



Delaware Commercial Q4 2024 Real Estate Statistics

Absorption & Vacancy

The Delaware County commercial real estate market demonstrated strong performance in Q4, with 135,846 square feet of positive absorption across the office, industrial, retail, and medical office sectors. The industrial sector led the way, absorbing 162,112 square feet, driven by robust demand from companies like Luvata, which occupied 127,947 square feet at 2039 Pittsburgh Dr. This activity contributed to a low industrial vacancy rate of 6.78%, outperforming the Columbus market average of 9.37%. While the office sector experienced negative absorption of 13,625 square feet, the Delaware County office vacancy rate remained low at 7.17%, starkly contrasting to the 21.91% vacancy rate in the Columbus suburbs. The retail sector continued to exhibit strong demand with a low vacancy rate of 1.57%. The Delaware retail market recorded only 984 square feet of positive absorption. The low absorption is partly due to the lack of availability in Delaware County. Delaware County, Ohio, is a strong market for commercial real estate due to its diverse economy, anchored by healthcare, education, and technology sectors. Excellent infrastructure, including major highways like I-71 and US-23, provides easy access to regional and national markets, facilitating logistics and commuting. This combination of economic strength and convenient transportation fuels the county's demand for office, retail, and industrial space.

Tenants in the Market

Colliers | Columbus reports that 15 office tenants are seeking space in Delaware County, which includes the Polaris, Powell, and Westerville submarkets. The two prominent industries looking for space in Delaware County are engineering and healthcare. Most office users are seeking space under 10,000 square feet. There are 13 users in the industrial sector looking for space in Delaware County and 50 retail users.

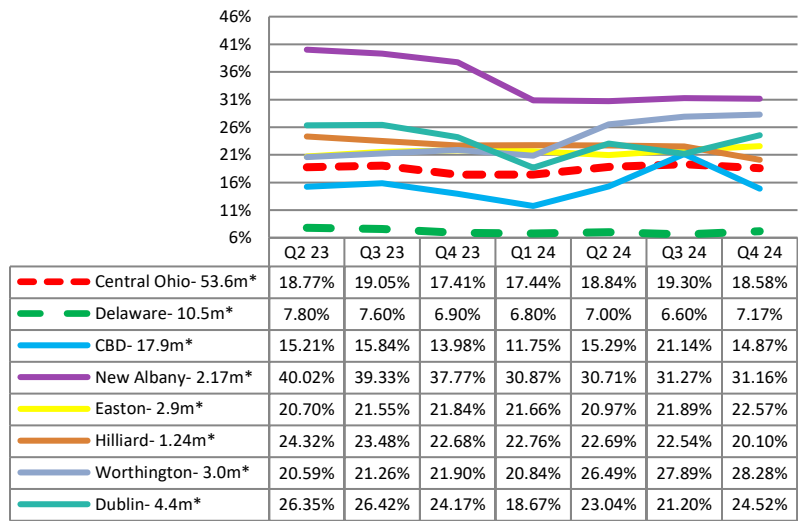
Around the Region

At the end of 2024, the office market vacancy dropped in Columbus compared to the national vacancy rate. This was due to limited build-to-suit deliveries such as BBI Logistics and Advanced Drainage Systems and owner-occupiers purchasing buildings. This created a positive net absorption of 450,000 square feet in the fourth quarter. Simultaneously, we are still seeing vacancy rates climb to near-record highs, surpassing 20% in several submarkets, as tenants continue to downsize or delay long-term leasing decisions. Class A office space, particularly those with modern amenities and central locations, fared better, but older and less adaptable buildings faced rising obsolescence. The Columbus industrial market had negative net absorption this quarter after having positive absorption in Q2 and Q3. The most significant reason behind the sizeable negative absorption was the 3.8 million square feet of space vacated by Big Lots due to bankruptcy. Without the Big Lots outlier, Q4 absorption would have been positive 847,977 square feet, along with positive 2M square feet for 2024. Along with absorption being drastically different, the vacancy rate without Big Lots would have been 8.30%, a percentage point lower. While still historically low, vacancy rates showed signs of creeping upward as speculative developments outpaced absorption rates. This year saw the lowest absorption in the past decade, but activity remains healthy, with a positive outlook for 2025.

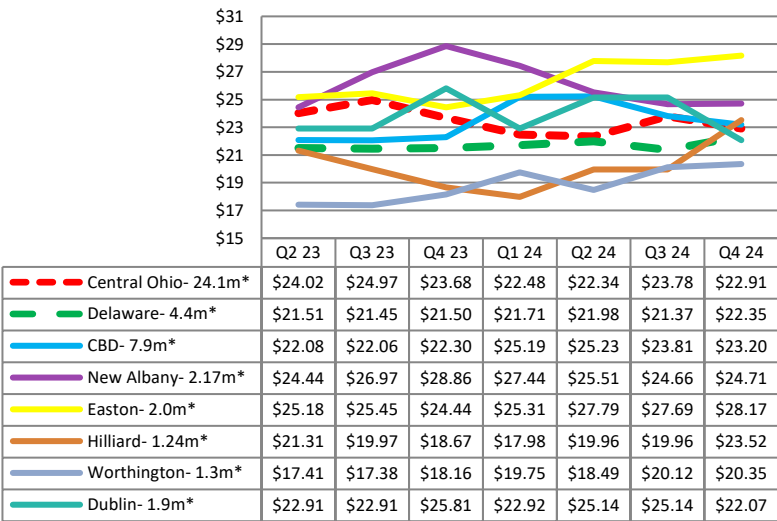


Submarket Comparison

Office Vacancy Rates



Class A Office Rental Rates (FSG*)



Leasing Activity

Property Address	Execution Date	Tenant Name	Leased SF	Asking Rate	Type	General Use	Specific Use
8800 Lyra Dr	12/11/2024	NVR Settlement Services	16,642	\$13.50	NNN	Office	General
170 W Olentangy St	11/22/2024	Construction Corner	3,580	\$30.00	NNN	Retail	Storefront
271 S Liberty St	10/29/2024	Broadview	2,760	\$13.00	NNN	Office	General
320 London Rd	11/13/2024	E-Crane	2,000	\$10.50	FSG	Industrial	Warehouse
6058 Glick Rd	11/8/2024	Waxing the City	1,730	\$45.00	NNN	Retail	Storefront

Sales Activity

Property Address	Sale Date	Sale Price	Size SF	Type	Subtype	Year Built
8752-8754 Cotter St	12/18/2024	\$1,950,000	15,909	Office	General Office	2001
222 E William St	12/13/2024	\$1,225,000	7,000	Retail	Freestanding	1968
8947-8949 Antares Ave	12/5/2024	\$895,000	9,000	Office	Medical	1997

Database

The statistical set for each property type comprises all competitive buildings in Delaware County. Competitive space is any space that can be easily used by another tenant for the purposes of that property type. In the case of retail for example, an automobile dealers' building is not included because it would be difficult for another non-dealer to use the space. For industrial, heavy manufacturing properties is excluded. For office, all properties where the government is both 100 percent owner and occupier are excluded as well. The building list was updated in Q4 2024 to reflect a more accurate dataset.

Methodology

The report is compiled using sources for reporting vacancy rates includes consulting agent knowledge from Colliers, external databases, and local news. Asking rental rates are calculated by using the weighted average of the asking rates. The available space of each building is then multiplied by the asking rate for that building. Then, the rate-by-space amount in the entire market is added and divide by the total amount of available space in the market. This allows buildings with more available space than another to weight the average.

Q4 2024

					Net Absorption*		New Construction		Asking Rental Rate	
	# of Buildings	Total SF	Vacant SF	Vacancy %	Current Quarter	Year to Date	Current	Completed	(Average Weighted)	Type
Office	121	7,059,533	504,126	7.17%	-13,625	-31,681	-	-	\$21.08	FSG
A	25	4,573,055	392,439	8.58%	12,311	27,349	-	-	\$22.35	FSG
B	71	2,069,454	93,084	4.50%	-15,936	-45,449	-	-	\$19.33	FSG
C	25	389,886	18,603	4.77%	-10,000	-13,761	-	-	\$17.21	FSG
Retail	49	2,443,142	24,688	0.59%	984	1,997	-	-	\$22.83	NNN
Freestanding	22	1,319,406	2,400	0.18%	-	2,013	-	-	\$19.03	NNN
Storefront	13	642,169	19,255	3.00%	1,984	1,984	-	-	\$24.56	NNN
Strip Center	11	226,034	16,790	7.43%	-1,000	-2,000	-	-	\$21.03	NNN
Supermarket	3	255,533	-	-	-	-	-	-	-	NNN
Industrial	201	15,335,520	1,040,133	6.78%	162,112	195,869	-	-	\$9.54	NNN
Flex/R&D	3	72,328	25,939	35.86%	6,000	26,000	-	-	\$11.78	NNN
General Industrial	189	12,247,945	-	-	28,165	-382,078	-	-	\$9.20	NNN
Warehouse/Distrib.	9	3,015,247	22,000	2.00%	127,947	551,947	-	679,947	\$9.00	NNN
Medical	41	1,664,355	54,085	16.91%	8,170	-129,885	-	-	\$21.11	FSG

Q3 2024

					Net Absorption*		New Construction		Asking Rental Rate	
	# of Buildings	Total SF	Vacant SF	Vacancy %	Current Quarter	Year to Date	Current	Completed	(Average Weighted)	Type
Office	122	7,047,830	507,519	6.6%	4,541	-18,056	-	-	\$20.46	FSG
Retail	54	2,730,923	39,429	1.44%	15,168	1,013	-	-	\$22.83	NNN
Industrial	200	15,184,027	991,311	6.5%	22,369	33,757	255,947	424,000	\$8.85	NNN
Medical	41	1,664,355	264,271	15.9%	2,549	-138,055	-	-	\$20.99	FSG

*absorption calculated by occupancy date

Report compiled by Colliers | Greater Columbus Region

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