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What Amazon's warehousing scale-back could mean for Central Ohio



Image: Columbus Business First

Amazon packages roll through a sortation center in Etna, Ohio.

TRISTAN NAVERA | CBF



By [Owen Milnes](#) – Staff reporter , Columbus Business First
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Faced with its first quarterly loss in seven years, tech and e-commerce powerhouse Amazon is considering cost-cutting measures. But area experts say its presence in Central Ohio is unlikely to shrink.

Measures on the table include a pledge to scale back warehousing and distribution centers, with a target of subleasing a [minimum of 10 million square feet of warehouse space](#), *The Wall Street Journal* recently reported.

The company says it has more warehouse space than it needs in some of its largest markets, such as New York, New Jersey, California and Atlanta, according to the *Journal's* May 23 report, and could end or renegotiate some of its leases.

Central Ohio is home to more than 10 Amazon facilities. In just its Rickenbacker and Etna sites alone, Amazon takes up about 2.3 million square feet of space. But local experts said they haven't heard anything about the giant slowing down here yet.

Amazon did not respond to request for comment from *Columbus Business First*.

Dan Wendorf, senior managing director at JLL, said he believes Amazon will keep its current footprint in the region because of the variety of sites and projects it has going on here, as well as the area's proximity to a large portion of the nation's population.

"You still look at the heart of Columbus and what it means for national logistics, we're not single-purposed," Wendorf said. "I think there's a healthy variety of what Columbus can mean for Amazon being located here."

Ben Struewing, vice president of leasing and development at Duke Realty – the official development partner of Rickenbacker International Airport's Global Logistics Park where Amazon [has a 1.06-million-square-foot warehouse](#) – said he believes certain cities will see scale-backs, but he is not aware of any space in Columbus that has been put up for sublease.

Were Amazon to sublease space locally, it could help some businesses on the hunt amid the tight industrial market. The region has experienced a continued string of record low

industrial vacancy rates, [culminating in a 1.6% rate for this year's first quarter](#), and [industrial demand continues to soar](#).

Benjamin Johnson, executive vice president at Colliers Columbus, said that if Amazon were to sublease space it could be helpful, if the space was on the smaller side. While large speculative buildings are under construction, there is still an inventory shortage on smaller warehouses. Amazon has a handful of those in the region.

"They've taken down quite a bit of space in the last few years in all of the major industrial submarkets," Johnson said.

In addition to its local distribution and fulfillment centers, Amazon also has a large data center presence in Central Ohio, with new facilities [set to begin construction this fall](#).