NEWMARK

Columbus

Office Market Overview

1Q26

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Key Takeaways

Overall, the Columbus office market remains in an early stage of recovery: fundamentals are slowly improving with positive absorption and rent growth, but high vacancy and cautious demand persist.

Columbus posted a fourth straight quarter of positive absorption, but vacancy remains elevated at 20.7%.

Asking rents held at $23.12/SF with 4.0% year-over-year growth, while Class A–B and direct–sublease rent gaps continued to widen.

Construction is muted at 0.5% of inventory, supporting gradual tightening in well-located, amenity-rich assets as demand concentrates there.

Leasing volumes are off long-term norms, though the slowdown is viewed as cyclical, not structural.

Market Observations

Economy

- The Columbus MSA added jobs year-over-year in March 2026, with total nonfarm employment up 0.6%, outpacing the U.S. increase of 0.2%. Columbus's unemployment rate fell to 4.0% in March 2026 from 4.5% in September 2025. The national rate was 4.3%, leaving Columbus slightly lower on a seasonally-adjusted basis. The two rates are converging, reversing mid-2025 when Columbus briefly exceeded the U.S. rate.
- The Educational and Health Services sector led January year-over-year job growth at 2.5%. Six of 10 sectors added jobs from January 2025 to January 2026. Among office-occupying sectors, Financial Activities rose 0.4% and Professional and Business Services 0.2%, while Information fell 1.7%, the weakest performance.
- The estimated number of office-using jobs in the Columbus market as of March 2026 was approximately 291,400. In the last five months after peaking in November 2025, office-using employment has since softened, driven by weakness in the Information and Professional and Business Services sectors.

Leasing Market Fundamentals

- Columbus logged its fourth straight quarter of positive office absorption in the first quarter of 2026, totaling 98,472 SF.
- With the removal of office space from inventory that is slated for redevelopment, the quarter's vacancy rate remained flat at 20.7% after the average vacancy rate ended 2025 at 21.7%. Vacancy has climbed well above its long-term average since 2020 despite muted new construction, as weak or negative net absorption in multiple recent years has driven a sustained increase in the overall vacancy rate.
- At 502,374 SF, leasing volume in the first quarter of 2026 remained well below long-term norms and near recent cyclical lows. Despite this dip, the leasing total wasn't too far below the first quarter of 2025.
- The average asking rental rate for the first quarter of 2026 held steady at $23.12/SF.

Notable Transactions and Developments

- Transaction volume remained restrained in the past quarter, continuing a trend seen throughout 2025. As leasing and economic conditions improve, this restraint could loosen. Average office sale prices in Columbus rose back up to approximately $82.00/SF in the first quarter of 2026, a figure right around the average price per square foot over the last two years. Notable sales included EQ 4640 Trueman Boulevard LLC's purchase of 4640 Trueman Blvd. in the Hilliard Submarket for $5.6 million, or $172.67/SF, a transaction recorded at the start of the year; and Nationwide Realty Investors' $2.5 million acquisition of the 30,000 SF 383 N. Front St. in the Central Business District (CBD) submarket for $84.33/SF.
- Lease signings in the first quarter included: a 52,232 SF extension by Kegler Brown Hill & Ritter Co., L.P.A. in the CBD submarket; Lower, LLC inking 24,712 SF in the Worthington submarket; Copper Run Capital's 21,136 SF in the Grandview submarket; Gifthealth's 18,815 SF sublease in the CBD submarket; and a 15,183 SF new lease by Expeditors International, also in the CBD submarket.

Outlook

- The Class A–B rent spread is widening as demand and pricing power concentrate in high-quality, amenity-rich assets, while older commodity space discounts more amid a tenant flight to quality.
- Direct asking rents remain sticky despite concessions lowering effective rents, but sublease rates have been cut more on weak demand and excess inventory, pushing the direct–sublease spread toward record highs.
- A slowdown in leasing activity is cyclical rather than structural, and as tenants clarify space needs and capital markets stabilize through 2026, leasing volume should trend toward—but likely remain modestly below—the 16-year average, with any meaningful rebound concentrated in future quarters.
- Vacancy and availability trends show a market that loosened significantly post-2021 but has recently begun tightening, though availability remains structurally higher.

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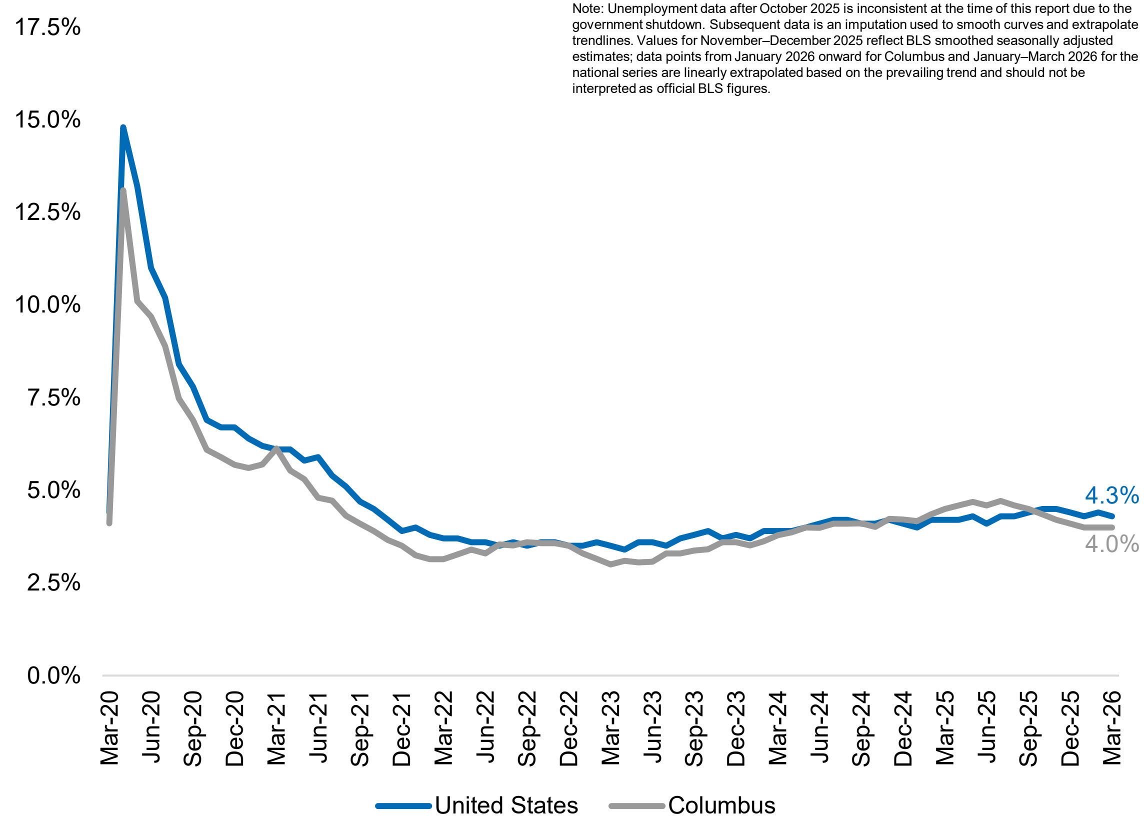
Economy

Columbus and United States Unemployment and Nonfarm Employment Trends

Based upon estimated data, the Columbus metro's economy gained jobs year-over-year in March 2026, as the MSA's total nonfarm employment increased annually by 0.6%. National nonfarm employment increased year-over-year by 0.2% in March. Columbus's estimated unemployment rate in March 2026 declined to 4.0% after hitting 4.5% in September of 2025. The national unemployment rate was higher than Columbus at 4.3%. The U.S. and projected Columbus unemployment rates are now converging, with Columbus tracking slightly below the national rate on a seasonally-adjusted basis — a reversal from mid-2025, when Columbus briefly exceeded the U.S. rate.

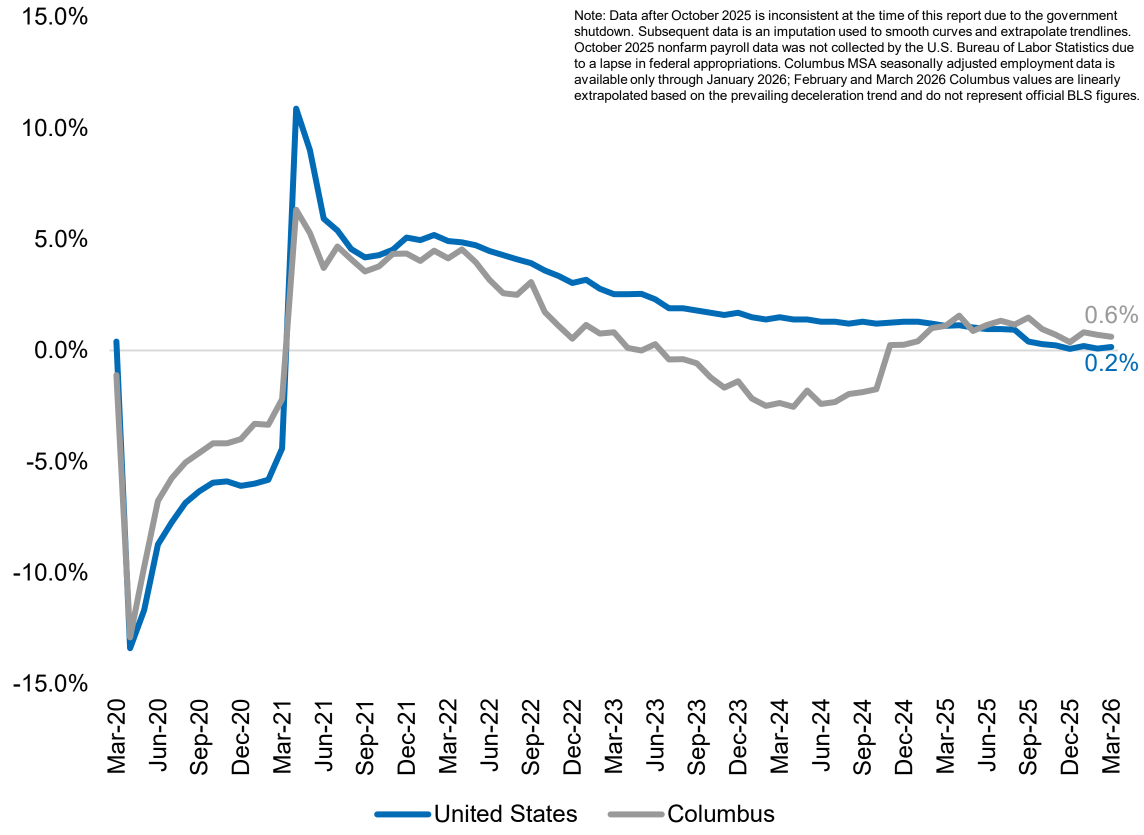
Unemployment Rate, Seasonally Adjusted

Note: Unemployment data after October 2025 is inconsistent at the time of this report due to the government shutdown. Subsequent data is an imputation used to smooth curves and extrapolate trendlines. Values for November–December 2025 reflect BLS smoothed seasonally adjusted estimates; data points from January 2026 onward for Columbus and January–March 2026 for the national series are linearly extrapolated based on the prevailing trend and should not be interpreted as official BLS figures.



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

Note: Data after October 2025 is inconsistent at the time of this report due to the government shutdown. Subsequent data is an imputation used to smooth curves and extrapolate trendlines. October 2025 nonfarm payroll data was not collected by the U.S. Bureau of Labor Statistics due to a lapse in federal appropriations. Columbus MSA seasonally adjusted employment data is available only through January 2026; February and March 2026 Columbus values are linearly extrapolated based on the prevailing deceleration trend and do not represent official BLS figures.

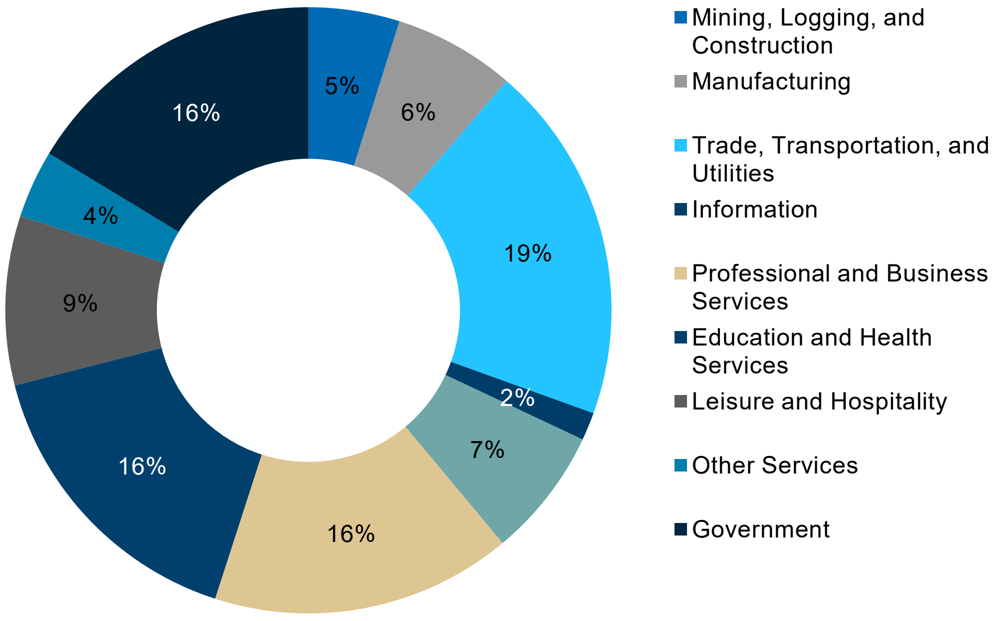


Source: U.S. Bureau of Labor Statistics, Columbus MSA; Federal Reserve Bank of St. Louis

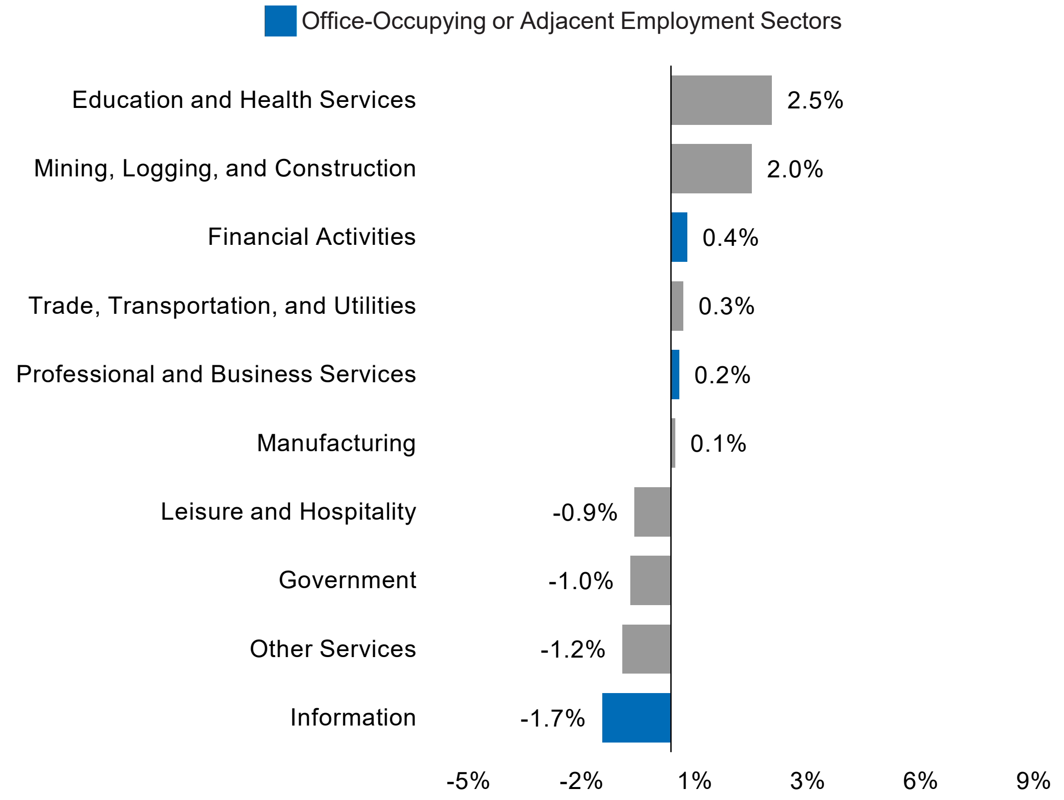
Job Gains in Two of Three Office-Occupying or Adjacent Industries

The Educational and Health Services sector led all industries in annual job growth with 2.5% in January for the Columbus MSA. Six of 10 industry sectors in the market saw employment gains from January 2025 to January 2026. Two of the three office-occupying industries experienced annual job gains, with the Financial Activities sector (0.4%) and Professional and Business Services sector (0.2%) both notching positive returns. The Information sector declined 1.7% year-over-year, ranking as the weakest-performing industry.

Employment by Industry, January 2026



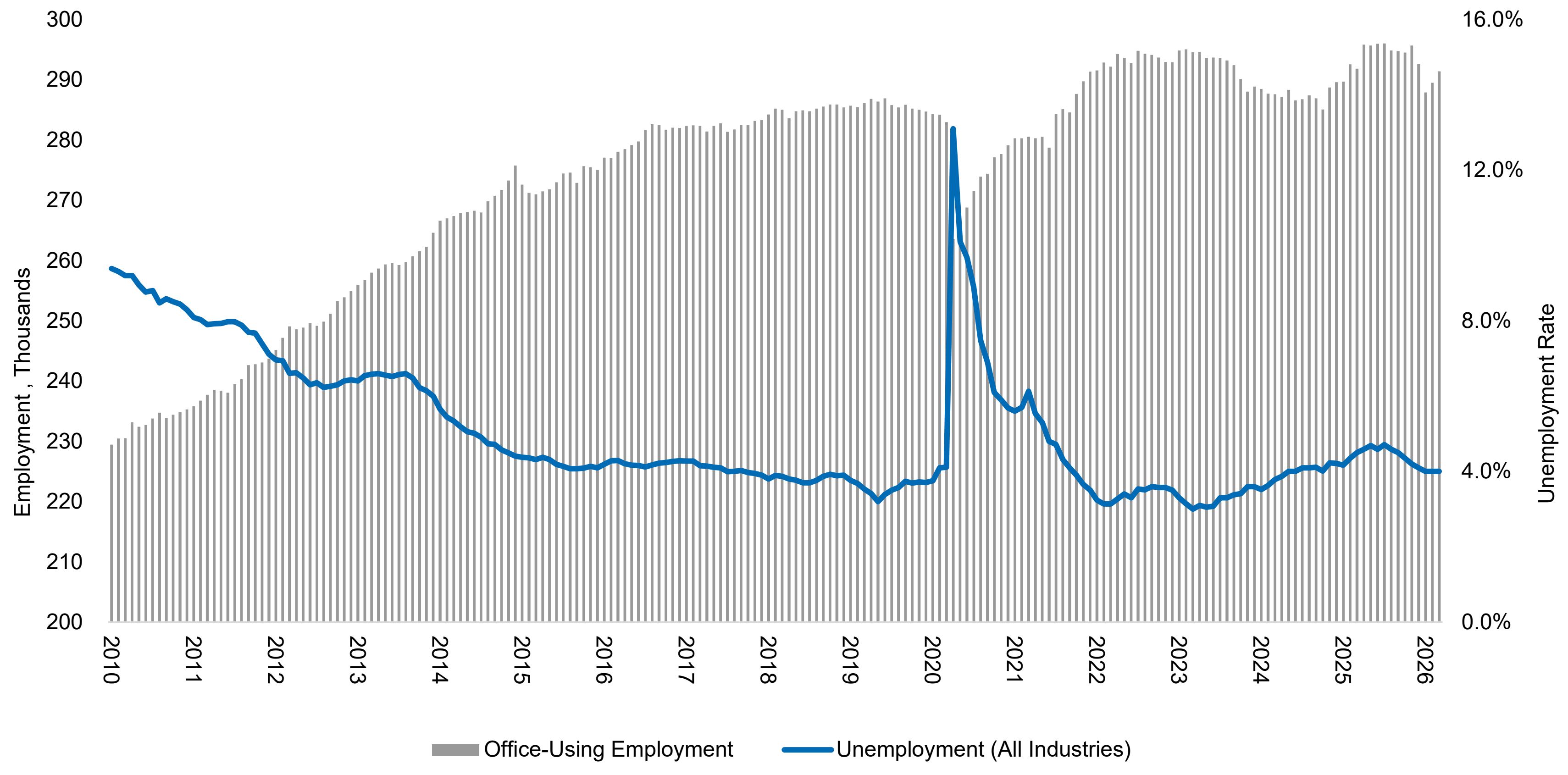
Employment Growth by Industry, 12-Month % Change, January 2026



Source: U.S. Bureau of Labor Statistics, Columbus MSA

Estimated Office-Using Employment Numbers Softening

Office-Using Employment* and Unemployment Across All Industries, Seasonally Adjusted



- The estimated number of office-using jobs in the Columbus market as of March 2026 was approximately 291,400. In the last five months after peaking in November 2025, office-using employment has since softened, driven by weakness in the Information and Professional and Business Services sectors.
- Unemployment data after October 2025 is inconsistent at the time of this report due to the government shutdown. Subsequent data is an imputation used to smooth curves and extrapolate trendlines. Values for November–December 2025 reflect BLS smoothed seasonally adjusted estimates; data points from January 2026 onward for Columbus and January–March 2026 for the national series are linearly extrapolated based on the prevailing trend and should not be interpreted as official BLS figures.

Source: U.S. Bureau of Labor Statistics, Columbus MSA

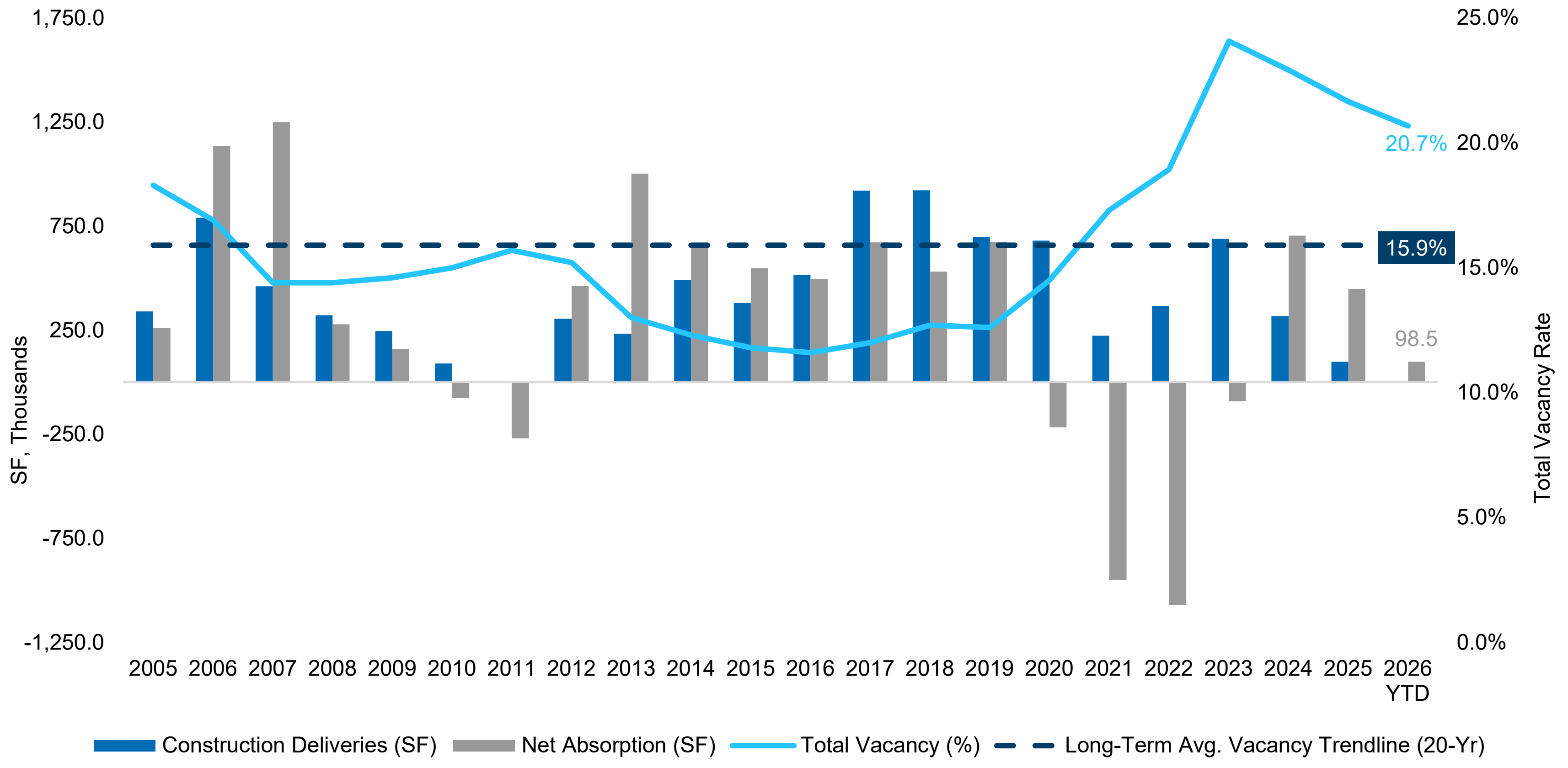
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information. October 2025 interpolated due to federal appropriations data lapse; February–March 2026 extrapolated based on historical seasonal patterns. Extrapolated values are estimates and subject to revision.

02

Leasing Market Fundamentals

Absorption Positive and Vacancy Flat at Start of 2026

Historical Construction Deliveries, Net Absorption, and Vacancy

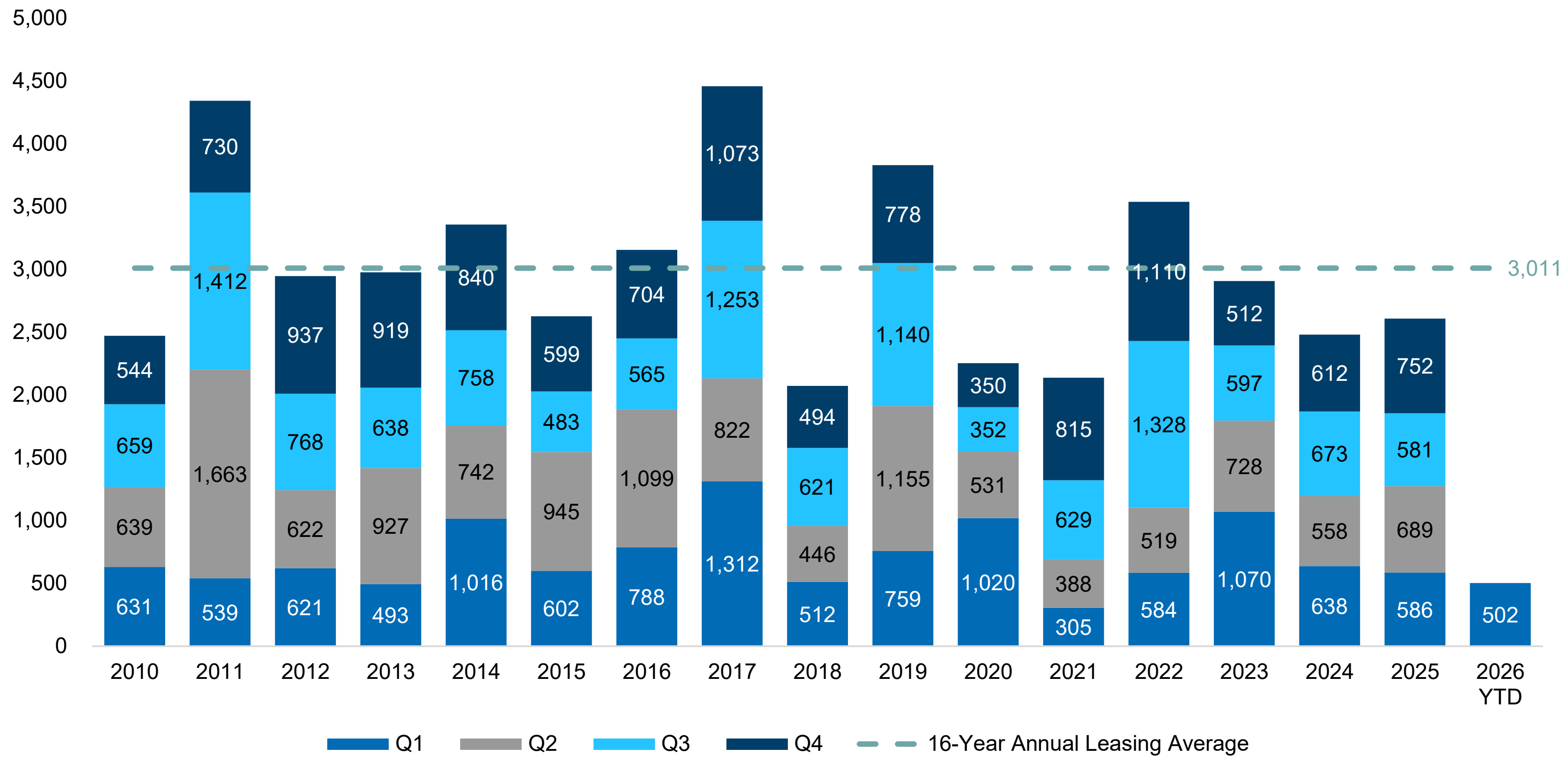


- Columbus logged its fourth straight quarter of positive office absorption in the first quarter of 2026, totaling 98,472 SF.
- However, with the removal of office space from inventory that is slated for redevelopment, the quarter's vacancy rate remained flat at 20.7% after the average vacancy rate ended 2025 at 21.7%.
- Vacancy has climbed well above its long-term average since 2020 despite muted new construction, as weak or negative net absorption in multiple recent years has driven a sustained increase in the overall vacancy rate.
- Future occupancy gains in well-located, amenity-rich assets are expected to support gradual vacancy tightening.

Source: Newmark Research

Leasing Activity Down From Recent Quarters

Total Leasing Activity (thousands SF)



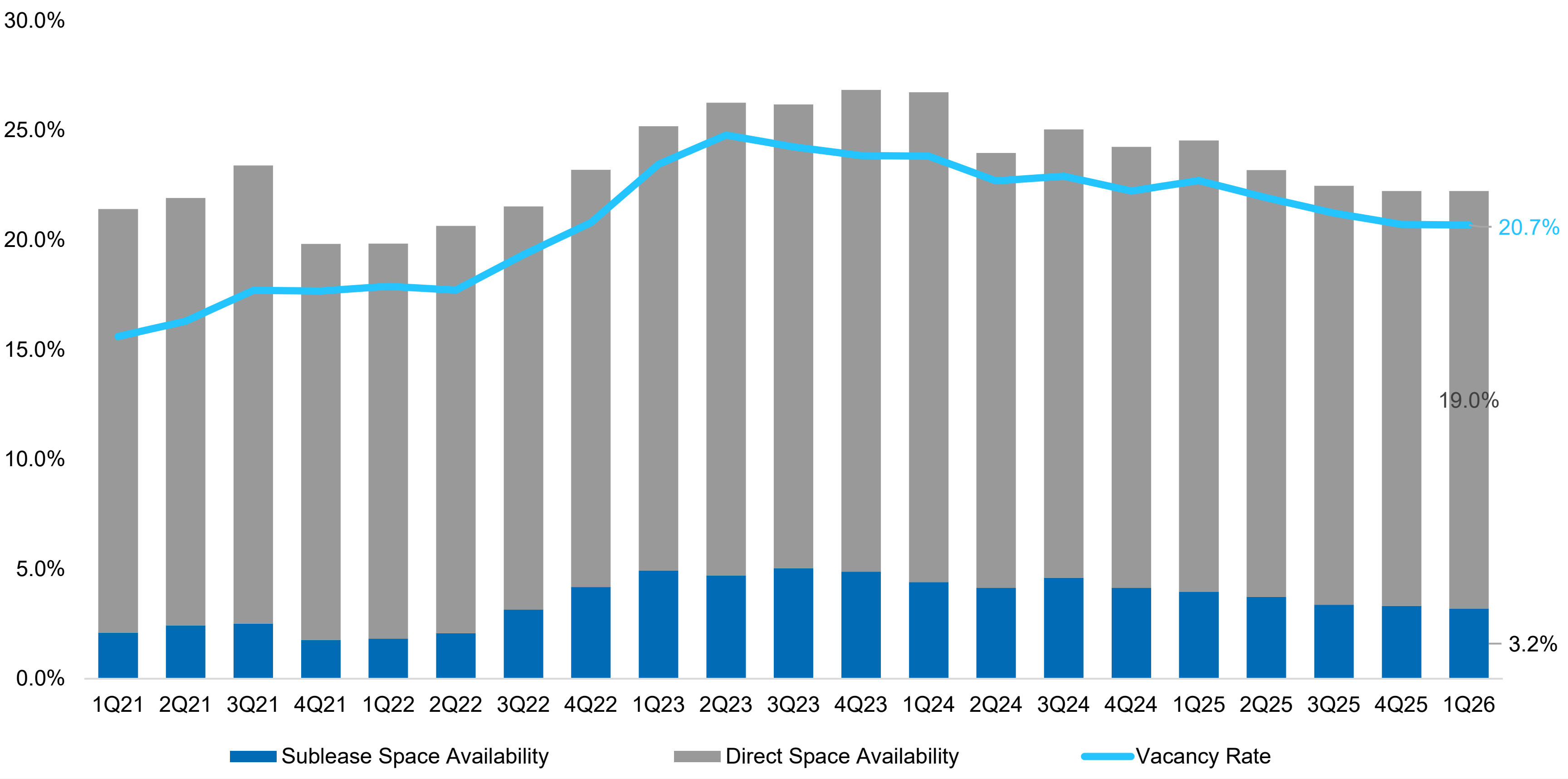
- At 502,374 SF, the first quarter of 2026 saw the lowest amount of leasing in the Columbus office market for a single quarter since the second quarter of 2021.
- Despite this dip, the leasing total wasn't too far below the first quarter of 2025.
- However, the quarter's return is well below the quarterly average leasing activity of 748,882 SF over the past 16 years.
- This slowdown is cyclical rather than structural, and as tenants clarify space needs and capital markets stabilize through 2026, leasing volume should trend toward—but likely remain modestly below—the 16-year average, with any meaningful rebound concentrated in future quarters.

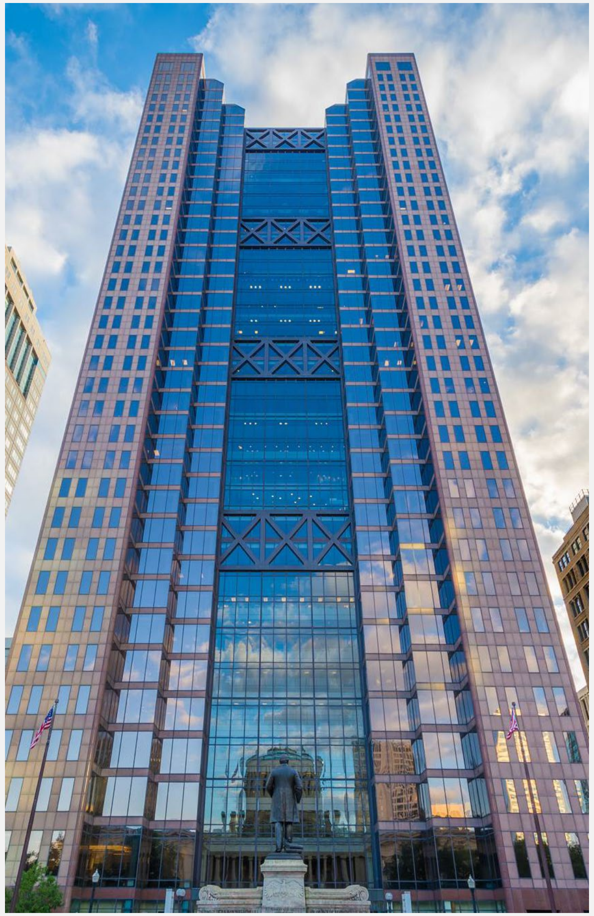
Source: Newmark Research, CoStar

Vacancy Percent, Direct and Sublet Availability All Remain Flat

In the first quarter of 2026, the Columbus direct availability rate increased by just 10 basis points to 19.0% from the previous quarter. Sublease availability fell 10 basis points to 3.2%, keeping the total availability flat from the previous quarter. Overall quarterly vacancy also stayed flat at 20.7%. These trends reflect a market that loosened significantly after 2021 but has recently begun to stabilize, though availability remains structurally elevated.

Available Space as Percent of Overall Market

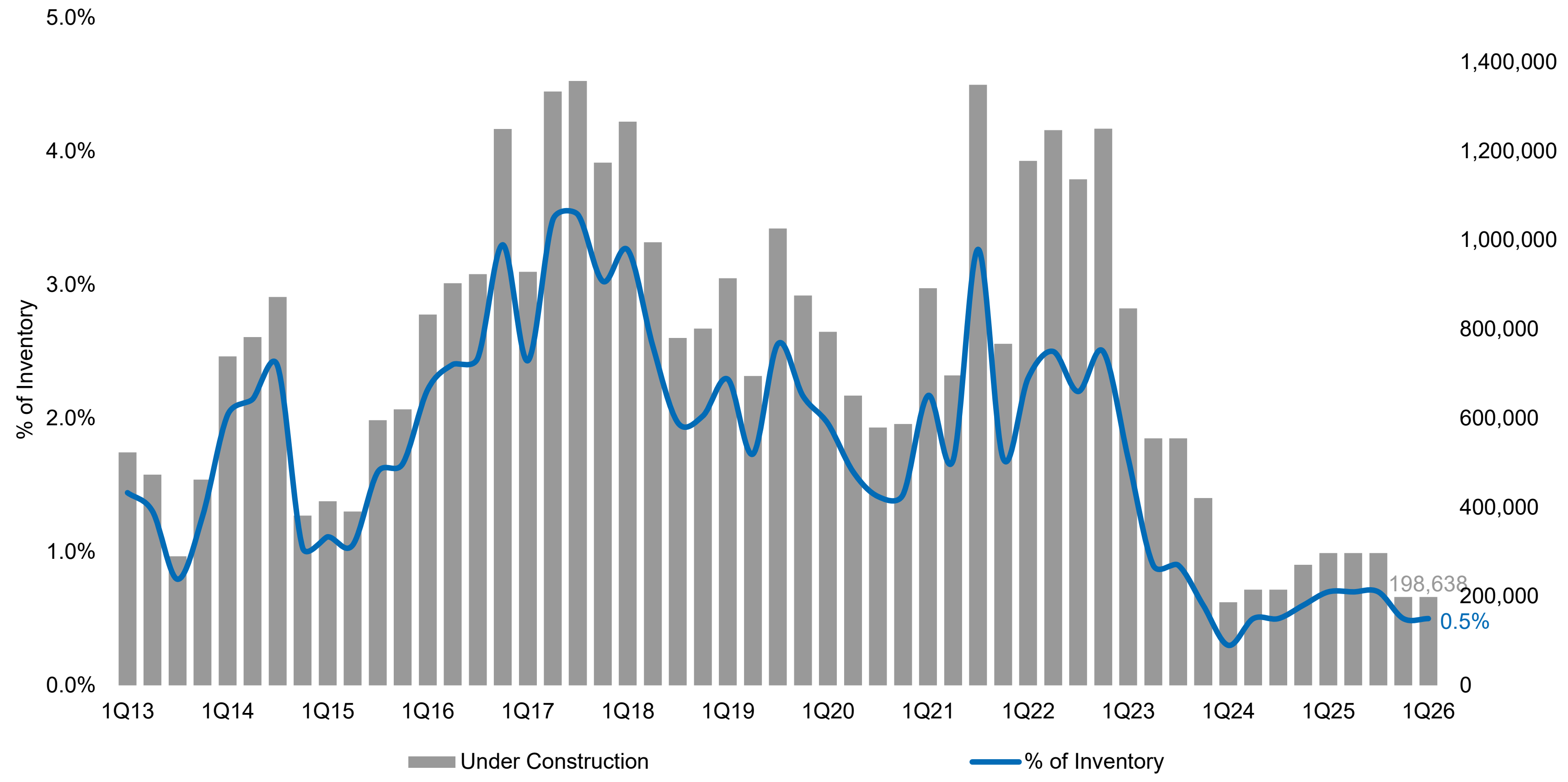




Source: Newmark Research

Office Construction Levels Remain Muted

Office Under Construction and % of Inventory



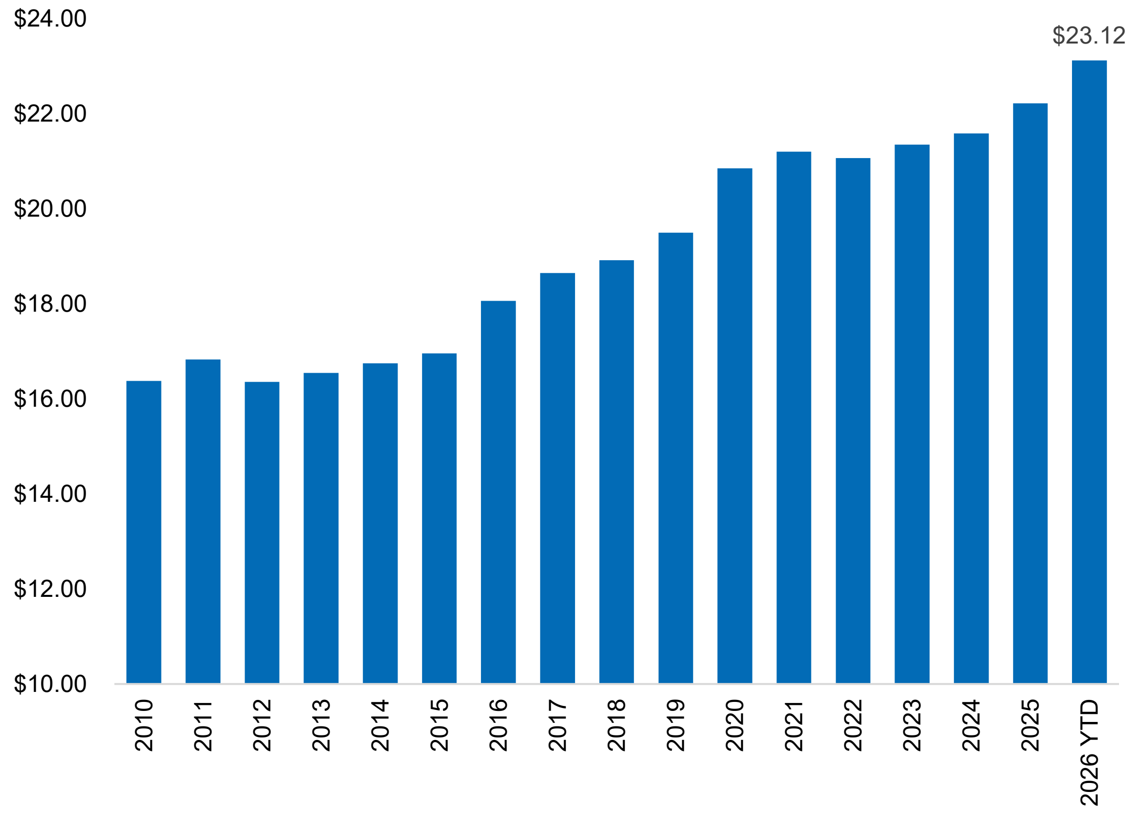
- In Columbus, office construction stayed flat from the previous quarter at 198,638 SF, with projects underway equal to just 0.5% of total inventory.
- Office construction remains muted as the market continues to recalibrate post-pandemic and vacancies exceed historical averages.
- With little new supply, well-located, modern, or upgraded buildings are positioned to stabilize and, amid limited competition, improve occupancy.

Source: Newmark Research

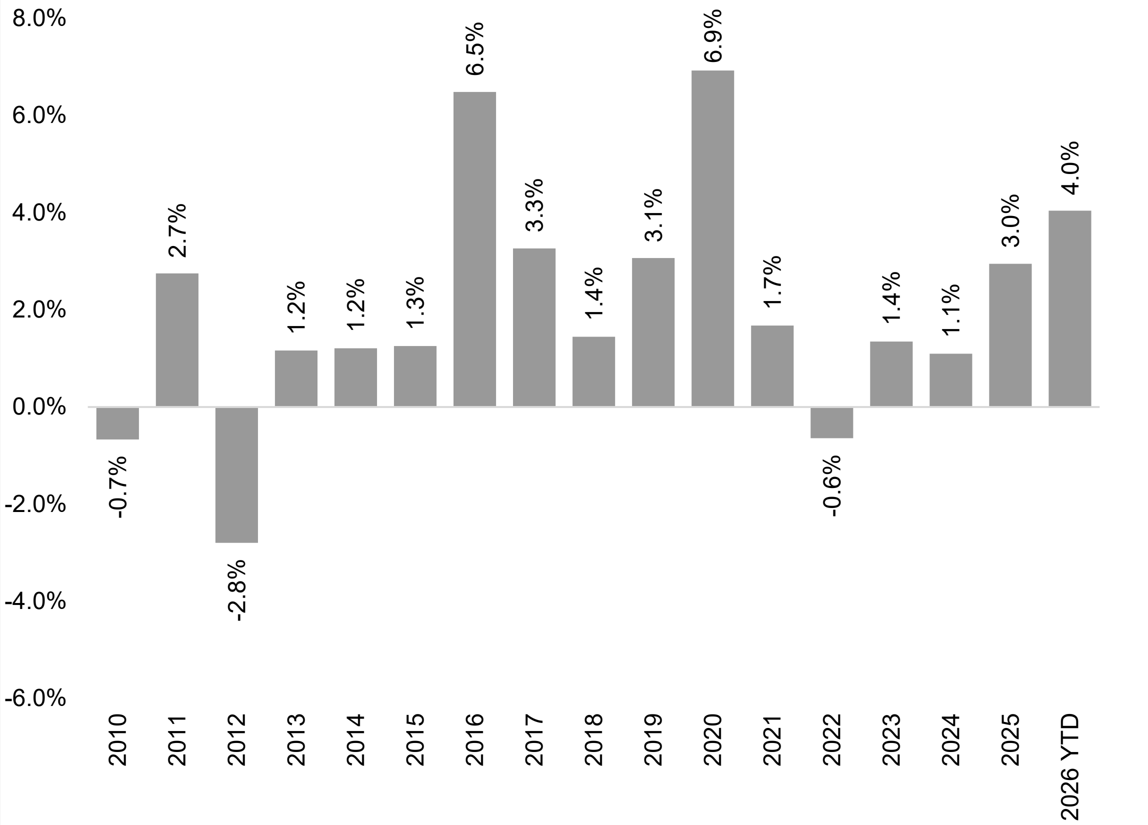
Quality-Focused Tenant Demand Set to Support Further Columbus Rent Growth

The average asking rental rate for the first quarter of 2026 held steady at $23.12/SF. As the initial basis for the 2026 year-to-date average asking rent, this eclipses the overall average for the year 2025 by $0.90/SF. Columbus's year-over-year asking rent growth rate was in the positive for 13 of the last 16 years and that trend has continued after the first quarter of 2026 with the most recent quarter posting 4.0% growth, the highest since 2020. Both trends clearly indicate that quality-focused tenant demand has supported rent growth.

Office Average Asking Rent, $/SF, FSG



Year-Over-Year Asking Rent Growth Rate

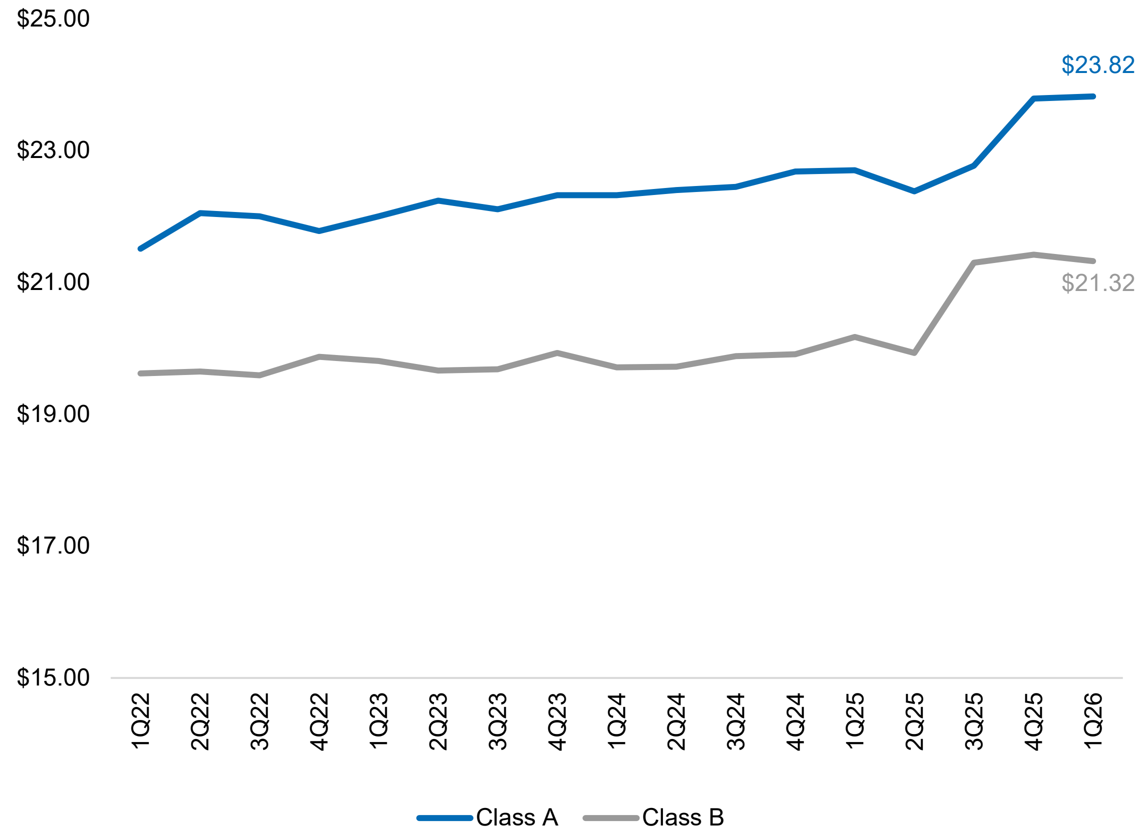


Source: Newmark Research

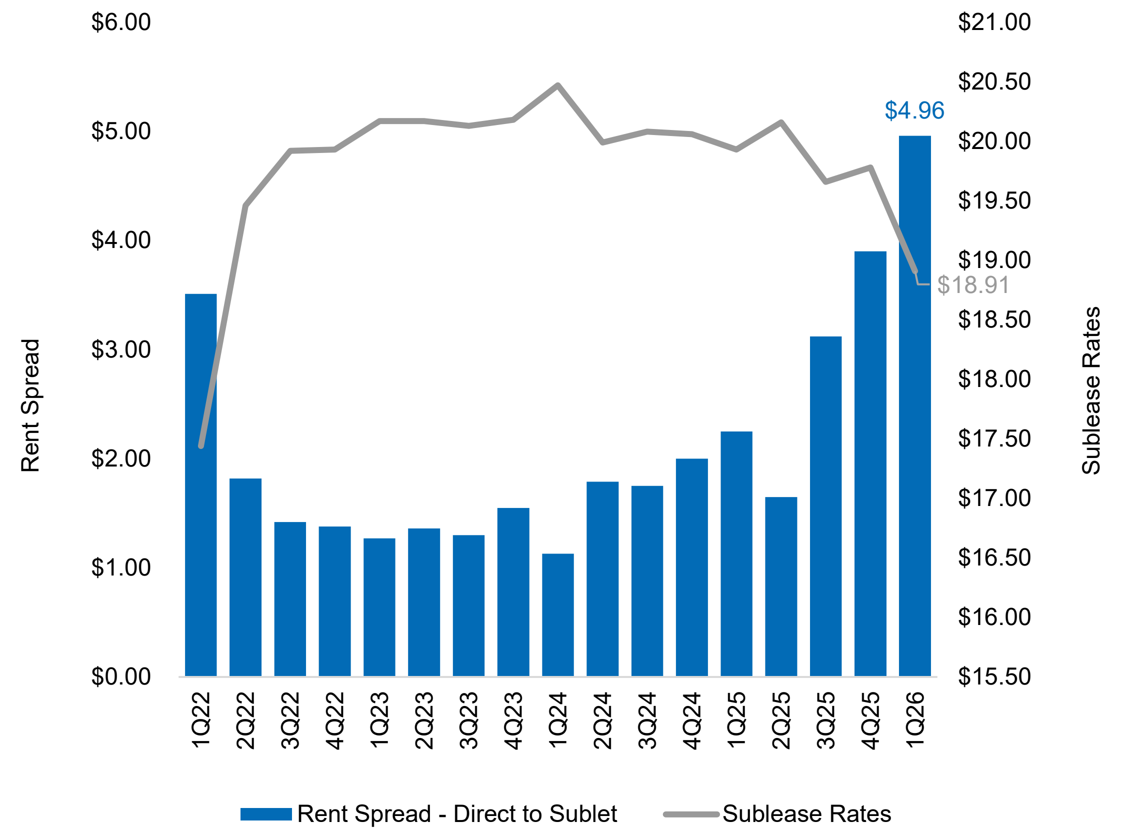
Class A and B Rent Gap Rises for Second Straight Quarter

The discrepancy between asking rates for Class A and B office properties in the first quarter of 2026 increased for the second straight quarter. Class A rates rose by $0.03/SF to $23.82/SF, while Class B rates decreased to $21.32/SF, a $0.10/SF decline. The $2.50/SF gap between Class A and B rents is the largest since the first quarter of 2025. The average sublease rate decreased by $0.87/SF to $18.91/SF, which elevated the rent spread between sublease and direct rents to $4.96/SF. Direct asking rents remain sticky despite concessions lowering effective rents, but sublease rates have been cut more on weak demand and excess inventory, pushing the direct–sublease spread toward record highs.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research

Lease and Sale Transactions in 1Q26

Select Office Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
Kegler Brown Hill & Ritter Co., L.P.A.	65 E. State St.	CBD	Extension	52,232
Lower, LLC	711 N. High St.	Worthington	Direct	24,712
Copper Run Capital	1165 Dublin Rd.	Grandview	Direct	21,136
Gifthealth	80 E. Rich St.	CBD	Sublease	18,815
Expeditors International	250 S. High St.	CBD	Direct	15,183
P/S Executive Centers	1900 Polaris Pkwy.	Polaris	Renewal	11,445
Verity Behavioral Services and Primary Care	500 W. Broad St.	CBD	Sublease	11,416

Select Office Sale Transactions

Buyer	Building(s)	Submarket	Sale Price	Square Feet	Price Per SF
Eq 4640 Trueman Boulevard, LLC	4640 Trueman Blvd.	Hilliard	$5,615,000	32,519	$172.67
Nationwide Realty Investors	383 N. Front St.	CBD	$2,530,000	30,000	$84.33
Persistent Movement, LLC	341-345 S. 3rd St.	CBD	$2,100,000	26,136	$80.35
Brevoort Place, LLC	3620 N. High St.	North Central	$1,400,000	24,592	$56.93
Roosevelt Walnut, LLC	1395 E. Dublin Granville Rd.	Worthington	$2,175,000	41,400	$52.54
Medsave Urgent Clinic	1855 E. Dublin Granville Rd.	Worthington	$1,470,000	34,122	$43.08

Source: Newmark Research, CoStar

Access the Extended 1Q26 Columbus Office Market Conditions & Trends Report

The extended version of this report includes:

- **Columbus Office Average Price Per Square Foot – Combined Investment and Owner/User Sales**
- **Columbus Office Market Historical Statistical Overview, Recent Quarters**
- **Submarket Statistics – All Classes**
- **Columbus Office Submarket Map**
- **Additional Market Statistics**

Extensive content across 20+ slides—a detailed presentation packed with useful office information and in-depth analysis.

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