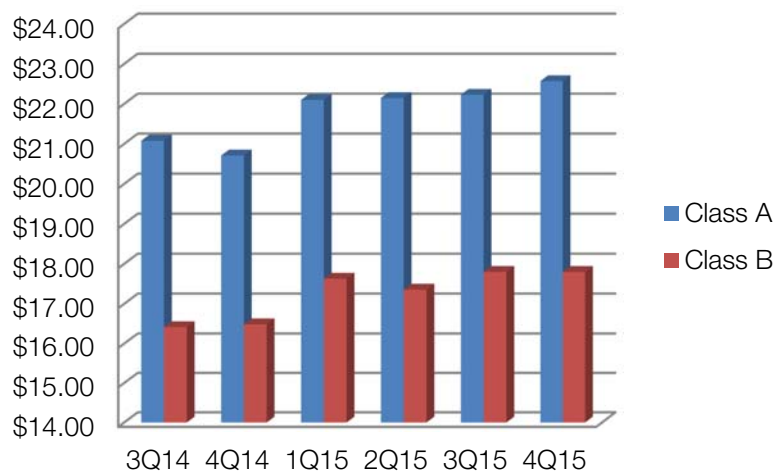
Office.

Market Statistics

Quarterly Absorption and Vacancy



Historic Rental Rates (FSG)



Vacancy Rate ↓ Net Absorption ↓ Asking Rents ↑

OVERALL MARKET

Building Class	# of Bldgs	Inventory (SF)	Total Available (SF)	Sublease Available (SF)	Qtrly Net Absorption
A	91	13,395,956	2,591,606	243,844	35,951
B	231	17,904,383	3,357,169	161,564	-10,815
Grand Total	322	31,300,339	5,948,775	405,408	25,136

CENTRAL BUSINESS DISTRICT MARKET

Building Class	# of Bldgs	Inventory (SF)	Total Available (SF)	Sublease Available (SF)	Qtrly Net Absorption
A	20	4,203,448	492,139	29,656	19,581
B	50	6,438,637	1,141,457	103,926	34,287
Grand Total	70	10,642,085	1,633,596	133,582	53,868

SUBURBAN MARKETS

Building Class	# of Bldgs	Inventory (SF)	Total Available (SF)	Sublease Available (SF)	Qtrly Net Absorption
A	71	9,192,508	2,099,467	214,188	16,370
B	181	11,442,675	2,232,362	51,039	50,424
Grand Total	251	20,545,183	4,132,087	267,860	112,958

4th Quarter 2015 Office Market Update

The Columbus office market wrapped up 2015 absorbing over 25,000 SF in the 4th quarter with net positive absorption totaling nearly 800,000 SF for the year. As a result, the total vacancy rate fell to 12.3% for the 31 million SF of product tracked in the marketplace. Vacancy rates for Class A and B buildings declined to 9.5% and 14.4%, respectively. Asking rates have continued to rise over the past year ending at \$19.86/SF for the 4th quarter.

The Northwest and CBD submarkets saw some of the more significant transactions. Notable deals include 63,000 SF leased by Intermodal / XPO Logistics at 5165 Emerald Pkwy in Dublin, nearly 25,000 SF leased by Reminger Law at 200 Civic Center Dr. downtown, and 16,000 SF by Abbot Labs at 191 W. Nationwide Blvd.

Favorable Landlord conditions due to limited Class A inventory have led to several major construction projects coming online in 2016. Nearly 100,000 SF will be delivered in Dublin with the first phase of Crawford Hoying's Bridge Park Development, which will eventually offer a total of 373,000 SF of office space once completed. Later this year, Nationwide Realty Investors will be bringing on an additional 100,000 SF at the Buggyworks redevelopment in the Arena District.

After a strong year the outlook for 2016 is positive. With an unemployment rate of 3.8% and further job growth anticipated, demand in the Columbus office market is expected to remain steady.



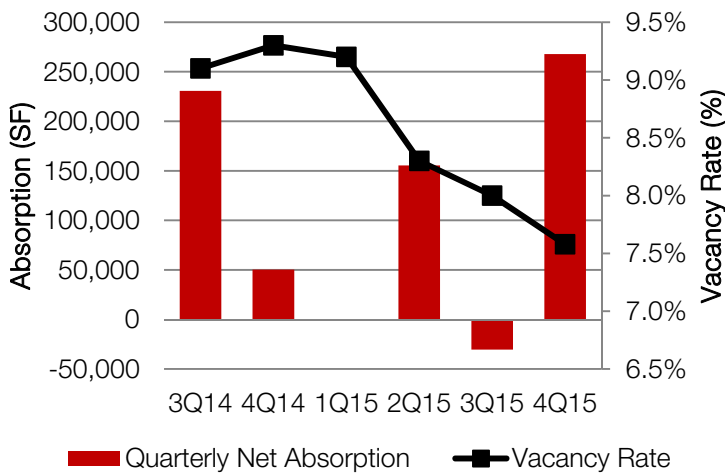
Bridge Park Development



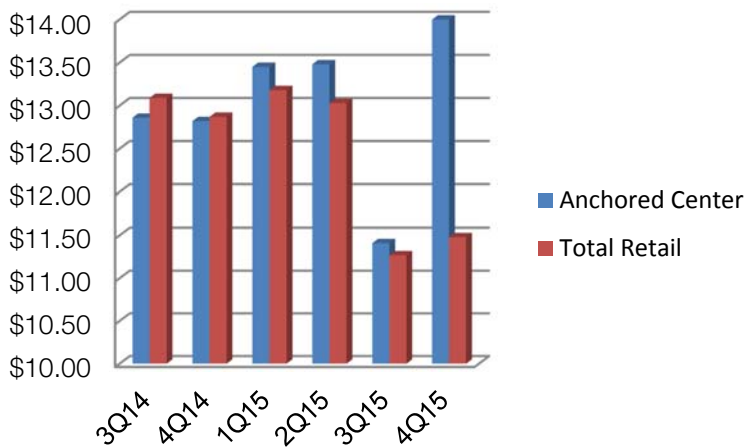
Philip Bird

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Quarterly Absorption and Vacancy



Historic Rental Rates



Retail.

Market Statistics

4th Quarter 2015 Retail Market Update

The Columbus Region's retail sector continues to move in a very positive direction. With just over ½ million square feet absorbed for all of 2015, half of that occurred in the fourth quarter, pushing down the vacancy rate to just 7.7%.

Grocery anchored centers made the biggest gains, absorbing 200,000 square feet over the past quarter.

The home furnishings category gets the award for biggest new leases with Big Sandy Super Store taking 110,000 square feet in the northwest quadrant, and not-for-profit Furniture Bank leasing the 50,000 square foot former Rite Rug on Morse Road. Furniture Bank completing their transaction with the help of NAI agents Andy Dutcher and Matt Gregory.

Asking rates region wide increased a significant \$0.50 per square foot last quarter.

The pace of new construction is also significant, with 1,200,000 square feet of retail currently in the cue to open later this year.

Two words I will use to describe the Columbus Region's retail sector for 2015: *Healthy & Growing*.



Michael Simpson

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Vacancy Rate ↓ Net Absorption ↑ Asking Rents ↑



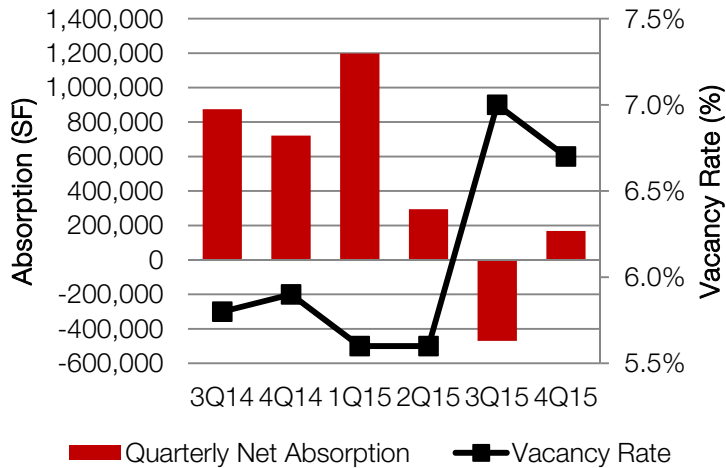
Submarket	# of Bldgs	Inventory (SF)	Total Available (SF)	Available Sublease (SF)	Vacancy Rate (%)	Qtrly Net Absorption (SF)
North-Northeast	105	9,638,098	938,546	7,800	9.00%	98,837
Power Ctr	12	2,665,379	168,513	0	10.90%	12,798
Anchored Strip Center	16	2,322,111	263,315	7,800	11.30%	4,783
Community/Convenience	77	4,650,608	371,669	0	6.90%	45,256
Northwest	90	9,580,823	510,072	7,272	4.40%	146,056
Power Ctr	13	3,774,286	168,513	7,272	3.20%	1,200
Anchored Strip Center	18	2,336,278	95,579	0	3.60%	110,886
Community/Convenience	59	3,470,259	245,980	0	6.30%	33,970
Southeast	62	6,495,727	916,932	0	13.50%	-35,703
Power Ctr	6	2,639,420	339,759	0	12.90%	-5,300
Anchored Strip Center	17	2,054,330	250,932	0	10.40%	45
Community/Convenience	39	1,801,977	326,241	0	17.90%	-30,448
Southwest	44	5,286,936	676,179	0	6.80%	15,626
Power Ctr	6	1,779,974	451,919	0	8.50%	2,400
Anchored Strip Center	10	1,476,021	55,848	0	3.80%	3,958
Community/Convenience	28	2,030,941	168,412	0	7.60%	9,268
Central	22	2,551,043	75,718	6,000	2.90%	-1,700
Power Ctr	2	816,553	36,357	0	4.50%	1,600
Anchored Strip Center	5	531,311	9,750	6,000	1.80%	-6,000
Community/Convenience	15	1,203,179	29,611	0	2.30%	2,700
Grand Total	421	41,772,757	3,828,417	23,588	7.70%	267,887



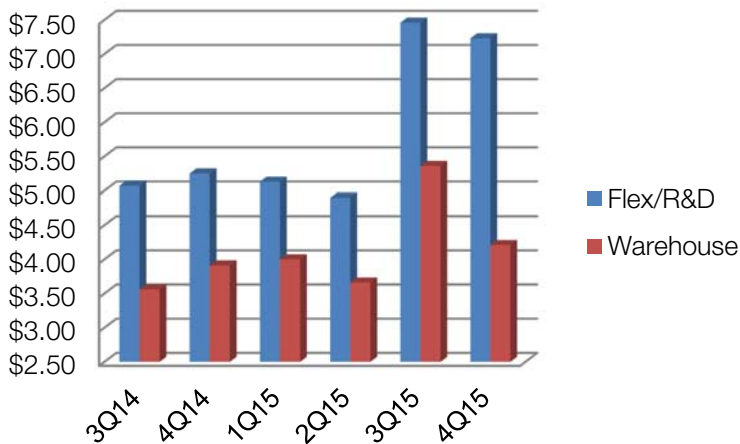
Industrial.

Market Statistics

Quarterly Absorption and Vacancy



Historic Rental Rates



Vacancy Rate ↓ Net Absorption ↑ Asking Rents ↓

Property Type	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Vacancy Rate (%)	Qtrly Net Absorption (SF)
Bulk Warehouse	235	70,934,044	8,867,432	10.20%	-248,090
Light Industrial	886	39,433,156	2,323,674	3.10%	116,637
Manufacturing	263	31,991,662	2,313,713	5.20%	-757,958
Truck Terminal	76	10,899,175	110,226	0.00%	22,148
Investment Grade	316	52,135,735	5,804,693	7.40%	1,047,749
Flex	1,045	59,402,202	4,769,796	5.50%	497,040
Warehouse	1,090	83,887,928	5,883,730	3.30%	442,303
Grand Total	2,652	240,312,396	24,355,437	6.7%	-469,716
Submarket	# of Bldgs	Inventory (SF)	Total Available (SF)	Direct Vacancy Rate (%)	Qtrly Net Absorption (SF)
East	398	22,436,036	1,392,774	2.90%	5,931
West	509	37,472,350	2,808,487	4.90%	518,827
Southeast	505	76,160,427	8,394,121	9.80%	1,780,035
Southwest	266	21,629,083	3,057,211	6.50%	-740,201
North	347	19,168,945	1,240,909	4.50%	56,081
CBD	87	2,775,556	115,755	0.10%	0
Outlying	543	61,982,706	5,414,193	5.40%	-1,452,601
Grand Total	2,655	241,825,103	22,423,450	6.60%	168,072

4th Quarter 2015 Industrial Market Update

The Columbus Industrial Market remains tight with an overall vacancy rate of 6.7%. This rate is slightly lower than last quarter. It is still a landlord's market, and lease rates are up for the third straight quarter. Tenants are finding it difficult to believe there are such limited options of available spaces.

Net absorption was positive 168,072 SF which was an improvement of over 600,000 SF from last quarter. This number would have been much better if a large manufacturer did not vacate over 700,000 square feet. The investment grade class "A" buildings fared much better with over 1,000,000 SF of positive absorption. The majority of this positive absorption came from two transactions. Saddlecreek Logistics leased 1,001,344 SF, and FARO Services occupied their new 530,000 SF building.

Investment activity continued to be strong with cap rates continuing at or near all time lows. The per square foot sale prices of warehouse space has never been higher. The largest transaction was Exeter Property Group selling 12 buildings totally almost 6,000,000 SF to the Abu Dhabi Investment Authority and PSP Investments, a Canadian pension fund.

Speculative construction continues with two buildings under construction. The largest of which is 478,000 SF. Even though two speculative buildings of over 600,000 square feet have remained vacant for over 12 month it is expected that at least two other spec projects will be under construction by summer.



Curt Berlin SIOR

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Market Report

Terminology.

Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building's owner/management company. For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NNN basis.

Building Class

Class A product is office space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office space built after 1980, fair to good finishes & wide range of tenants.

Direct Vacancy

Space currently available for lease directly with the landlord or building owner.

Market Size

Includes all existing and under construction office buildings (office, office condo, office loft, office medical, all classes and all sizes, both multi-tenant and single-tenant, including owner-occupied buildings) within each market.

Overall Vacancy

All unoccupied lease space, either direct or sublease.

RBA

Rentable building area.

SF/PSF

Square foot / per square foot, used as a unit of measurement.

Sublease

Arrangement in which a tenant leases rental property to another, and the tenant becomes the landlord to the subtenant.

Sublease Space

Total square footage being marketed for lease by the tenant. Sublease space is not considered in the overall occupancy or absorption numbers – only direct leases are included.

Sublease Vacancy

Space currently available in the market for sublease with an existing tenant within a building acting as the landlord.

