NEWMARK

Columbus
Office Market Overview

2Q26

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Key Takeaways

Columbus's office market is stabilizing — five consecutive quarters of positive absorption, falling vacancy, and near-dormant construction point to a suburban-led recovery, even as leasing volume trails historical norms and sales activity remains outlier-dependent, keeping the CBD's turnaround well behind the suburbs.

2Q26 net absorption of 68,171 SF (179,294 SF YTD) marked a fifth straight quarter of occupancy gains, pulling overall vacancy down 30 basis points to 20.3%.

Average asking rents held at $23.13/SF, up 4.1% year-to-date, while the Class A–B rent gap ($2.44/SF) sits just higher than its 17-quarter average.

2Q26 leasing totaled 620,323 SF, approximately 20% below the 16-year Q2 average of 780,479 SF; first-half volume of 1.1 million SF trails 2025's pace by about 11%.

Continued subdued office investment activity is consistent with the slowdown since 2025.

Market Observations

Economy

- Columbus had been outpacing the United States through early 2026 but dipped just below zero in May as its payroll level eased by negative 0.1% year-over-year. The United States' nonfarm payroll increased by 0.3% in that timeframe. Conversely, the Columbus unemployment rate is running a full point below the national rate and steadily improving (3.9% down to 3.3% over the year thus far).
- Four of 10 industry sectors in the market saw employment gains from May 2025 to May 2026, but none were the three office-occupying industries. The Financial Activities sector remained flat, while the Information sector declined 1.1% year-over-year. The Professional and Business Services sector dropped 1.7% year-over-year, ranking as the weakest-performing industry.
- Columbus office-using employment stood at roughly 288,000 jobs in May 2026, and the sector has been choppy through the first five months of the year.

Leasing Market Fundamentals

- Columbus recorded 68,171 SF of net absorption in the second quarter, its fifth consecutive quarter of occupancy gains, and bringing the year-to-date total to 179,294 SF through mid-year.
- Overall vacancy contracted 30 basis points quarter-over-quarter to 20.3%, which put the blended first-half 2026 average vacancy rate at 20.4%.
- Leasing volume totaled 620,323 SF in the second quarter, coming in approximately 20% below the 16-year second quarter historical average of 780,479 SF. Year-to-date leasing volume of 1.1 million SF through the first half of 2026 trails the same period in 2025 by roughly 11%.
- The average asking rental rate for the second quarter of 2026 was $23.13/SF, holding the year-to-date average at the same level. Columbus's year-over-year asking rent growth was positive in 13 of the last 16 years, a trend that has continued into 2026 with year-to-date growth of 4.1%.

Notable Transactions and Developments

- Average office sale prices in Columbus rose to $104.00/SF in the second quarter, driven primarily by a single high-end transaction. The Pointe at Polaris, totaling 212,366 SF of trophy office and 33,071 SF of curated retail, sold for $60.2 million ($245.06/SF), lifting the market average; excluding this sale, pricing falls to $57.00/SF. Outside of this outlier, transaction volume remained subdued, consistent with the slowdown seen through 2025 and early 2026. The 253,119 SF 88 E. Broad St. in the CBD traded via auction to 88 E Broad Street Holdings LLC for $5.1 million ($20.15/SF), at less than half its sale price four years earlier following a period of low occupancy and reported maintenance issues.
- Lease signings in the second quarter included: a 64,683 SF renewal by M/I Homes in the Easton submarket; South College of Ohio inking 42,826 SF in the Dublin submarket; Total Quality Logistics' 35,595 SF in the CBD submarket; Isaac Wiles, Burkholder & Miller, LLC's 33,625 SF renewal in the CBD submarket; and a 23,730 SF renewal by Paul J. Ford & Co., also in the CBD submarket.

Outlook

- With average asking rents at $23.13/SF, above pre-pandemic levels and roughly 41% higher than in 2010, the market appears positioned for continued, albeit more measured, rent gains as flight-to-quality, limited new construction, and selective office-to-residential conversions reduce functional supply and concentrate demand in competitive assets.
- The ongoing bifurcation between the CBD and suburban submarkets points to a landscape where high-amenity suburban spaces continue to recapture demand and support incremental rent growth, while the CBD core stabilizes more slowly through targeted leasing, owner-user activity, and future redevelopment of obsolete inventory.
- The modestly expanding Class A/Class B asking rate differential suggests that over the next few quarters landlords of well-located Class B assets may continue to push rents as cost-conscious tenants trade down from the top tier but still prioritize upgraded, amenitized space.

Table of Contents

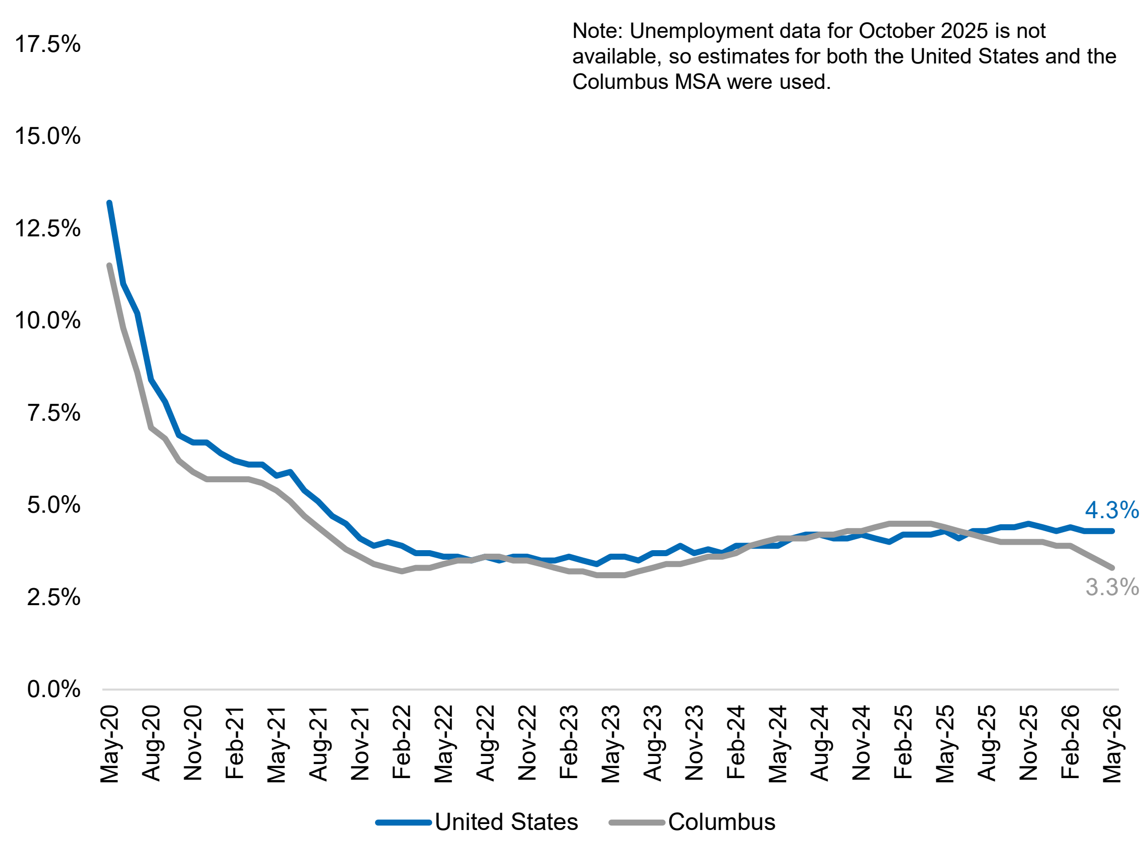
01

Economy

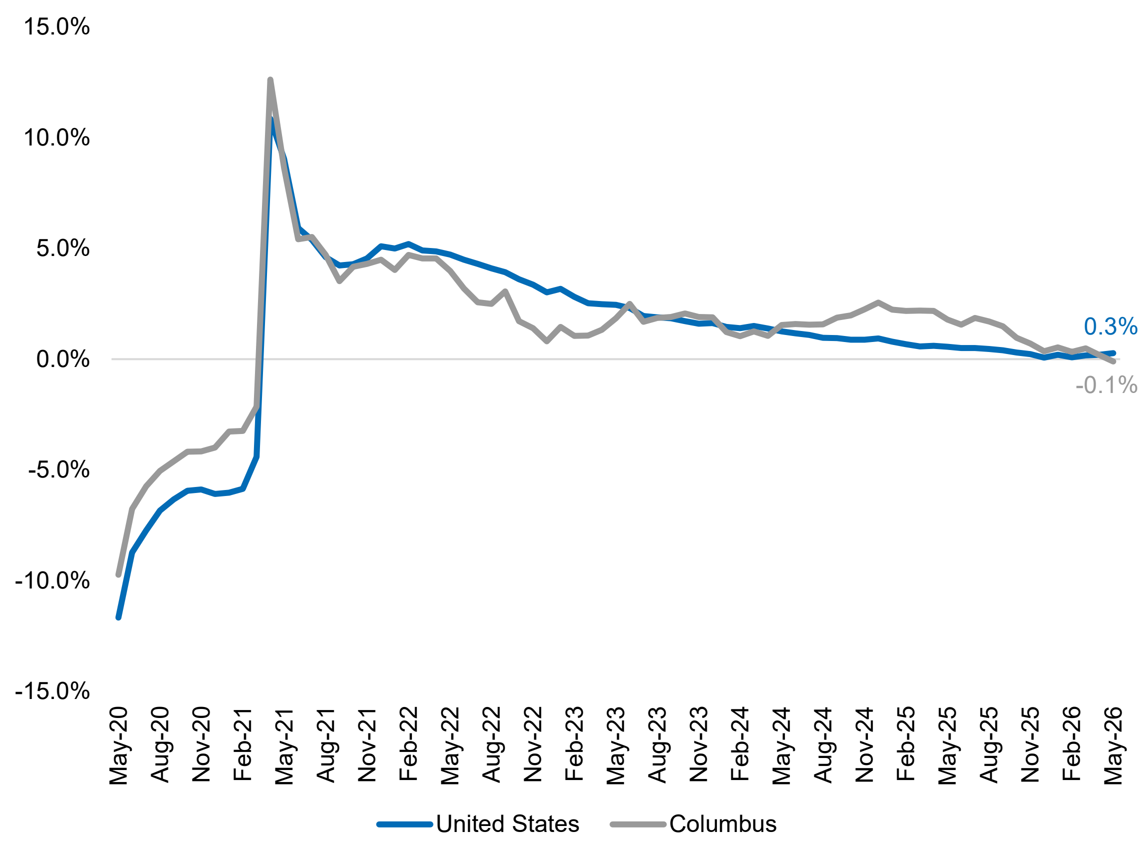
Columbus and United States Unemployment and Nonfarm Employment Trends

Columbus had been outpacing the United States through early 2026 but dipped just below zero in May as its payroll level eased by negative 0.1% year-over-year. The United States' nonfarm payroll increased by 0.3% in that timeframe. Conversely, the Columbus unemployment rate is running a full point below the national rate and steadily improving (3.9% down to 3.3% over the year thus far).

Unemployment Rate, Seasonally Adjusted



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

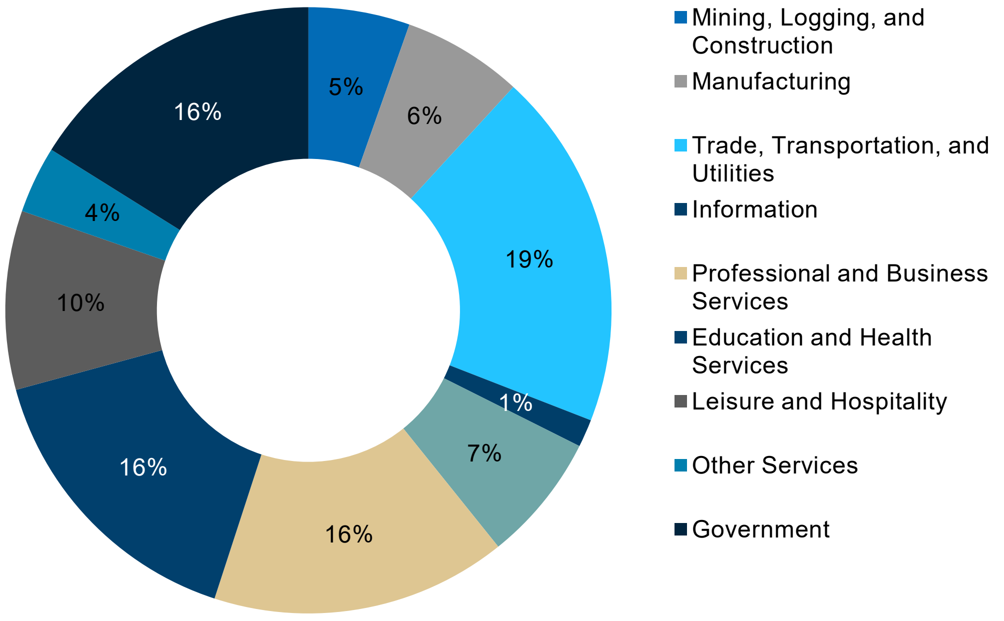


Source: U.S. Bureau of Labor Statistics, Columbus MSA

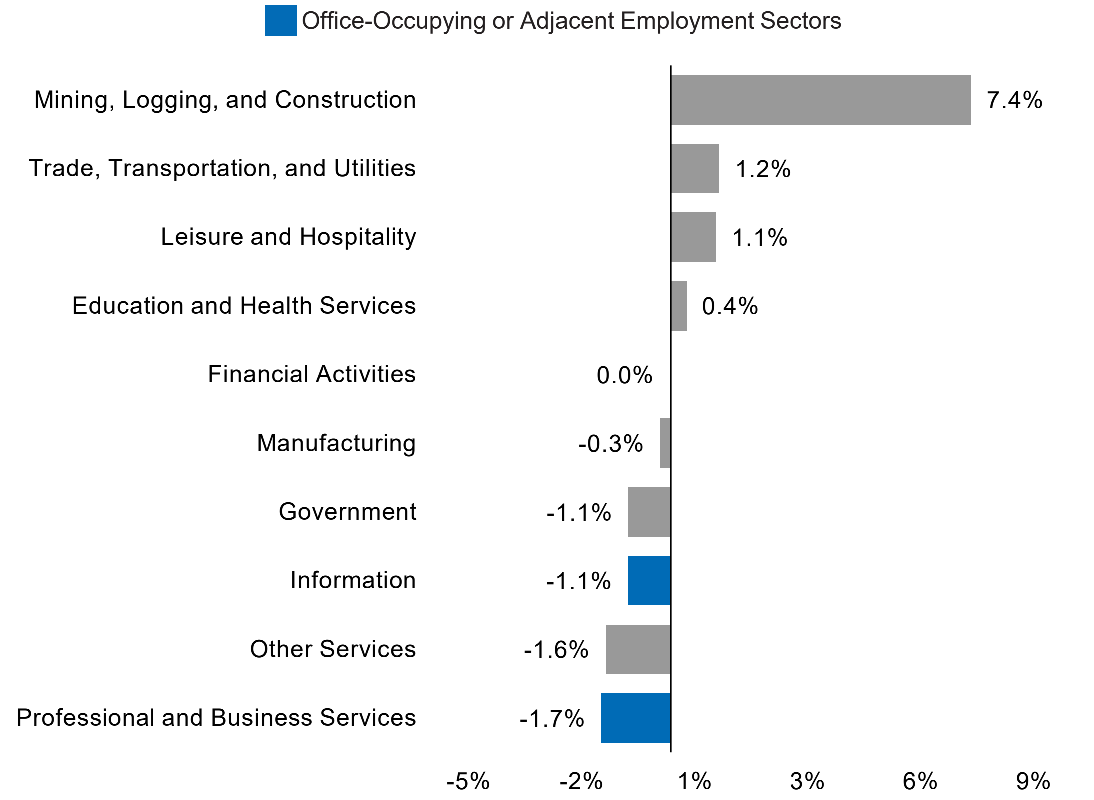
Declines in Two of Three Office-Occupying or Adjacent Industries

The Mining, Logging, and Construction sector led all industries in annual job growth with 7.4% in May for the Columbus MSA. Four of 10 industry sectors in the market saw employment gains from May 2025 to May 2026, but none were the three office-occupying industries. The Financial Activities sector remained flat, while the Information sector declined 1.1% year-over-year. The Professional and Business Services sector dropped 1.7% year-over-year, ranking as the weakest-performing industry.

Employment by Industry, May 2026



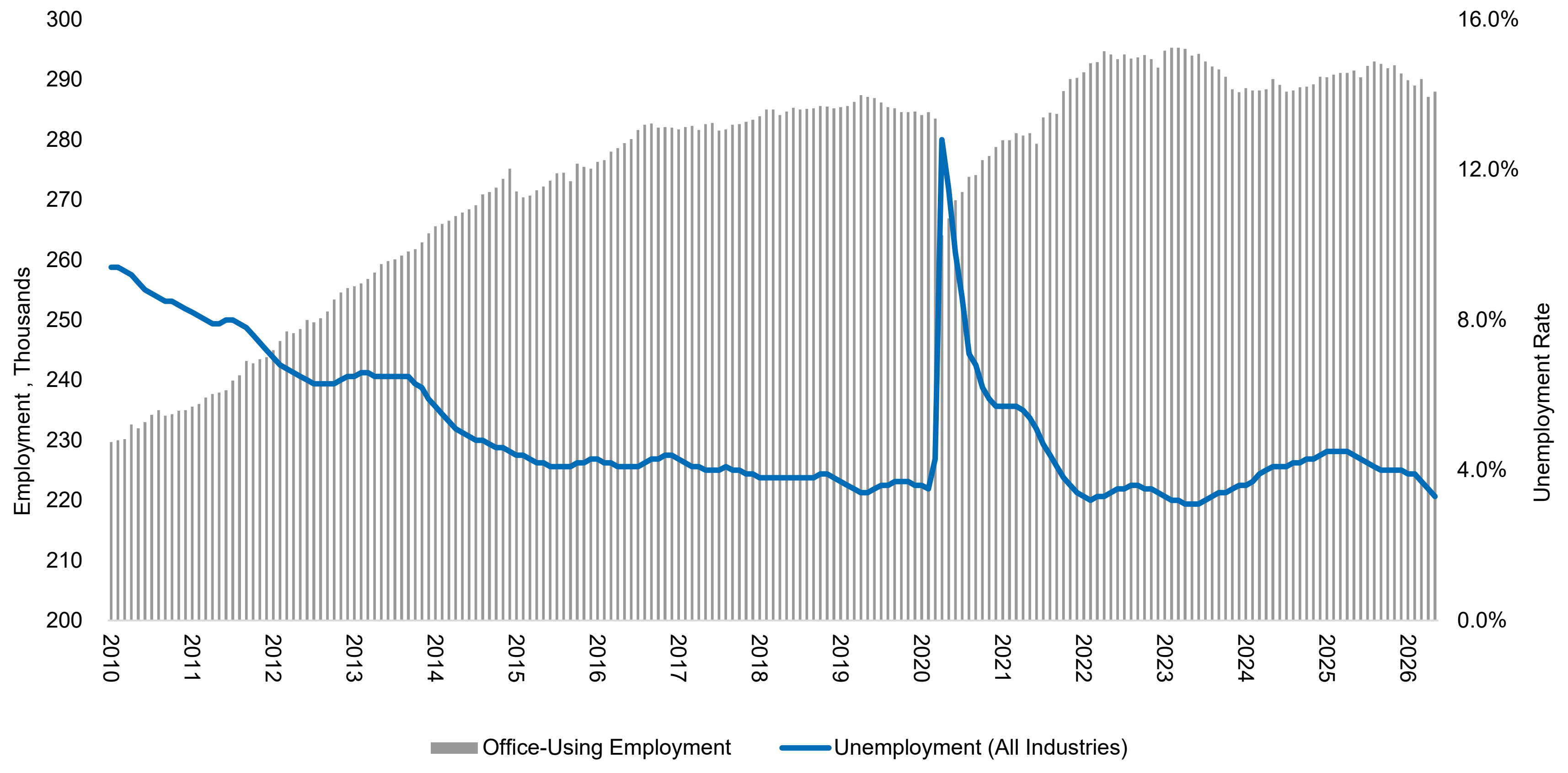
Employment Growth by Industry, 12-Month % Change, May 2026



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

Office-Using Employment Numbers Up and Down Through May

Office-Using Employment* and Unemployment Across All Industries



- Columbus office-using employment stood at roughly 288,000 jobs in May 2026, and the sector has been choppy through the first five months of the year — sliding in January (−1,100) and February (−1,000), rebounding in March (+1,100), dropping sharply in April (−3,000), then ticking back up in May (+900).
- After the April pullback to about 287,100, office-using employment recovered modestly to 288,000 in May, even as year-over-year all three sectors were flat to lower.
- At approximately 288,000 jobs, office-using employment makes up about 24.0% of Columbus's total nonfarm payrolls and sits roughly 7,300 jobs below its March 2023 series peak of 295,300. This signals that the market is consolidating off its post-pandemic high rather than expanding.

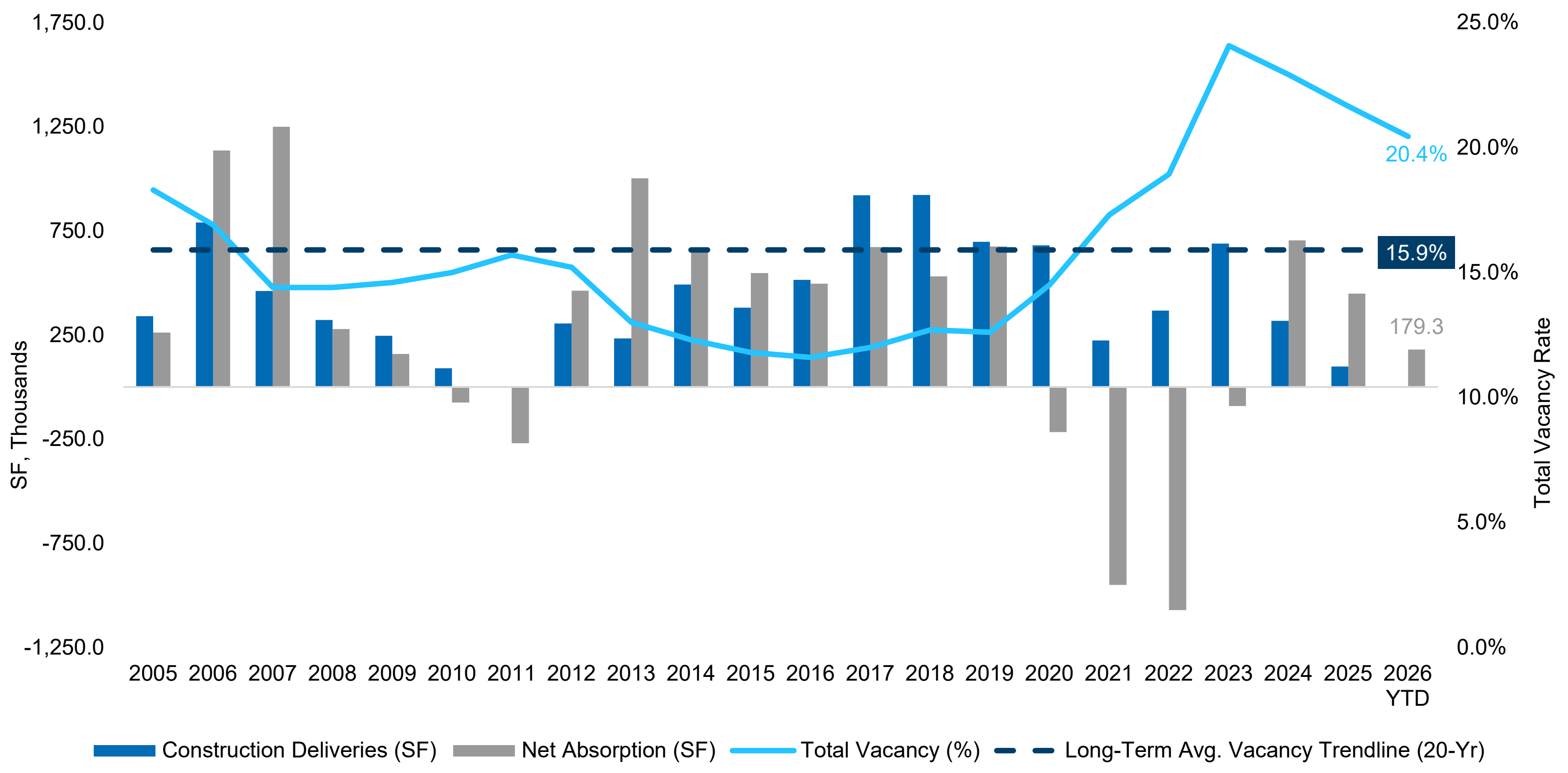
Source: U.S. Bureau of Labor Statistics, Columbus MSA, Seasonally Adjusted
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

02

Leasing Market Fundamentals

Suburban Submarkets Propel Market Recovery as CBD Continues to Lag

Historical Construction Deliveries, Net Absorption, and Vacancy

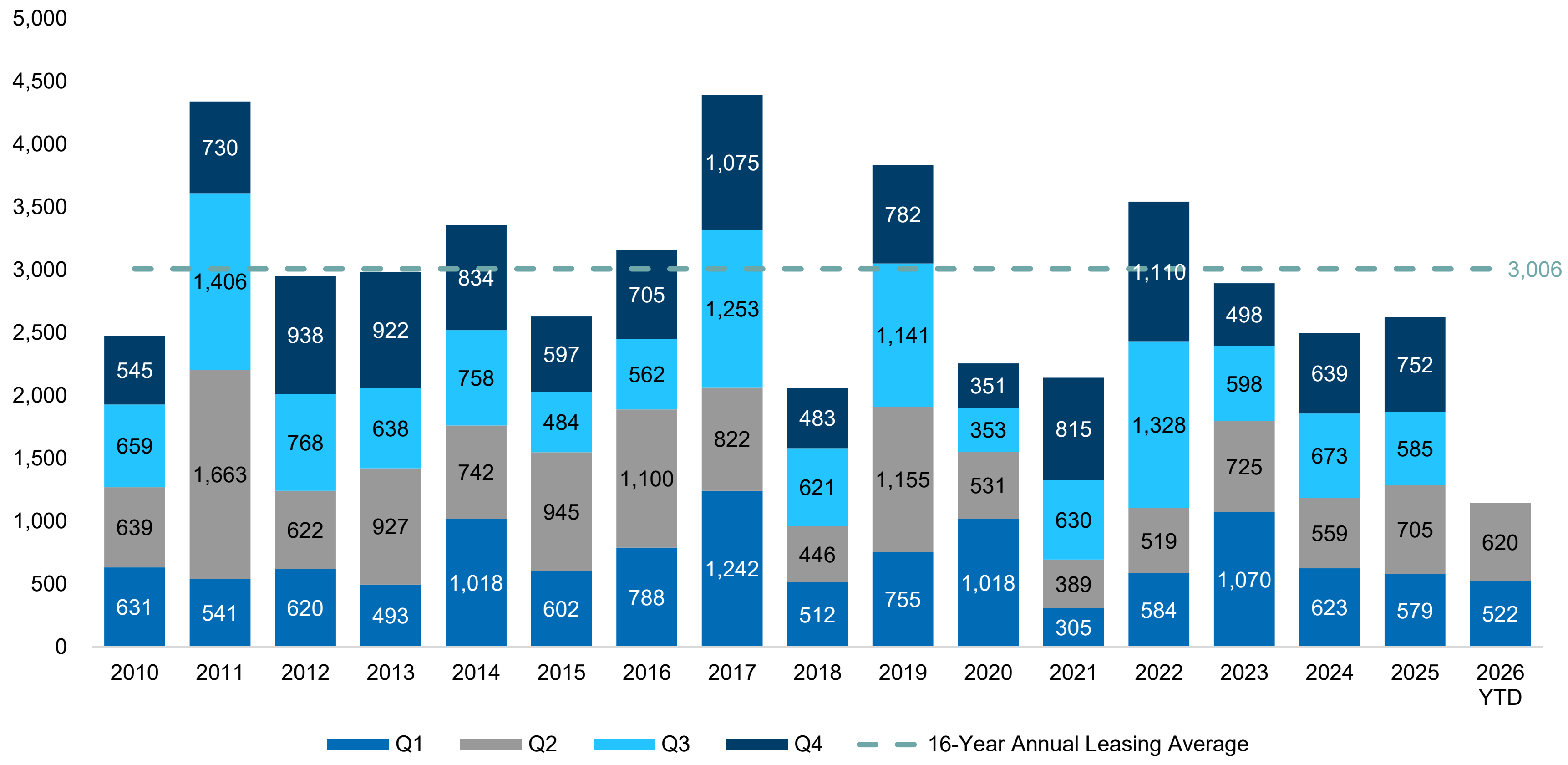


- Columbus recorded 68,171 SF of net absorption in the second quarter, its fifth consecutive quarter of occupancy gains, and bringing the year-to-date total to 179,294 SF through mid-year.
- Overall vacancy contracted 30 basis points quarter-over-quarter to 20.3%, which put the blended first-half 2026 average vacancy rate at 20.4%.
- No new office space has been delivered to the Columbus market in 2026, with under-construction volume remaining near a decade low at 195,048 SF.
- Suburban submarkets drove all of the market's second quarter gains, collectively absorbing 71,465 SF while the CBD posted negative absorption of 3,294 SF. This underscores the continued bifurcation between a recovering suburban market and a downtown corridor still contending with elevated vacancy (20.8%) and tenant departures.

Source: Newmark Research

Office Leasing Volume Steady But Below Average Through Mid-Year 2026

Total Leasing Activity (thousands SF)



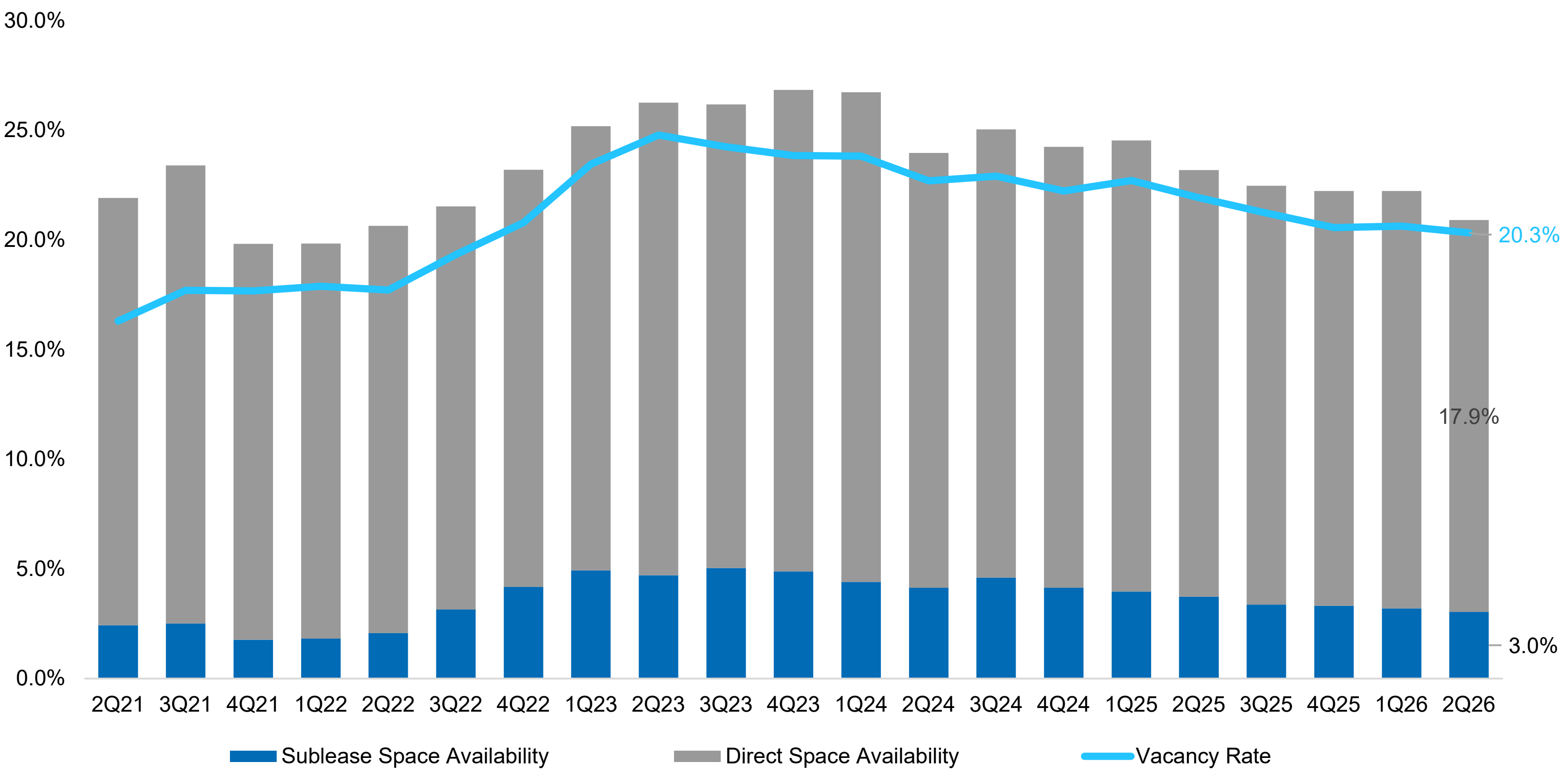
- Columbus office leasing totaled 620,323 SF in the second quarter of 2026, coming in approximately 20% below the 16-year Q2 historical average of 780,479 SF. This is consistent with the below-average leasing environment that has persisted in most years since 2018.
- Year-to-date leasing volume of 1.1 million SF through the first half of 2026 trails the same period in 2025 by roughly 11%.
- Second quarter 2026 volume remained below the historical second quarter baseline, consistent with the post-2018 pattern.
- However, with the 16-year annual leasing average at approximately 3.0 million SF and only 1.1 million SF recorded through mid-year, the second half of 2026 would need to generate roughly 1.9 million SF to reach that benchmark, which would require meaningful acceleration in leasing activity.

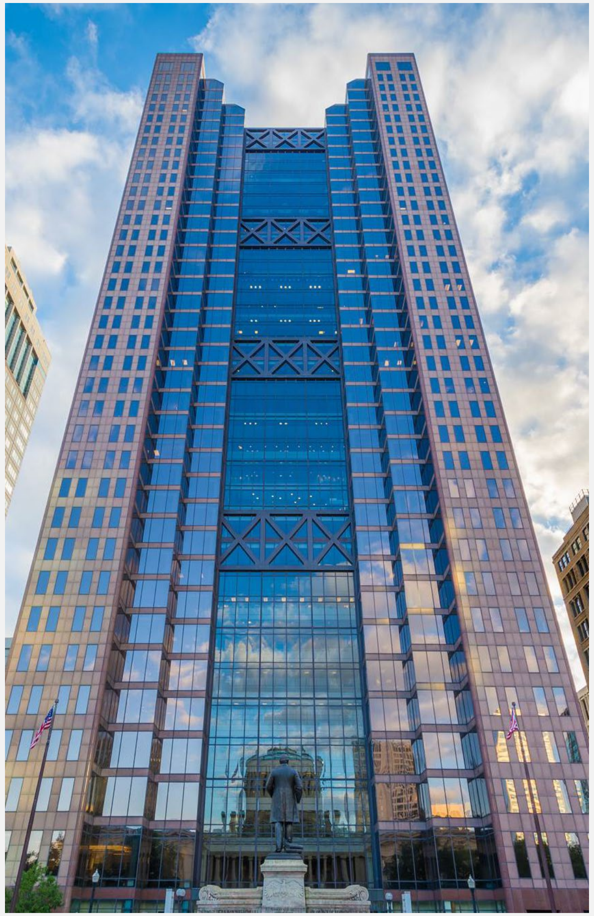
Source: Newmark Research, CoStar

Direct and Sublet Availability Decrease

In the second quarter of 2026, the Columbus direct availability rate decreased by 110 basis points to 17.9% from the previous quarter, while sublease availability fell 20 basis points to 3.0%. Overall quarterly vacancy contracted quarter-over-quarter, by 30 basis points to 20.3%. The simultaneous decline across direct availability, sublease availability, and overall vacancy against a backdrop of near-dormant construction reinforces a market finding its footing. Existing space is being absorbed, new supply is not adding to the overhang, and asking rents are responding accordingly.

Available Space as Percent of Overall Market

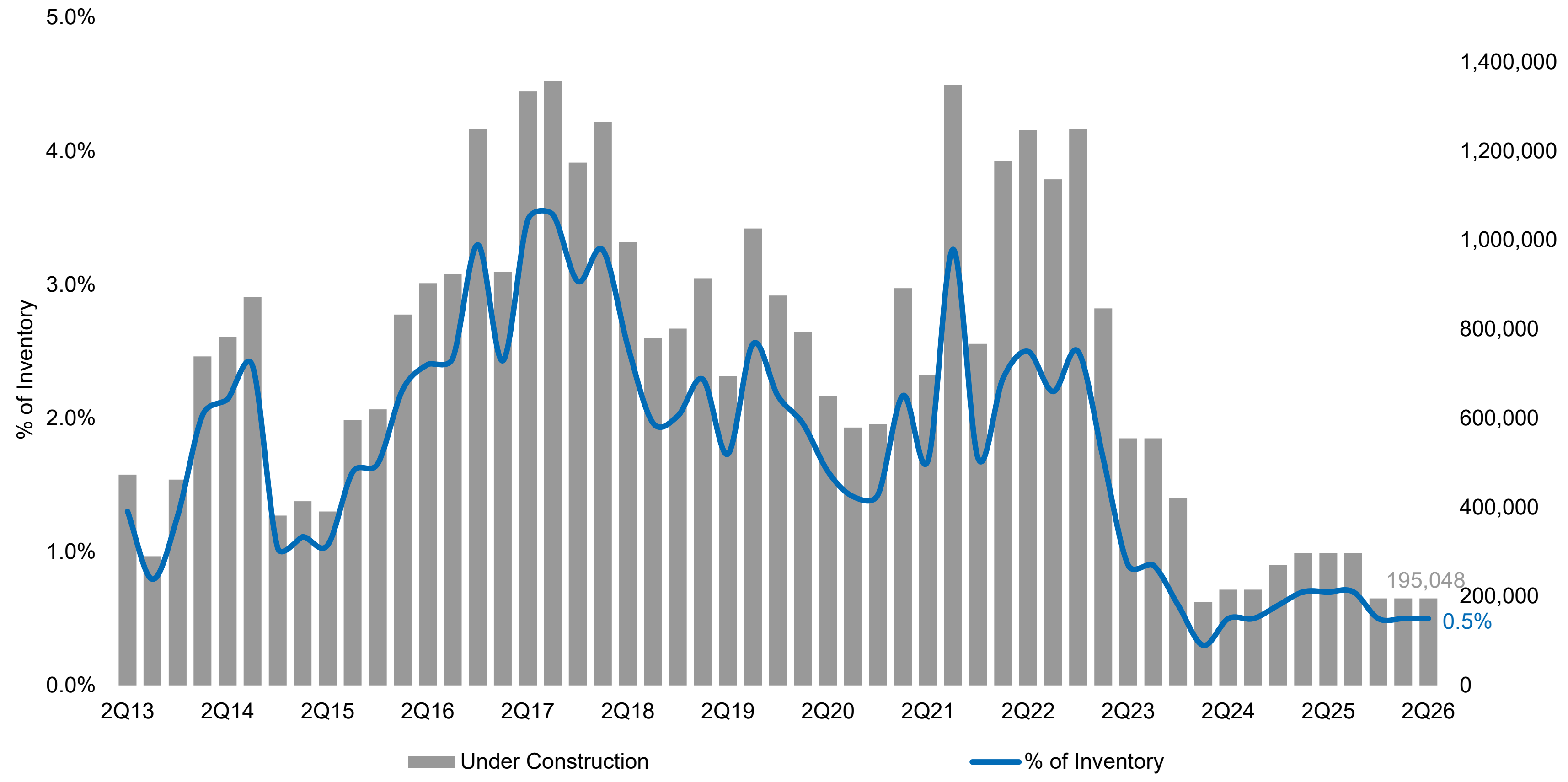




Source: Newmark Research

Office Construction Levels Remain Flat

Office Under Construction and % of Inventory



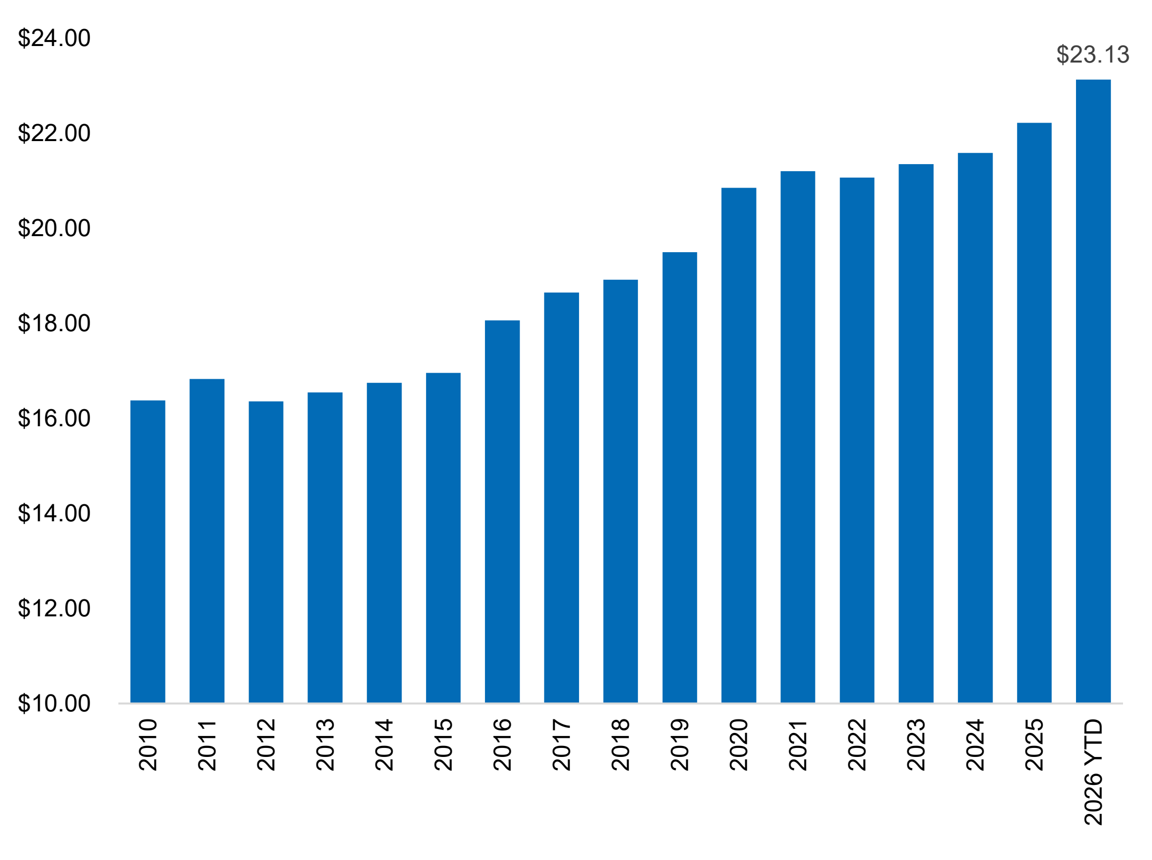
- In Columbus, office construction held steady from the prior quarter at 195,048 SF, with projects underway representing 0.5% of total inventory, near a 10-year low.
- New office construction remains muted as the market continues to recalibrate post-pandemic, with vacancies still above historical norms suppressing developer appetite.
- Some planned projects have been shelved, including the final phase of the Capitol Square Renaissance development in the CBD, which called for residential and office components, citing challenging market conditions, weak demand, and the high cost of new construction.

Source: Newmark Research

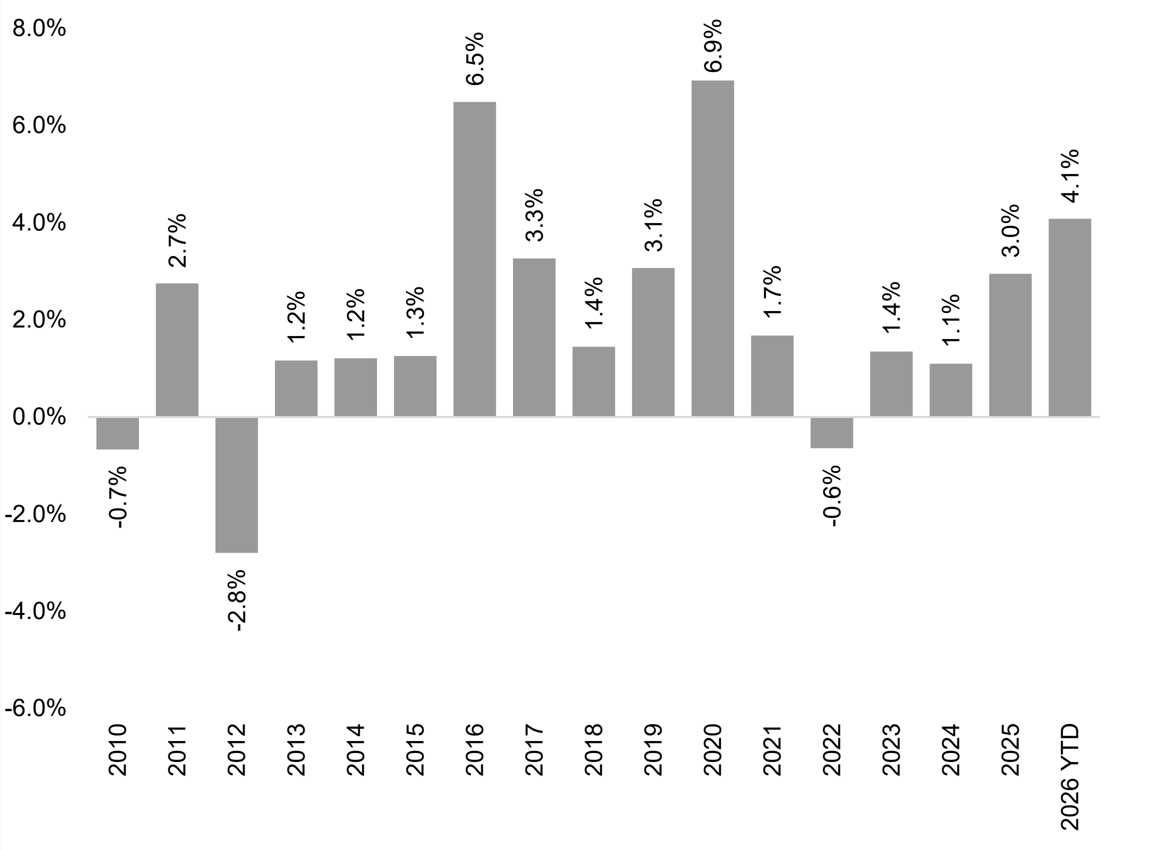
Columbus Office Market Sustains Positive Rent Momentum Through Mid-2026

The average asking rental rate for the second quarter of 2026 was $23.13/SF, holding the year-to-date average at the same level. Columbus's year-over-year asking rent growth was positive in 13 of the last 16 years, a trend that has continued into 2026 with year-to-date growth of 4.1%. These trends reflect sustained rent growth driven by quality-focused tenant demand. Columbus office rents have now recovered well past their pre-pandemic levels, with the $23.13/SF year-to-date figure representing approximately 41.0% cumulative growth since 2010. The 4.1% YTD growth rate suggests the market is in a period of accelerating momentum rather than plateauing.

Office Average Asking Rent, $/SF, FSG



Year-Over-Year Asking Rent Growth Rate

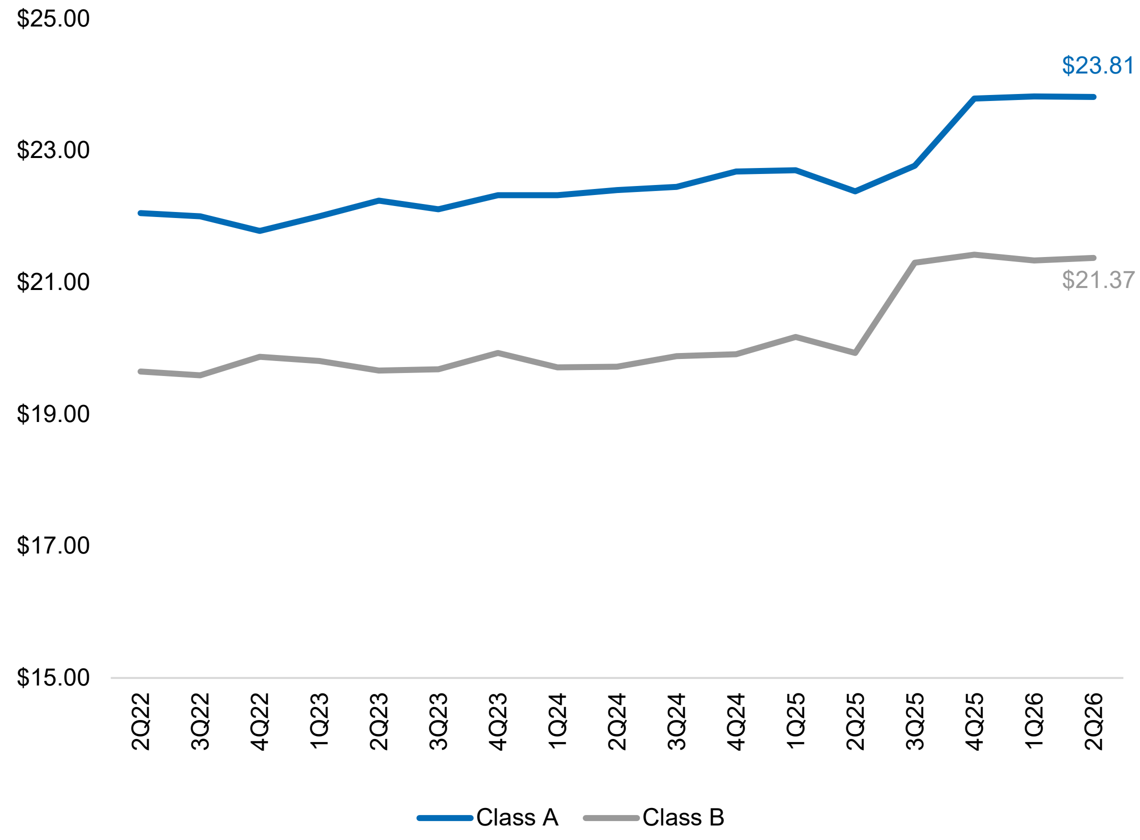


Source: Newmark Research

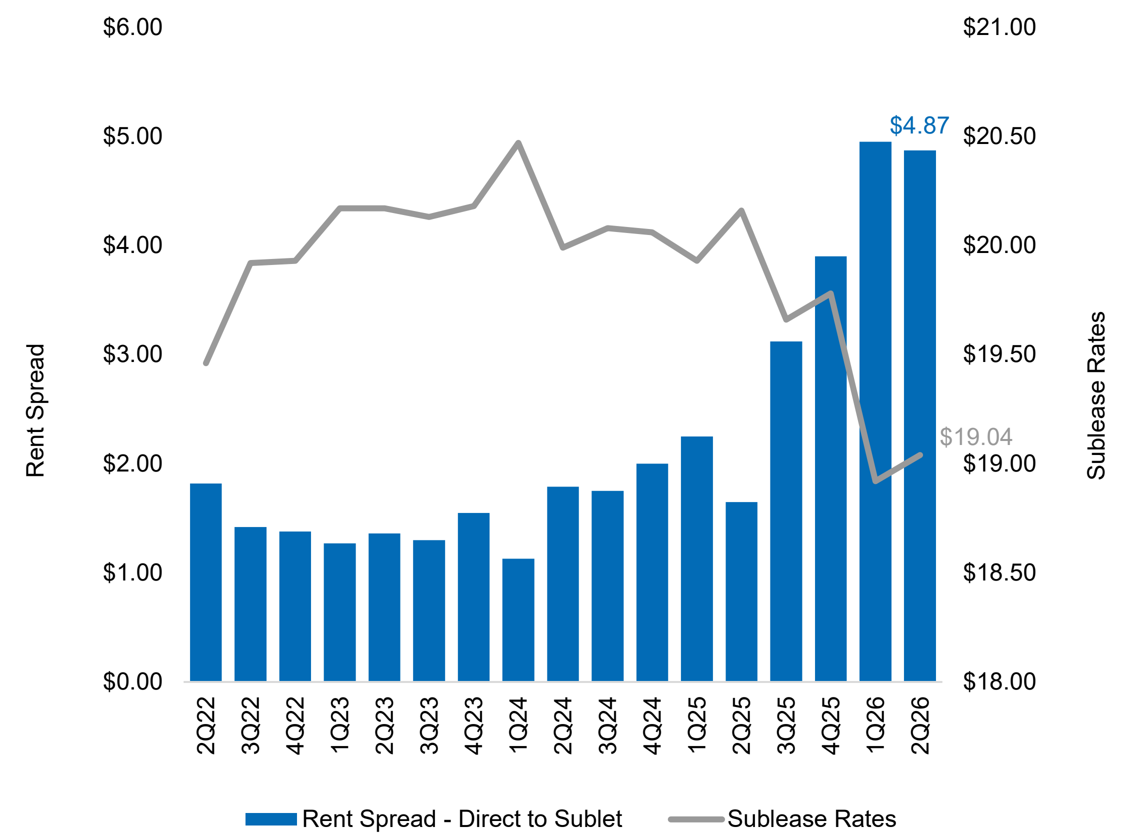
Class A and B Rent Gap Contracts After Rising for Two Previous Quarters

The discrepancy between asking rates for Class A and B office properties in the second quarter of 2026 decreased after increasing in the two previous quarters. Class A rates dipped by $0.01/SF from the first quarter to $23.81/SF in the second quarter, while Class B rates increased by $0.04/SF to $21.37/SF. The $2.44/SF gap between Class A and B rents is just a bit higher than the average gap of $2.39/SF over the last 17 quarters. The average sublease rate rose by $0.12/SF to $19.04/SF quarter-over-quarter, which tightened the rent spread between sublease and direct rents to $4.87/SF.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research

Lease and Sale Transactions in 2Q26

Select Office Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
M/I Homes	4131 Worth Ave.	Easton	Renewal	64,683
South College of Ohio	5525 Parkcenter Cir.	Dublin	Direct	42,826
Total Quality Logistics	671 S. High St.	CBD	Direct	35,595
Isaac Wiles, Burkholder & Miller, LLC	2 Miranova Pl.	CBD	Renewal	33,625
CBRE	701-719 Brooksedge Plaza Dr.	Westerville	Direct	30,758
Paul J. Ford & Co.	250 E. Broad St.	CBD	Renewal	23,730
Schneider Downs	1050 Yard St.	Grandview	Direct	22,500

Select Office Sale Transactions

Buyer	Building(s)	Submarket	Sale Price	Square Feet	Price Per SF
DFW LAND	8890 Lyra Dr. and 8922-8958 Lyra Dr.	Polaris	$60,200,000	245,658	$245.06
ANS	34-38 W. Gay St.	CBD	$2,000,000	21,160	$94.52
Erik Stratton/Northland Ridge Owner LLC	4485 Northland Ridge Blvd.	North Central	$18,000,000	320,000	$56.25
John Kalogerou (88 E Broad Street Holdings LLC)	88 E. Broad St.	CBD	$5,100,000	253,119	$20.15

Source: Newmark Research, CoStar

Access the Extended 2Q26 Columbus Office Market Conditions & Trends Report

To access, please reach out to Matthew.Orgovan@nmrk.com or your Newmark contact.

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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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights

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