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## Intel plant expected to further increase industrial demand



Image: © Andy Blye

Intel broke ground on two new computer chip factories in Arizona in 2021. The company is planning a similar investment in Central Ohio.

ANDY BLYE | PHOENIX BUSINESS JOURNAL



By [Owen Milnes](#) – Staff reporter , Columbus Business First  
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With a [record-low vacancy rate](#), industrial space in Central Ohio is already a hot commodity.

But local industrial experts say [Intel's recent announcement of a \\$20 billion semiconductor plant](#) in Licking County will make that space even more valuable.

Benjamin Johnson, executive vice president at Colliers Columbus, said the area has seen a similar, but smaller-scale effect from data center development.

These large projects require contractors and supply companies to lease industrial warehousing space to support the project, he said. And in a market where space is already tight to begin with, the pressure will increase for building supply companies and contractors to find the space they need – especially because industrial owners want tenants to sign long-term deals.

"As a landlord, let's say I'm putting up a speculative warehouse building in New Albany... the ideal tenant is someone you hope will be there for 10-20 years even if you're only signing a five-year lease," Johnson told *Columbus Business First*. "When you're working with a contractor, even if it's to support a construction period, you know the tenant is likely to leave."

If these companies are unwilling to sign leases that extend past five years, Johnson said it will be challenging for them to find the space they need.

Phil Rasey, vice president of development at VanTrust Real Estate – which [received a 15-year, 100% tax abatement for its fifth site in New Albany in August 2021](#) – told *Business First* that while it is too early to tell what will exactly happen, he expects industrial construction to increase as demand increases. But, he is unsure of if the buildings will be speculative or build-to-suits.

"It'll increase an already kind of robust demand," Rasey said.

Rasey said VanTrust has plans for three additional sites in the area.

The semiconductor factories are expected to create more than 20,000 jobs, including 3,000 Intel jobs, 7,000 construction jobs and "tens of thousands of additional indirect and support jobs including contracted positions, electricians, engineers, and jobs in restaurants, healthcare, housing, entertainment and more," according to a news release.

"It's not just the plant," Johnson said. "I think it will create additional demand in a market that's already extremely tight and I think you will see additional development to support it."

The additional development could bring an increased cost in construction, and in turn, rents, Johnson and Rasey said, driven by the high demand for materials across multiple projects throughout the area.

In order to increase supply to work through the demand, Rasey said it is pivotal for developers to focus on areas with good infrastructure.

"If that infrastructure is in, it opens up the land for development to help get some of that land back on the market," Rasey said.