

Dublin Commercial Q1 2019 Real Estate Statistics



Absorption & Vacancy

At the close of the first quarter of 2019, the Dublin submarket recorded overall negative net absorption of 129,576 square feet and 6.62 percent vacancy. However, the negative absorption was only in the office sector (-179,946 square feet) and primarily due to Nexeo fully vacating 5260 Blazer Parkway. The company stayed in Dublin, occupying 90,000 square feet at 6000 Parkwood Pl- which was accounted for in Q4 2018. Dublin's office vacancy rate of 13.89 percent remains on par with competitive submarkets. Easton's vacancy stands at 15.5 percent while Worthington's is 12.11 percent. The retail, industrial and medical sectors all saw positive absorption this quarter, with tenants such as Johnson Controls Inc. and Condado Tacos leasing space.

Over the past four quarters, more than 24 office tenants either renewed or expanded in Dublin, for a total of 264,018+ square feet. In addition, nearly 30 office users have signed new leases totaling 244,281+ square feet. Prominent companies such as Cardinal Health, Veeva Systems and Nexeo Solutions choosing Dublin solidifies the city's reputation as one of the most desirable submarkets in Central Ohio.

Leasing & Sale Activity

Dublin's largest lease of the quarter occurred when Cardinal Health renewed 99,346 square feet at 5515 Parkcenter Circle, keeping their corporate headquarter offices in the submarket. Johnson Controls Inc. also leased 30,280 square feet of flex space at 5500 Stanley Steamer Pkwy. On the sales side, 485 Metro Pl. S sold for \$9,500,000, or \$98 per square foot, as part of a portfolio. Rite Rug Center, an 18,000-square-foot strip center on Sawmill Road, sold for \$4,525,000, or \$240 per square foot.

Tenants in the Market

Colliers | Columbus reports that 24 office tenants are looking for space exclusively in the Dublin submarket- six of which require 10,000 square feet or more. Dublin is the second most popular submarket for office tenants in the market, after the CBD. The industrial sector has 12 tenants currently looking in the North submarket, which includes Dublin, Worthington and Delaware, and nearly half need 10,000 square feet or more. On the retail side, there are 60 tenants looking for space in multiple markets, including Dublin.

Around the Region

There was significant activity throughout Central Ohio this quarter. Barkbox took 22,000 square feet at the new Gravity development downtown and Horizon Telecom occupied 11,000 square feet at 1123 Goodale Blvd in Grandview. In Westerville, McDonald's vacated 30,000 square feet of office space at 2600 Corporate Exchange Drive. Access to parking, building amenities like cafes and fitness centers, and opportunities for tax incentives are the biggest factors for tenants selecting new office space around the city.

Market activity is often correlated to positive or negative absorption. However, in cases when a tenant leaves one space for another (like with Nexeo Solutions), the positive and negative absorption essentially cancels out. The Market Activity Volume (MAV), which is the absolute sum of absorption change in a given market, provides a better idea of overall activity. This quarter, the MAV in the Dublin office market was 242,116 square feet- 100,000 square feet more than the CBD. This is a strong indication that tenants are continuing to stay active in the Dublin market place.

Q1 2019

	# of Buildings*	Total SF	Vacant SF	Vacancy %	NET ABSORPTION**		NEW CONSTRUCTION		ASKING RENTAL RATE	
					Current Quarter	Year to Date	Current Quarter	Completed	(Average Weighted)	Type
OFFICE	213	9,051,209	1,257,258	13.89%	(179,946)	(179,946)	181,010	-	\$20.56	FSG
A	43	4,945,526	866,133	17.51%	(138,721)	(138,721)	181,010	-	\$21.68	FSG
B	127	3,663,791	360,178	9.83%	(40,112)	(40,112)	-	-	\$17.98	FSG
C	43	441,892	30,947	7.00%	(1,113)	(1,113)	-	-	\$14.15	FSG
RETAIL	48	1,728,995	85,619	4.95%	6,332	6,332	101,413	-	\$22.93	NNN
Anchored Strip Center	8	518,914	2,945	0.57%	-	-	-	-	\$20.00	NNN
Big Box	2	209,032	-	0.00%	-	-	-	-	-	-
Conv./Strip Center	16	269,540	-	0.00%	-	-	-	-	-	-
Freestanding	1	63,376	-	0.00%	-	-	-	-	-	-
Mixed-Use	13	116,234	24,110	20.74%	3,132	3,132	101,413	-	\$34.00	NNN
Neighborhood	8	551,899	58,564	10.61%	3,200	3,200	-	-	\$15.48	NNN
INDUSTRIAL	71	2,127,315	49,102	2.31%	28,502	28,502	59,863	9,852	\$6.98	NNN
Flex/R&D	32	1,082,240	32,915	3.04%	23,502	23,502	59,863	9,852	\$6.73	NNN
General Industrial	22	564,852	16,187	2.87%	5,000	5,000	-	-	\$7.50	NNN
Warehouse/Distribution	18	480,223	-	0.00%	-	-	-	-	-	-
MEDICAL	76	964,206	51,302	5.32%	15,536	15,536	2,640	-	\$21.67	FSG

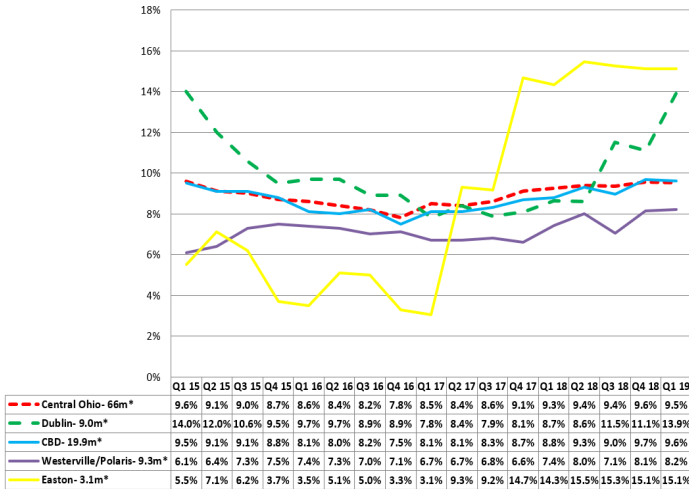
Q4 2018

	# of Buildings*	Total SF	Vacant SF	Vacancy %	NET ABSORPTION**		NEW CONSTRUCTION		ASKING RENTAL RATE	
					Current Quarter	Year to Date	Current	Completed	(Average Weighted)	Type
OFFICE	184	9,413,724	1,044,847	11.10%	44,131	(288,368)	88,000	-	\$20.69	FSG
RETAIL	22	2,005,617	2,888	0.14%	39,567	59,718	81,145	-	\$21.36	NNN
INDUSTRIAL	46	1,837,159	61,417	3.34%	(5,000)	22,000	-	-	\$7.84	NNN
MEDICAL	69	941,261	101,061	10.74%	-	(19,137)	-	-	\$17.18	FSG

*building list updated Q1 2019 to reflect a more accurate dataset
**absorption calculated by occupancy date

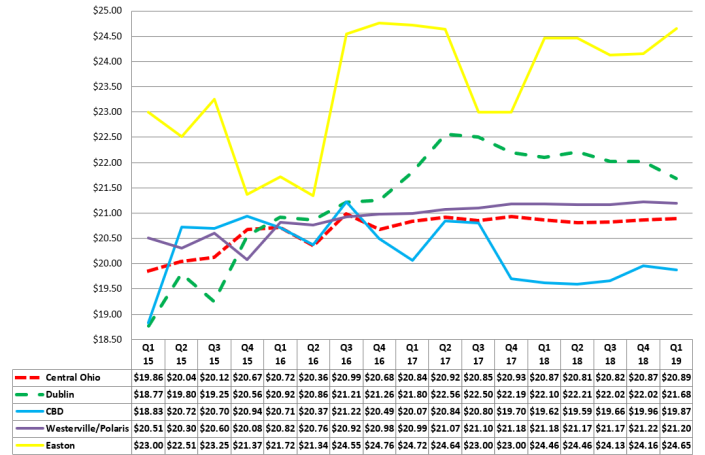
Submarket Comparison

Office Vacancy Rates



*million square feet

Class A Office Rental Rates (FSG)*



*Full Service Gross (base rent plus operating expenses)

Dublin Sales and Leases

leasing activity

Property Address	Execution Date	Tenant Name	Leased SF	Asking Rate	Type	General Use	Specific Use
5515 Parkcenter Circle	3/15/2019	Cardinal Health	99,346	\$13.50	NNN	Office	Office
5500 Stanley Steamer Pkwy.	1/24/2019	Johnson Controls	30,280	\$8.00	NNN	Industrial	Flex/R&D
5155 Bradenton Ave.	1/21/2019	Columbus Ophthalmology Assoc.	10,754	\$16.95	NNN	Office	Medical
5200 Upper Metro Pl.	1/18/2019	The Computer Workshop Inc.	9,947	\$11.95	NNN	Office	Office
485 Metro Pl. S	2/25/2019	Virginia Homes	7,547	\$11.95	NNN	Office	Office
5550 Blazer Pkwy.	3/18/2019	L&T Technology Services	5,660	\$14.50	NNN	Office	Office
6630 Riverside Drive	2/1/2019	Hellman's Clothiers	2,700	\$34.00	NNN	Retail	Retail

sales activity

Property Address	Sale Date	Sale Price	Sold SF	Sale Price/SF	Sale Type	Property Type	Year Built
485 Metro Pl. S	2/28/2019	\$9,500,000	96,875	\$98.06	Investment	Office	1989
6685-6693 Sawmill Road	1/28/2019	\$4,525,000	18,849	\$240.07	Investment	Retail	1989
6135 Memorial Drive	1/18/2019	\$873,000	10,900	\$80.09	Owner/User	Office	1987

DATABASE

The statistical set for each property type comprises all competitive buildings in the City of Dublin. 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 Q1 2019 to reflect a more accurate dataset.

METHODOLOGY

The report is compiled using sources for reporting vacancy rates includes consulting agent knowledge from Colliers International, 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.

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This document has been prepared by Colliers International for the City of Dublin. Colliers International statistics and data are audited annually and may result in revisions to previously reported quarterly and final year-end figures. Sources include Columbus Dispatch, Business First, CoStar, and the Wall Street Journal.

