NEWMARK

Columbus
Office Market Overview

4Q25

NMRK.COM

Key Takeaways

Columbus posted a third straight quarter of positive office absorption in the fourth quarter of 2025 (100,597 SF), trimming vacancy by 50 basis points to 20.0%, while full-year vacancy improved to 21.0% from 21.4%.

Leasing activity points to a more cautious, consolidation-driven office market.

New office construction levels have dipped as developers recognize the market's process of rightsizing.

Sale transaction volume in the past quarter remained tepid, as it had in all of 2025.

The market is positioned for gradual vacancy compression, with gains likely to concentrate in well-located, amenity-rich assets.

Market Observations

Economy

- The Columbus metro's economy gained jobs year-over-year in September of 2025, as the MSA's total nonfarm employment increased annually by 1.3%. This came after achieving a 1.3% gain in July and 1.2% in August. National nonfarm employment increased year-over-year by 0.8% in September. Columbus's unemployment rate in September 2025 came down to 4.4%, after hitting 4.7% in July, and then decreasing to 4.6% in August. The national unemployment rate was on par with Columbus at 4.4%.
- The Professional and Business Services sector led all industries in annual job growth with 3.1% in September for the Columbus MSA. Seven of 10 industry sectors in the market saw employment gains from September 2024 to September 2025. Two of the three office-occupying industries experienced annual job gains, with the Financial Activities sector also notching a positive mark at 2.8%. The Information sector came in at negative 1.4% year-over-year and was the worst performing industry of them all.

Leasing Market Fundamentals

- Columbus recorded its third straight quarter of positive absorption in the fourth quarter of 2025, totaling 100,597 SF, which reduced the quarter's vacancy by 50 basis points to 20.0%. For 2025 overall, vacancy ended at 21.0%, down from 21.4% through the first three quarters. Looking ahead to 2026, the market is positioned for gradual vacancy compression, with gains likely to concentrate in well-located, amenity-rich assets as conditions move toward—though remain above—the 20-year average of 15.7%.
- New office construction levels have dipped as developers recognize the market's process of rightsizing, while tenants have backfilled spaces in quality, legacy buildings. In fact, Class A buildings accrued 395,814 SF of positive absorption in 2025, 314.0% higher than Class B properties' total of 95,657 SF of positive absorption.
- The average asking rental rate for the fourth quarter of 2025 increased to $22.89/SF, a $0.54/SF rise from the third quarter. The year-to-date average asking rent increased to $22.19/SF.

Notable Transactions and Developments

- Transaction volume in the past quarter remained tepid, as it had in all of 2025. Notable sales included IMC Real Estate's purchase of 1 and 2 Easton Oval in the Easton Submarket for $17.5 million, or $69.31/SF for the combined 252,500 SF buildings; RE Westar III LLC's $12.7 million acquisition of the 147,500 SF 440 Polaris Pkwy. in the Westerville submarket for $86.10/SF; and Crawford Hoying procuring a 343,106 SF, five-property portfolio in the Worthington submarket for $18.5 million, or $53.86/SF.
- Lease signings in the fourth quarter included: 49,431 SF by Columbia Gas in the Airport submarket; ODW Logistics inking a 29,612 SF expansion in the CBD; Reminger Co.'s 25,974 SF in the Grandview submarket; MS Consultants' 22,673 SF lease in the Polaris submarket; and a 19,307 SF extension by Hattie Larlham Center for Children with Disabilities in the Westerville submarket. The last three years have netted positive absorption, yet leasing activity has trended downward since 2022. Move-ins, space densification, and limited new supply slightly outweigh move-outs despite weaker new leasing volumes.

Outlook

- Well-managed buildings with active lobbies and rich amenities within or nearby remain important to tenants, as companies have become less sensitive to rental rates and more thoughtful towards getting the office environment right. In fact, spec spaces done correctly often improve the chance of leasing. Despite accruing a small amount of positive absorption in the fourth quarter and an average amount for 2025, demand continues to be off for spaces in the CBD.
- More suburban buildings have begun to add amenities, which continue to be important to tenants. However, large blocks of suburban vacancies that aren't walkable have been struggling.
- If the three-quarter downtrend in direct and sublease availability persists alongside muted new deliveries, expect Columbus office fundamentals to grind higher through 2026 with modest positive net absorption, sublease discounting normalizing, and concessions tightening for well-located Class A assets, while aging B/C stock will require flexible deal structures and potential repositioning to remain competitive.

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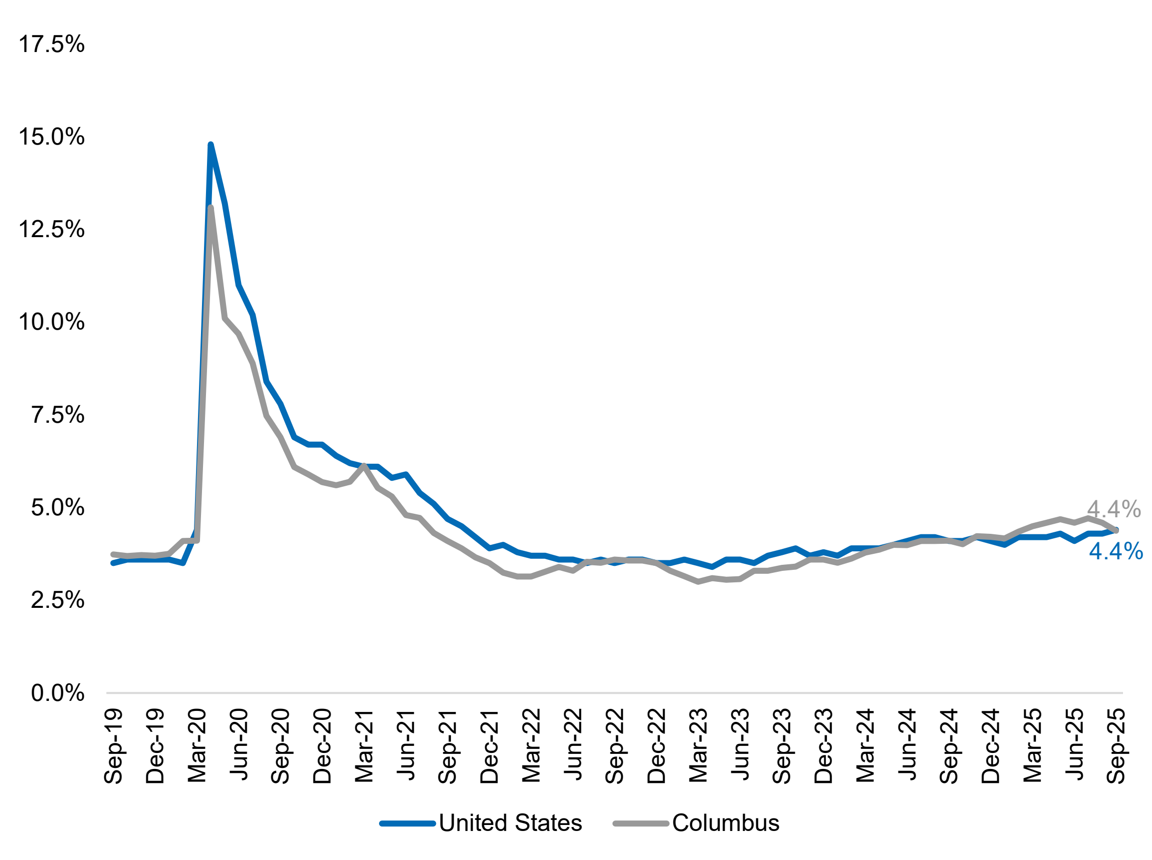
Economy

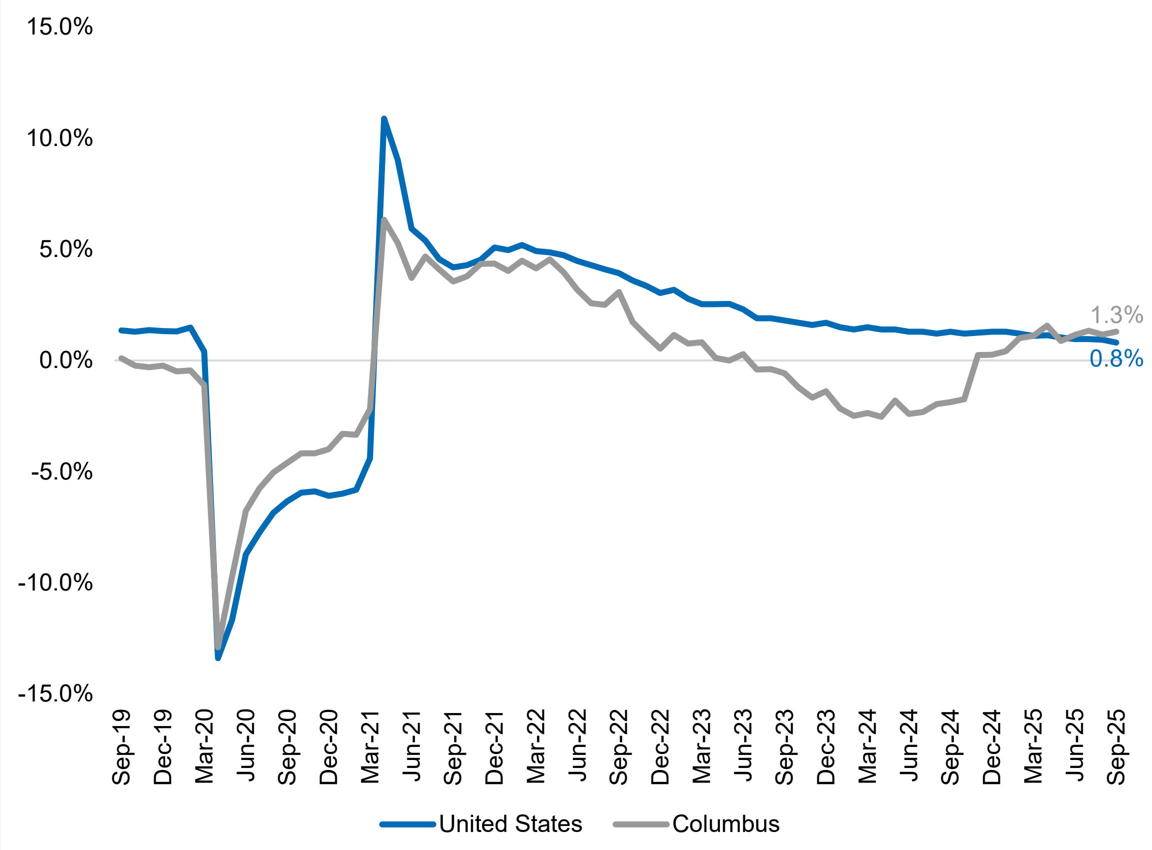
Columbus and United States Unemployment and Nonfarm Employment Trends

The Columbus metro's economy gained jobs year-over-year in September of 2025, as the MSA's total nonfarm employment increased annually by 1.3%. This came after achieving a 1.3% gain in July and 1.2% in August. National nonfarm employment increased year-over-year by 0.8% in September. Columbus's unemployment rate in September 2025 came down to 4.4%, after hitting 4.7% in July, and then decreasing to 4.6% in August. The national unemployment rate was on par with Columbus at 4.4%.

Unemployment Rate, Seasonally Adjusted



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

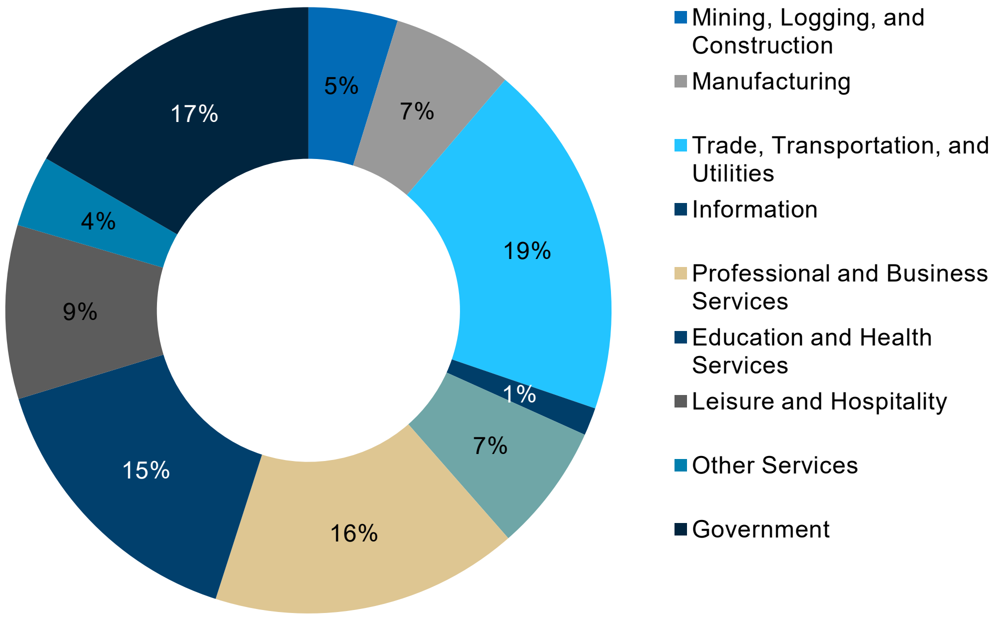


Source: U.S. Bureau of Labor Statistics, Columbus MSA
Note: October-December 2025 data was incomplete at the time of this report.

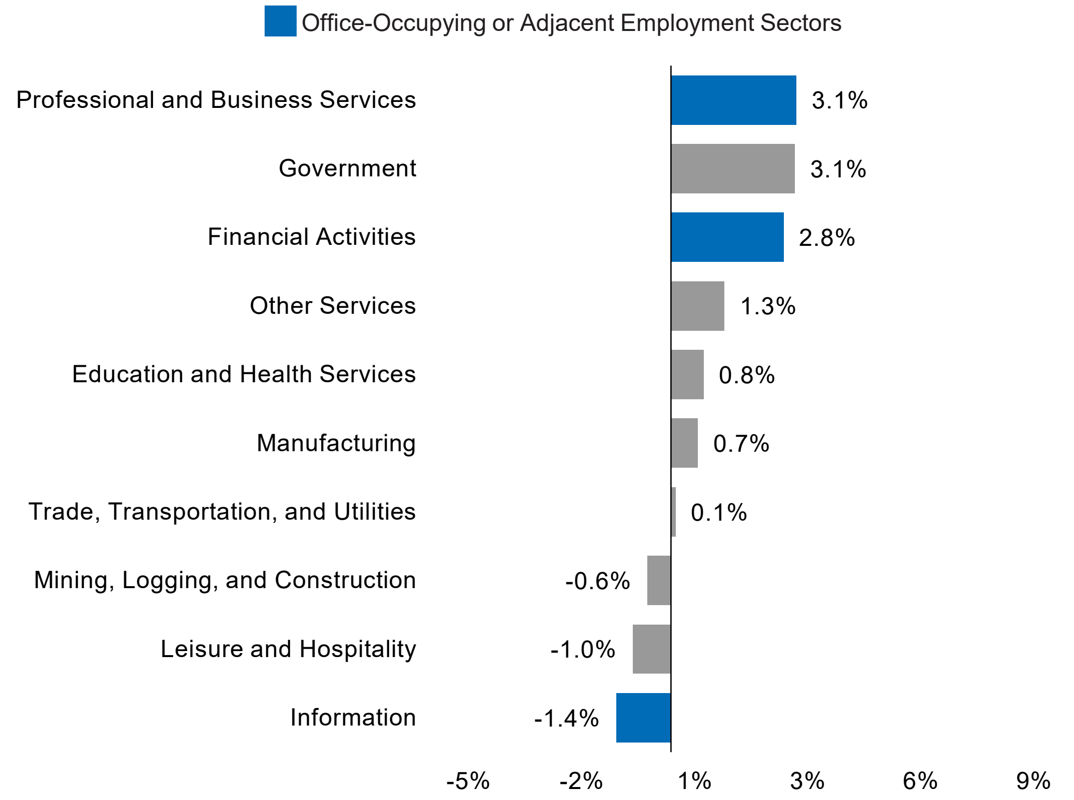
Job Gains in Two of Three Office-Occupying or Adjacent Industries

The Professional and Business Services sector led all industries in annual job growth with 3.1% in September for the Columbus MSA. Seven of 10 industry sectors in the market saw employment gains from September 2024 to September 2025. Two of the three office-occupying industries experienced annual job gains, with the Financial Activities sector also notching a positive mark at 2.8%. The Information sector came in at negative 1.4% year-over-year and was the worst performing industry of them all.

Employment by Industry, September 2025



Employment Growth by Industry, 12-Month % Change, September 2025

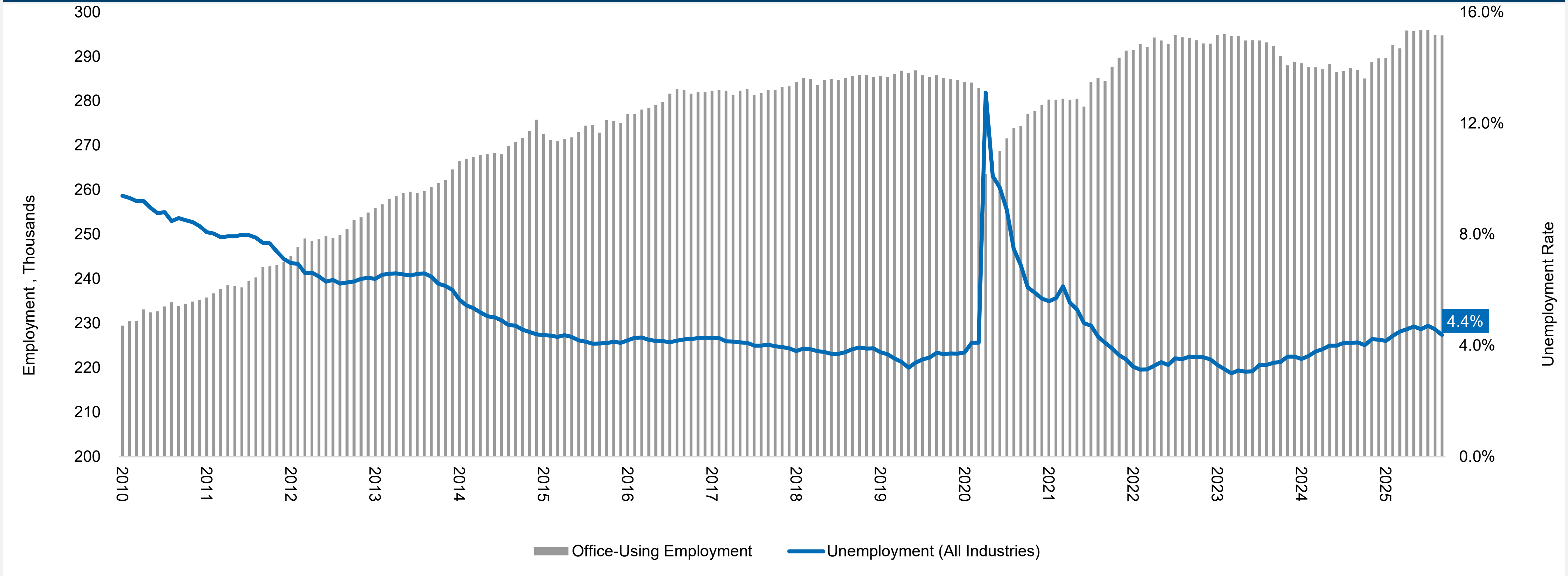


Source: U.S. Bureau of Labor Statistics, Columbus MSA
Note: October-December 2025 data was incomplete at the time of this report.

Recent Office-Using Employment Numbers Down After Reaching Recent Highs

The number of office-using jobs in the Columbus market as of September 2025 was approximately 294,780 and was above 290,000 for the eighth straight quarter. July's number of approximately 296,028 was the highest in this statistical set that dates to January 2010, but August and September's numbers came back down to under 295,000. The MSA's unemployment percentage was 4.4%.

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



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. Note: October-December 2025 data was incomplete at the time of this report.

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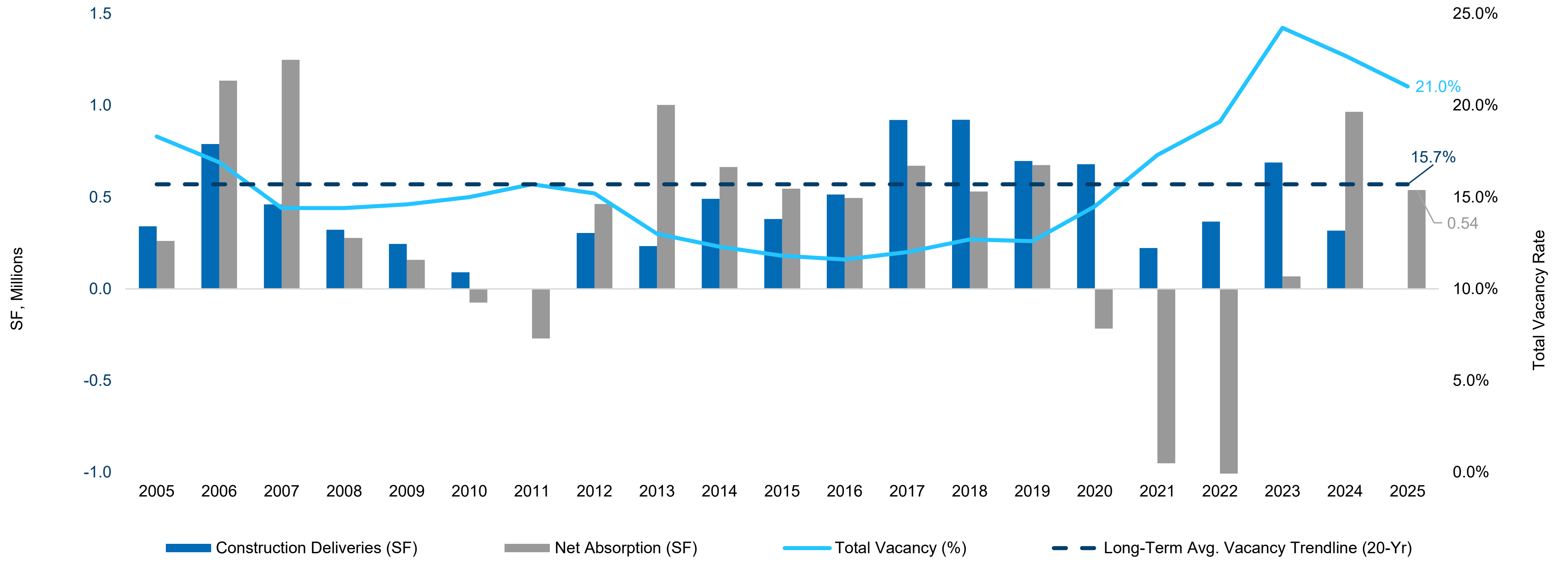
Leasing Market Fundamentals

Absorption Positive and Vacancy Dips For Third Year in a Row

Columbus recorded its third straight quarter of positive office absorption in the fourth quarter of 2025, totaling 100,597 SF, which reduced the quarter's vacancy by 50 basis points to 20.0%. For 2025 overall, vacancy ended at 21.0%, down from 21.4% through the first three quarters. Looking ahead to 2026, the market is positioned for gradual vacancy compression, with gains likely to concentrate in well-located, amenity-rich assets as conditions move toward—though remain above—the 20-year average of 15.7%. Class A buildings accrued 395,814 SF of positive absorption in 2025, 314.0% higher than Class B properties' total of 95,657 SF of positive absorption.

Historical Construction Deliveries, Net Absorption, and Vacancy

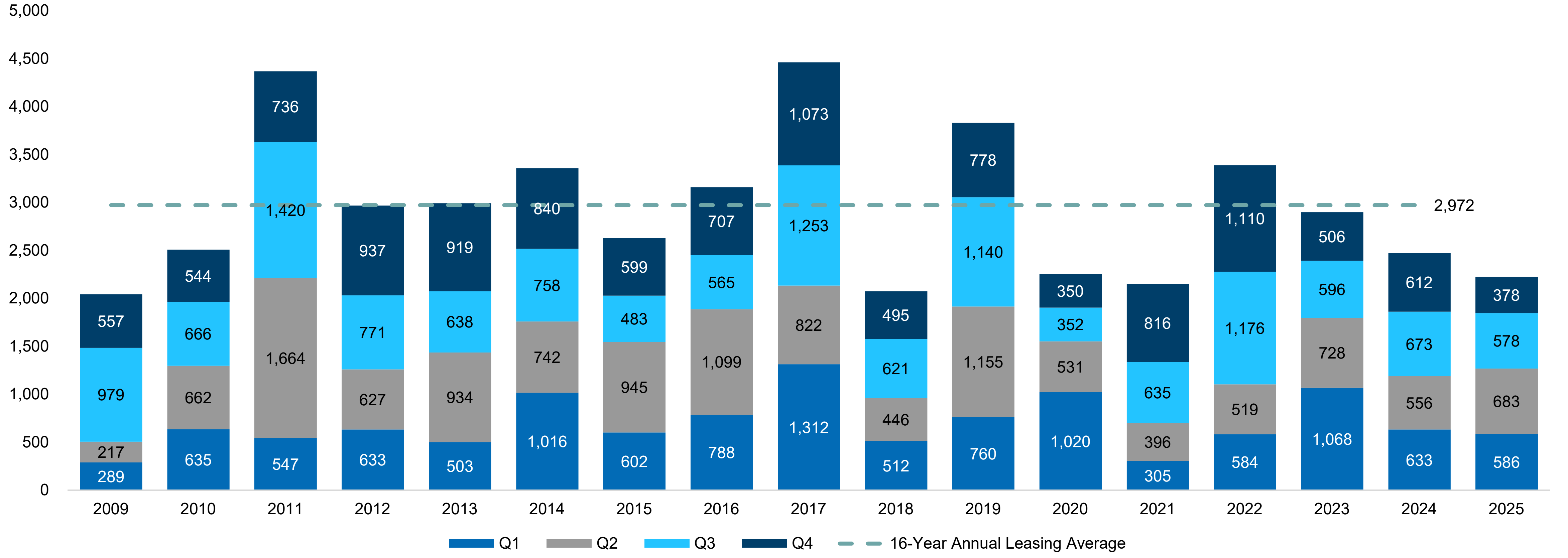


Source: Newmark Research

Fourth Quarter Leasing Activity

At 377,795 SF, the fourth quarter of 2025 saw the second lowest amount of leasing in the Columbus office market for a fourth quarter in the last 17 years and helped contribute to a 2025 total that was the fourth lowest in that period. The last three years have netted positive absorption, yet leasing activity has trended downward since 2022. Move-ins, space densification, and limited new supply slightly outweigh move-outs despite weaker new leasing volumes. This combination suggests the market is stabilizing more from reduced give-backs than from robust new demand.

Total Leasing Activity (thousands SF)

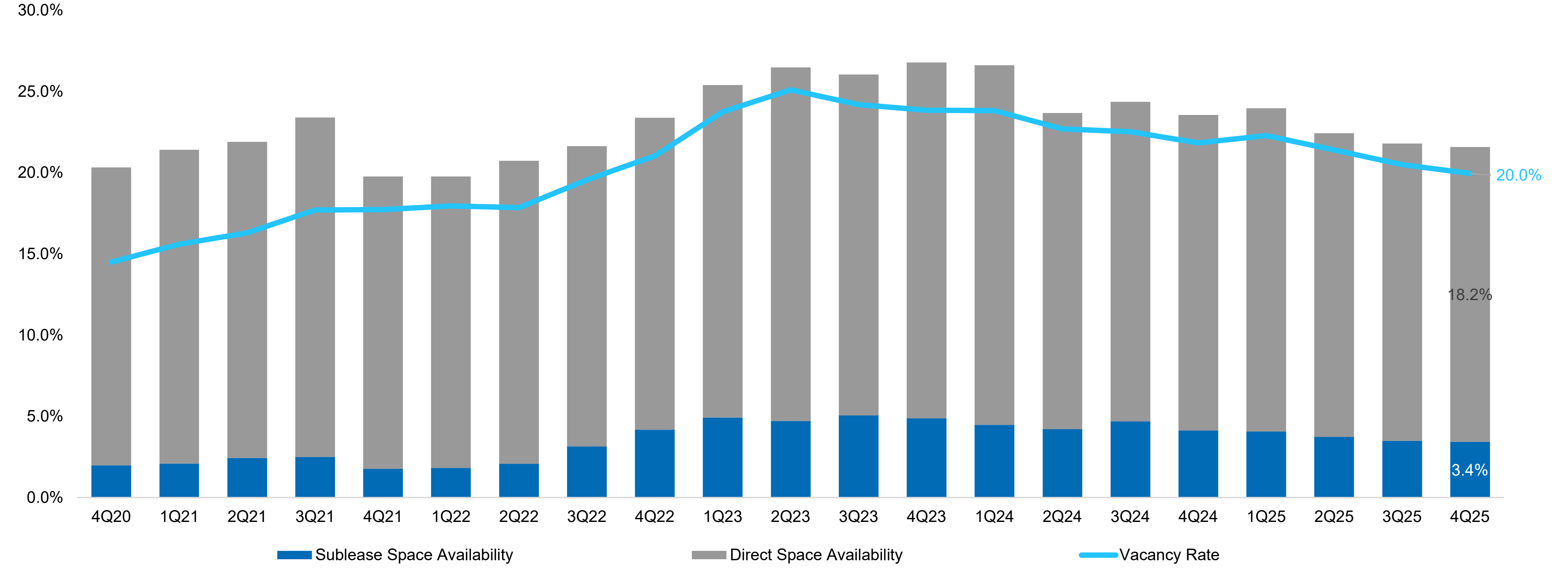


Source: Newmark Research, CoStar

Vacancy Percent, Direct and Sublet Availability All Down

In the fourth quarter of 2025, the Columbus direct availability rate decreased by 10 basis points to 18.2% from the previous quarter (just over 7.3 million SF), while sublease availability also fell 10 basis points to 3.4% (just under 1.4 million SF). Overall quarterly vacancy was down 50 basis points to 20.0%. The total availability rate was 21.6% as the fourth quarter ended, down 10 basis points from the prior quarter and marking the third straight quarter of decline. This trend suggests a slowly recovering market with improving occupancy and less sublease space.

Available Space as Percent of Overall Market

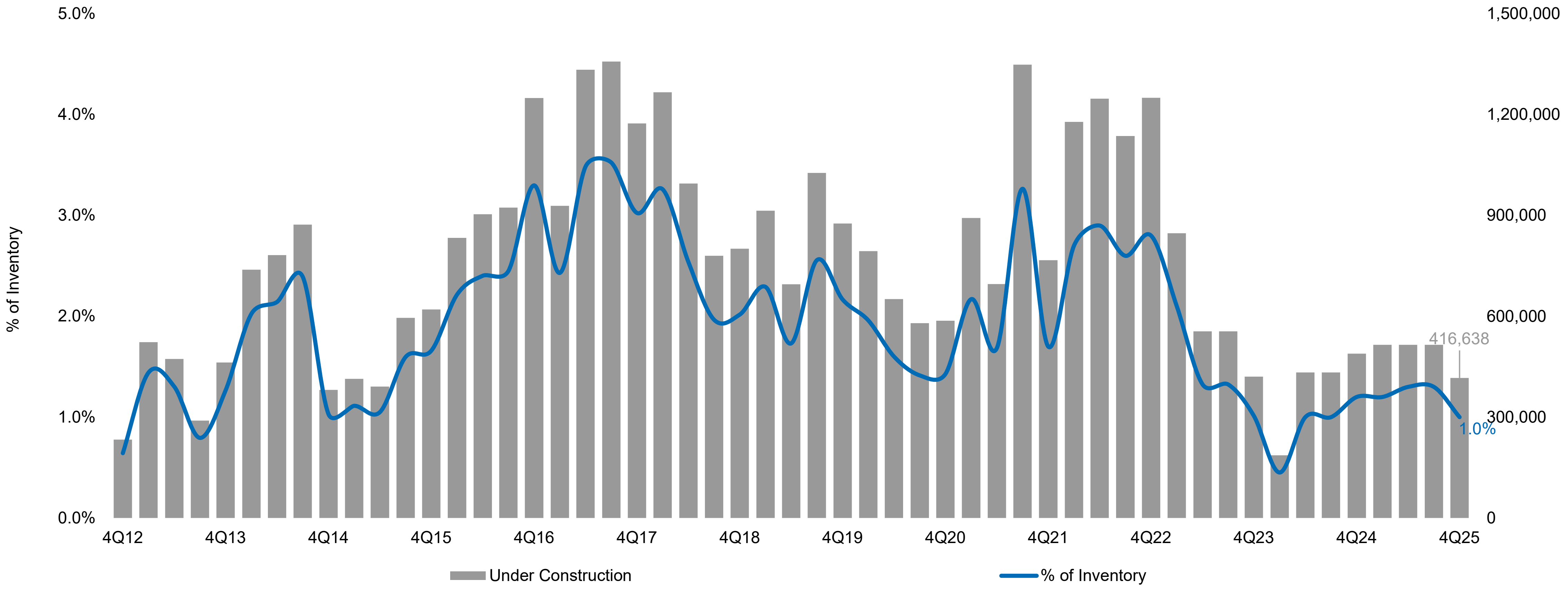


Source: Newmark Research

Office Construction Levels Dip

In Columbus, office construction declined in the fourth quarter of 2025 to 416,638 SF, with projects underway equal to just 1.0% of total inventory. New office construction levels have dipped significantly since the beginning of 2023 as developers recognize the market's process of rightsizing post-pandemic, while tenants have backfilled spaces in repositioned, quality, legacy buildings. Overall office vacancy continues to hover above historical averages, which factors into developer hesitation to initiate new projects. New construction economics also don't "pencil" versus existing buildings due to continued higher interest rates and material costs.

Office Under Construction and % of Inventory

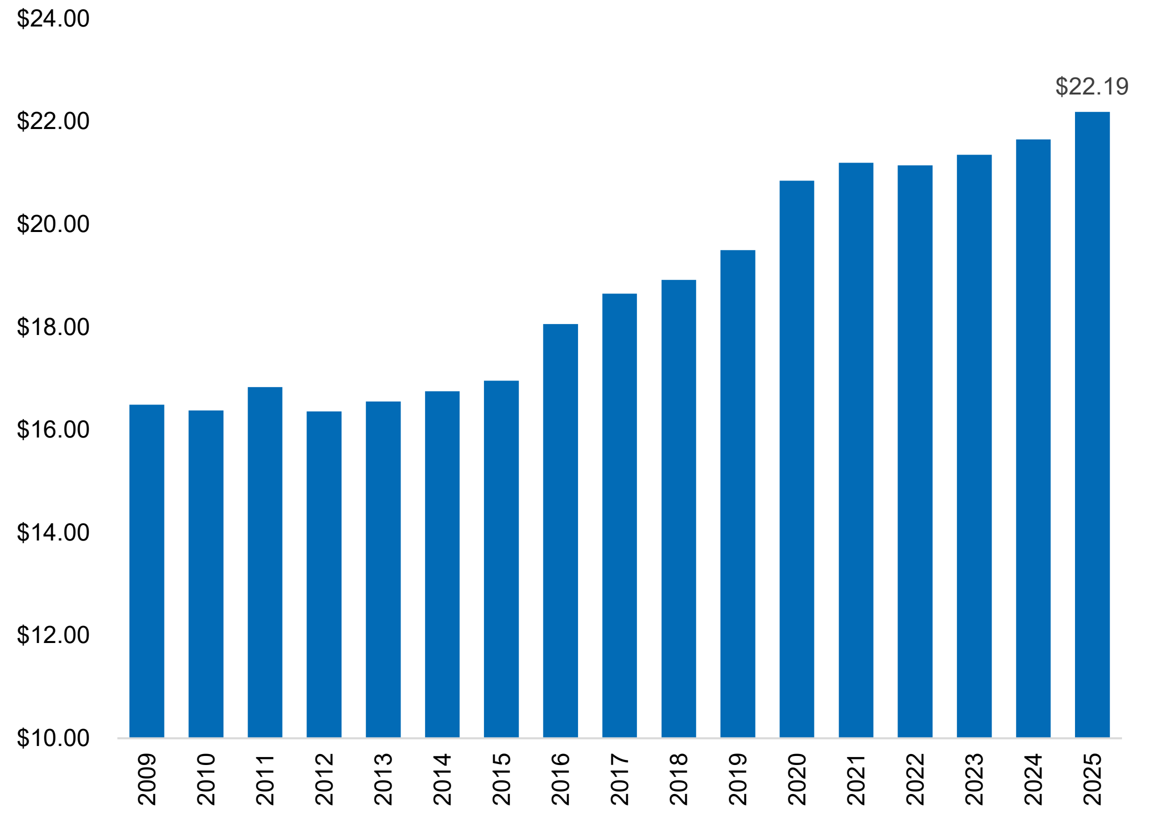


Source: Newmark Research

Flight-to-Quality Trend Poised to Sustain Columbus Rent Increases

The average asking rental rate for the fourth quarter of 2025 increased to $22.89/SF, a $0.54/SF rise from the third quarter. This helped pace the year-to-date average asking rent to go up by $0.23/SF to $22.19/SF. The year-over-year asking rent growth rate improved to 2.5%, matching the 2024 percentage, after notching 1.4% through the first three quarters of 2025. Columbus's year-over-year asking rent growth rate has been in the positive for 13 of the last 17 years and has escalated for three consecutive years. As a flight to quality mentality persists, average rental rates should continue to rise.

Office Average Asking Rent, $/SF, FSG



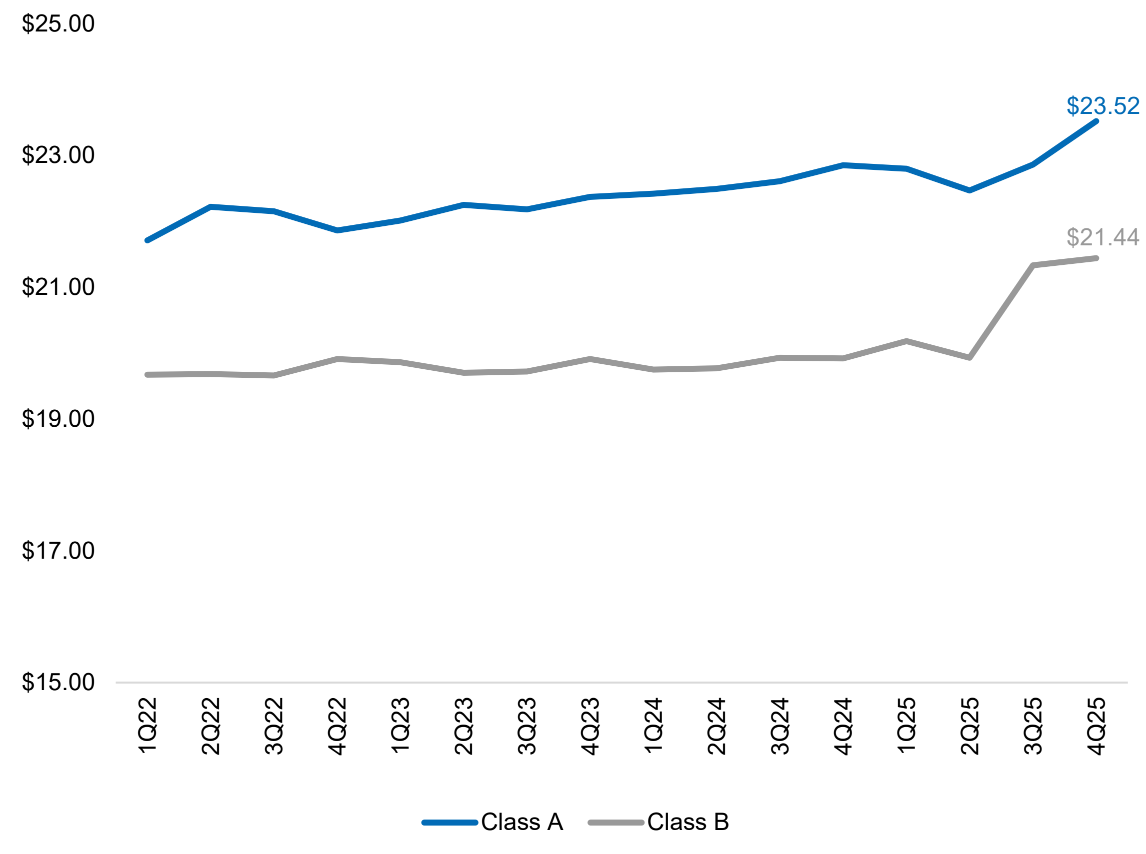
Year-Over-Year Asking Rent Growth Rate

Source: Newmark Research

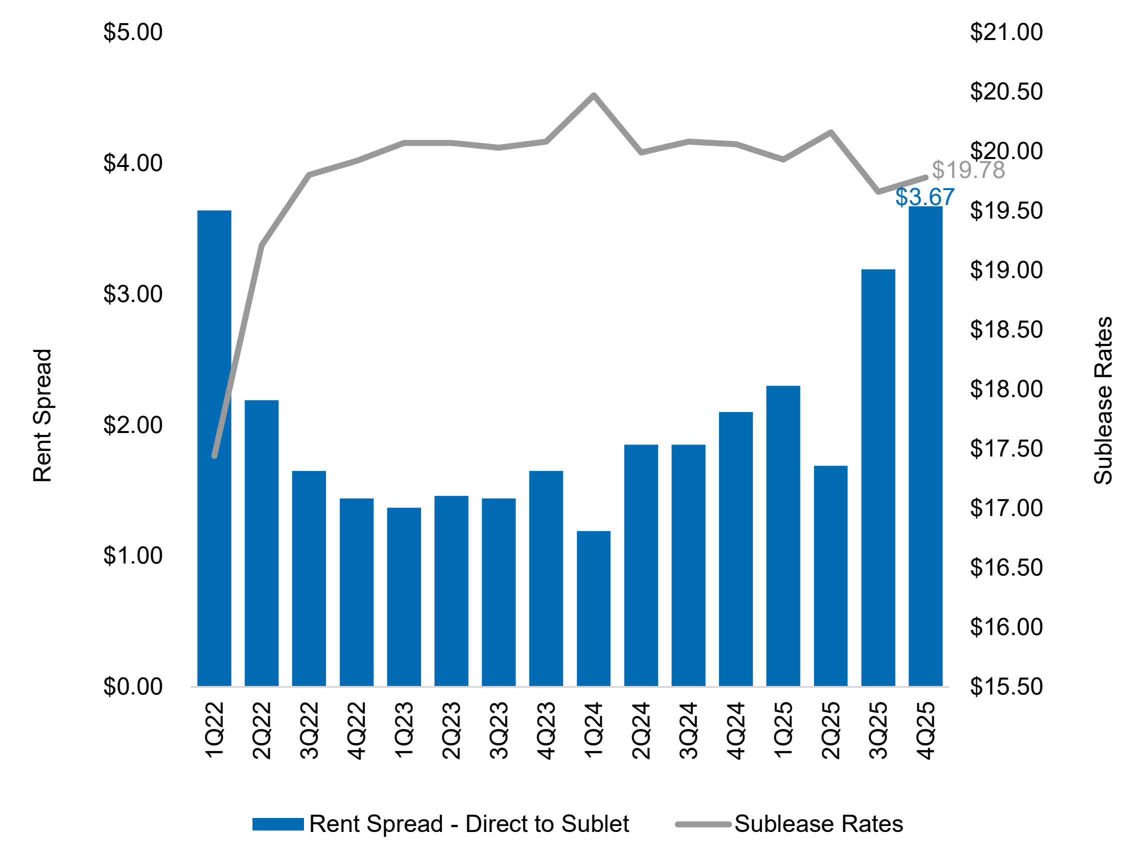
Class A and B Rent Gap Rises

The discrepancy between asking rates for Class A and B office properties increased in the fourth quarter after tightening for the three previous quarters. Class A rates rose by $0.66/SF to $23.52/SF, while Class B rates increased to $21.44/SF, an $0.11/SF uptick. The $2.08/SF gap between Class A and B rents is lower than the $2.40/SF average difference since the first quarter of 2022. The average sublease rate increased by $0.12/SF to $19.78/SF, which elevated the rent spread between sublease and direct rents to $3.67/SF.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research

Lease and Sale Transactions in 4Q25

Select Office Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
Columbia Gas	175 W. Nationwide Blvd.	Airport	Direct	49,431
ODW Logistics	400 W. Nationwide Blvd.	CBD	Expansion	29,612
Reminger Co., LPA	955 Yard St.	Grandview	Direct	25,974
MS Consultants	8940 Lyra Dr.	Polaris	Direct	22,673
Hattie Larlham Center for Children with Disabilities	742 Brooksedge Blvd.	Westerville	Extension	19,307
CBRE	10 W. Nationwide Blvd.	CBD	Direct	19,000
Lazear Capital Partners	995 Yard St.	Grandview	Direct	18,169

Select Office Sale Transactions

Buyer	Building(s)	Submarket	Sale Price	Square Feet	Price Per SF
City of New Albany	6500 New Albany Rd.	New Albany	unpublished	333,169	unpublished
Whitestone Companies	8405 Pulsar Pl.	Columbus	$4,500,000	50,050	$89.91
REI Westar III LLC	440 Polaris Pkwy.	Westerville	$12,700,000	147,500	$86.10
IMC Real Estate	1 and 2 Easton Oval	Easton	$17,500,000	252,500	$69.31
O'Brien Robinson Development, LLC	5747 Perimeter Dr.	Dublin	$4,390,000	66,120	$66.39
Crawford Hoying	250 Old Wilson Bridge Rd./300/400/450/500 W. Wilson Bridge Rd.	Worthington	$18,480,100	343,106	$53.86
8101 NHS LLC	8101 N. High St.	Worthington	$3,275,000	111,894	$29.27

Source: Newmark Research, CoStar

Access the Extended 4Q25 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
- 4Q25 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.

03

Appendix / Tables

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NEWMARK

Matthew Orgovan
Research Director
Cleveland and Ohio Research
Matthew.Orgovan@nmrk.com

Columbus
150 E. Broad St., Suite 500
Columbus, OH 43215
t 614-883-1200

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

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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