



Office
Columbus
24Q4

Key Takeaways

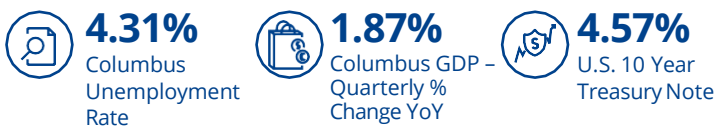
- Positive absorption contributed to a decrease in vacancy.
- Construction completions reached its highest point this year with 376K SF being completed this quarter.
- Weighted average asking rents increased to \$21.99/SF.



Regional Summary

At the end of 2024, the office market vacancy dropped in Columbus compared to the rise in vacancy nationally. This was due to limited build-to-suit deliveries such as BBI Logistics and Advanced Drainage Systems, as well as owner-occupiers purchasing buildings. This created positive net absorption of 450,000 square feet in the fourth quarter. Simultaneously, we are still seeing vacancy rates climb to near-record highs, surpassing 20% in several submarkets, as tenants continued to downsize or delay long-term leasing decisions. Class A office space, particularly those with modern amenities and central locations, fared better, but older and less adaptable buildings faced rising obsolescence. Landlords were pressured to offer aggressive concessions to attract or retain tenants, including rent reductions, extended free rent periods, and increased tenant improvement allowances. Like trends in the national office market, average lease sizes on new deals are shrinking in Columbus as tenants relocate, consolidate, and renew on short-term deals, weighing on absorption trends. Developers also exercised caution, with no speculative office projects breaking ground and focusing instead on repositioning or repurposing older office stock. Investment activity in the office sector remained subdued, with buyers seeking deep discounts and sellers reluctant to accept significant write-downs on asset values. Looking into 2025, the Columbus office market faces a challenging road ahead. Tenant demand is expected to rise as we see more companies start mandating back-to-work policies. There is an opportunity for growth in specific sectors, such as life sciences and technology, which may drive demand for specialized office facilities. While the office market's recovery will be slow and uneven, strategic reinvestment in key areas and adaptive reuse of underperforming properties could offer a path forward for landlords and investors willing to innovate. We anticipate lease terms and lease size to increase in 2025.

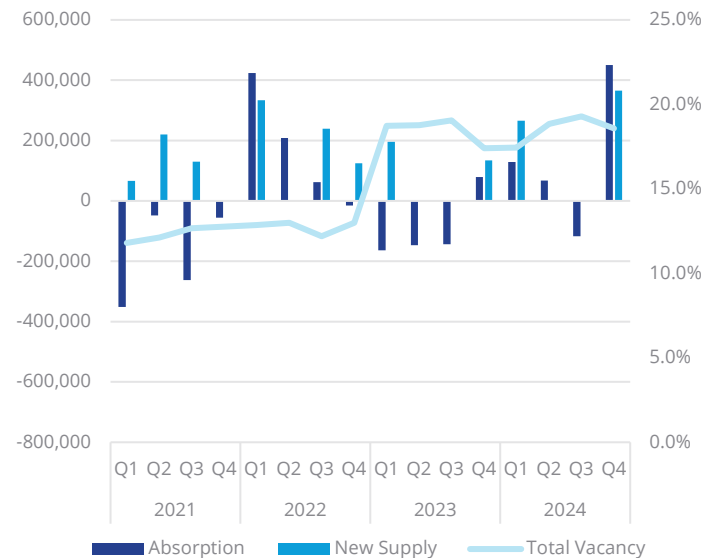
Market Indicators



Historic Comparison

	23 Q4 YoY	24 Q3 QoQ	24 Q4 Current
Total Inventory (in Thousands of SF)	52,301	52,848	53,070
New Supply (in Thousands of SF)	134	0	365
Net Absorption (in Thousands of SF)	78	(117)	450
Overall Vacancy	17.41%	19.29%	18.58%
Overall Asking Lease Rates (FSG)	\$21.78	\$21.87	\$21.99

Market Graph

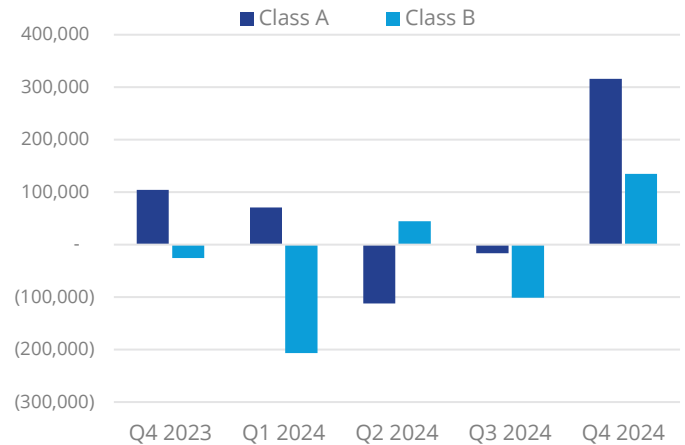


The office market continues to decline in absorption and stall in construction as macroeconomic factors continue to be negative or uncertain.

Absorption & Leasing

Stonehenge Financial Holdings signed a renewal, which was the most significant lease for 17,456 square feet at 191 W Nationwide Blvd in the CBD submarket. While leasing activity aligns with recent quarters, smaller average lease sizes keep the quarterly volume in Columbus below pre-pandemic levels. Over 150,000 square feet of new deals were signed this quarter, many with 2025 commencement dates. This demonstrates that there is still healthy leasing activity within the market. Renewals dominated the leasing landscape as companies opted to extend existing leases rather than relocate or expand. Suburban submarkets with access to parking and high-quality amenities outperformed the downtown core, where leasing activity slowed significantly.

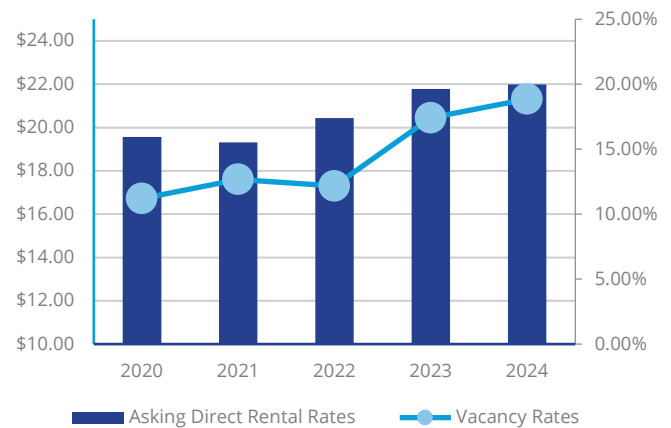
Absorption by Class



Vacancy & Market Rents

Despite vacancy dropping this quarter and ongoing occupancy challenges in the office sector, vacancies in Columbus will likely continue to rise more gradually compared to the national market due to the strength and diversity of the Columbus economy and its projected growth. The construction pipeline is at the lowest level in over a decade, and no new projects are breaking ground amid elevated interest rates and uncertainty in future office demand. The overall vacancy rate in Columbus is 18.58%, with significant variations across different submarkets. Preleased space created a wave of positive absorption this quarter, which we do not expect to continue in 2025. Current direct asking rates equated to a weighted rent of \$21.99 per square foot, which is \$0.12 higher than last quarter.

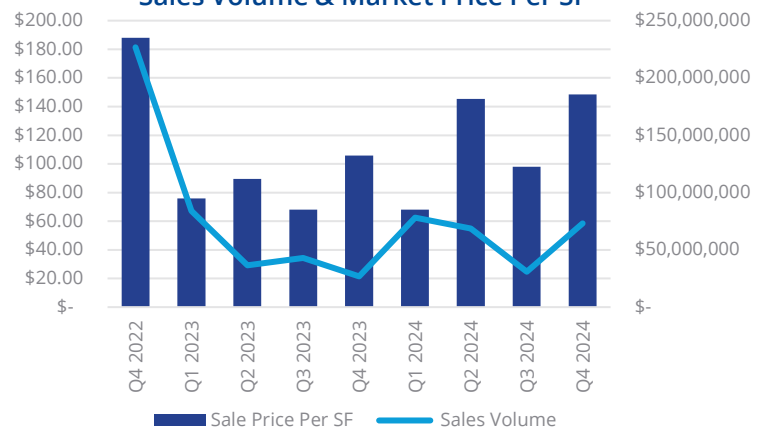
Vacancy Rate & Direct Asking Rate



Sales Activity

Sale activity in the Columbus office market remained muted in 2024, reflecting widespread investor caution. Rising interest rates and economic uncertainty made it difficult for buyers and sellers to align on pricing, leading to a significant slowdown in transaction volume. Properties that did trade often did so at a discount, particularly older office buildings with limited potential for repositioning. Investors preferred well-located Class A assets with strong tenant rosters, highly amenitized, and long-term leases, but even these properties faced greater scrutiny. Distressed sales began to emerge in the latter half of the year, as some owners faced challenges refinancing debt or maintaining occupancy levels and cash flows.

Sales Volume & Market Price Per SF



Top Performing Office Buildings

Net Absorption

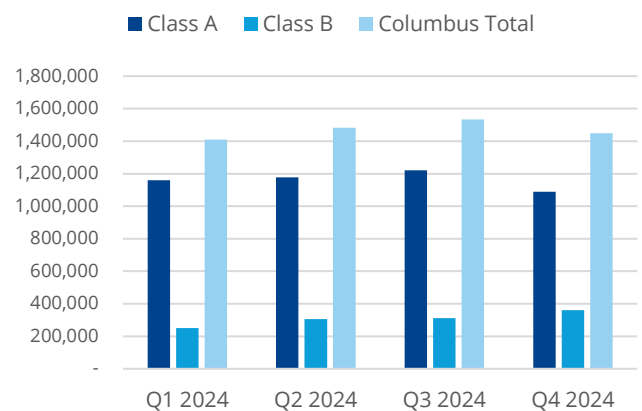
Building	Submarket	RBA	Year Built/ Renovated	Net Absorption YTD (SF)	% Leased	Available (SF)
3075 Loyalty Cir	Easton	242,064	2017/2022	75,130	31.89%	164,870
6620 Mooney St	Dublin	121,721	2024	65,999	91.19%	10,722
8800 Lyra Dr	Polaris	162,000	2000	37,622	78.62%	34,627

Large Sublease Availabilities

100,000 SF or Greater

Building	Term	Submarket	SF
5100 Rings Rd	Q4 2029	Dublin	406,000
3075 Loyalty Cir	Q3 2029	Easton	164,870
5400 New Albany Rd	Q4 2028	New Albany	148,780
3000 Corporate Exchange Dr	Q2 2038	Westerville	132,868

Historical Available Sublease Space



Construction Activity Delivery Timeline

Class A 100,000 SF or Greater

Source: Costar



ETD - Estimated Time of Delivery

10 Year Snapshot


Year	Net Absorption YTD (SF)	Construction Deliveries (SF)	Lease Rate (FSG)	Vacancy Rate
2024	277K	487K	\$21.99	18.58%
2023	(374K)	329K	\$21.78	17.41%
2022	(228K)	697K	\$20.43	12.17%
2021	(717K)	416K	\$19.32	12.67%
2020	(927K)	610K	\$19.56	11.20%
2019	1.27M	860K	\$18.75	8.80%
2018	467K	901K	\$18.73	9.55%
2017	38K	980K	\$18.66	9.10%
2016	809K	830K	\$18.31	7.80%
2015	645K	875K	\$18.79	8.70%
2014	897K	419K	\$17.32	10.10%

Notable Sales Activity

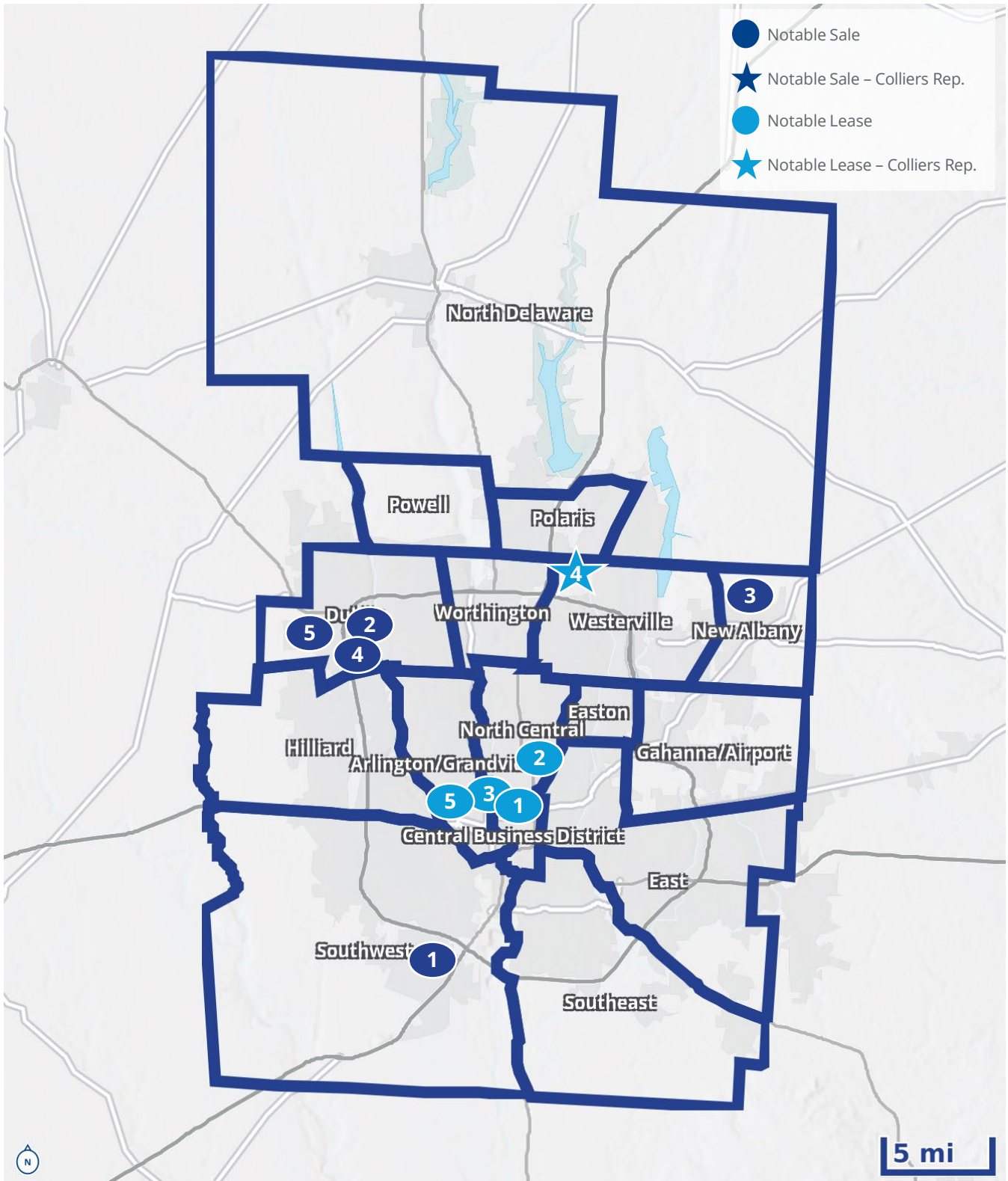
#	Address	Size	Buyer	Price	Price/SF	Submarket
1	2030 Stringtown Rd	48,885	OhioHealth	\$11,500,000	\$235.25/SF	Southwest
2	37 W Broad St	299,537	Downtown Columbus Inc.	\$10,000,000	\$33.38/SF	CBD
3	5200 Rings Rd	49,950	Richard T Ricketts	\$8,000,000	\$160.16/SF	Dublin
4	*6520 W Campus Oval	14,416	Flagship Healthcare Properties	\$6,450,000	\$447.42/SF	New Albany
5	5115 Parkcenter Ave	68,752	HR Butler	\$3,200,000	\$46.54/SF	Dublin

*Medical office sale

Notable Lease Activity

#	Address	Size	Tenant	Type	Submarket
1	191 W Nationwide Blvd	17,546	Stonehenge Financial Holdings	Renewal	CBD
2	3433 Agler Rd	13,094	Columbus Neighborhood Health Center, Inc	New Lease	North Central
3	278 N 5th St	12,280	Bio-Medical Applications of Ohio	New Lease	CBD
 4	550 Polaris Pky	11,050	Exact Benefits Group LLC	New Lease	Polaris
5	1123 Goodale Blvd	10,980	5812 Investment Group	Sublease	Arlington/Grandview

Bold/Blue Denotes Colliers Represented Transaction



Market Statistics

Submarket/Class	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Total Vacancy Rate	Previous Vacancy Rate	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg. Direct Asking Rate (FSG)
Urban											
A	9,845,407	17.69%	1.36%	19.04%	18.25%	19.80%	153,291	169,447	60,000	144,000	\$23.12
B	11,956,198	10.91%	0.86%	11.77%	10.13%	9.85%	(32,162)	(53,479)	-	-	\$22.97
TOTAL	21,801,605	13.97%	1.09%	15.06%	13.79%	14.34%	121,129	115,968	60,000	144,000	\$23.06
Suburban											
A	14,717,669	17.60%	6.49%	24.09%	26.92%	26.41%	162,836	130,404	415,659	343,551	\$22.75
B	16,551,450	15.04%	1.56%	16.60%	17.45%	18.46%	166,937	86,975	-	-	\$19.79
TOTAL	31,269,119	16.24%	3.88%	20.12%	21.91%	22.19%	329,773	217,379	415,659	343,551	\$21.26
Columbus Total											
A	24,563,076	17.63%	4.90%	22.53%	23.44%	24.50%	316,127	187,794	475,659	487,551	\$22.91
B	28,507,648	13.31%	1.27%	14.57%	14.38%	14.85%	134,775	89,332	-	-	\$20.95
TOTAL	53,070,724	15.31%	2.95%	18.26%	18.58%	19.30%	450,902	277,126	475,659	487,551	\$21.99

Submarkets by Class

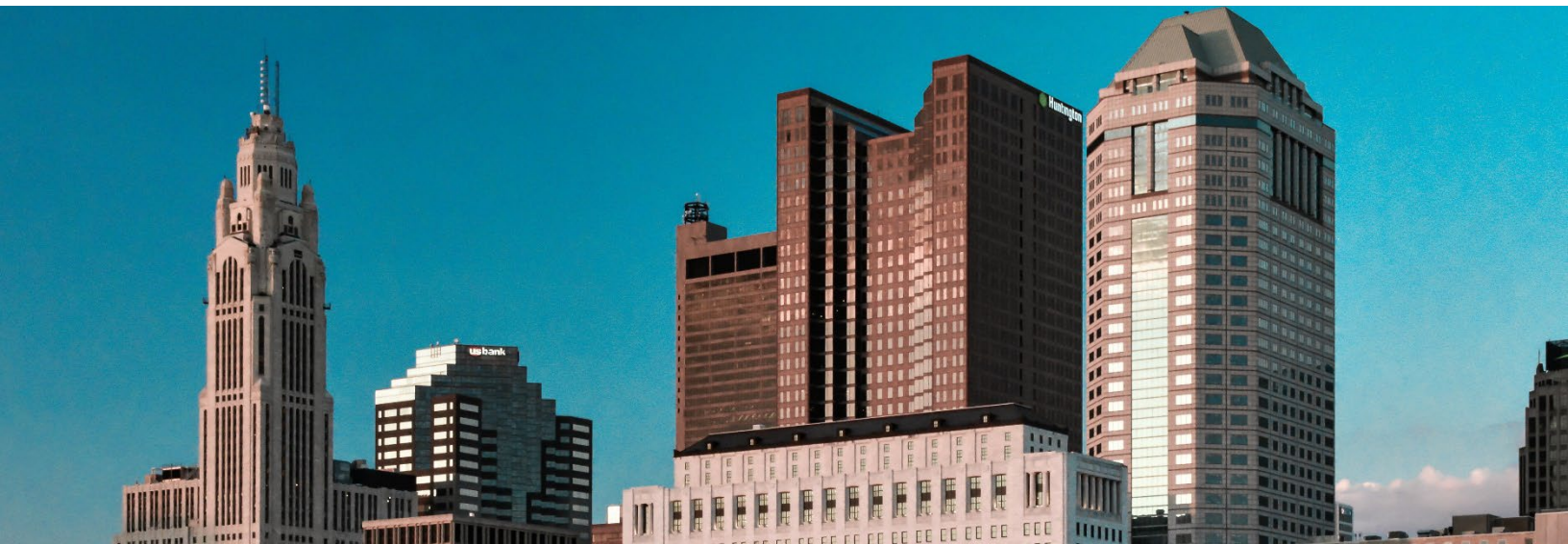
Submarket/Class	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Total Vacancy Rate	Previous Vacancy Rate	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg. Direct Asking Rate (FSG)
Arlington/Grandview											
A	1,942,395	8.96%	1.31%	10.27%	12.72%	13.25%	10,419	4,833	-	-	\$22.71
B	2,428,533	6.35%	1.19%	7.55%	6.96%	5.75%	(29,149)	(62,392)	-	-	\$19.70
TOTAL	4,370,928	7.51%	1.24%	8.76%	9.52%	9.09%	(18,730)	(57,559)	-	-	\$21.11
CBD											
A	7,903,012	19.83%	1.37%	21.20%	19.61%	21.14%	142,872	(52,657)	60,000	144,000	\$23.20
B	9,527,665	12.06%	0.78%	12.84%	10.93%	10.90%	(3,013)	46,401	-	-	\$22.56
TOTAL	17,430,677	15.59%	1.05%	16.63%	14.87%	15.66%	139,859	(6,256)	60,000	144,000	\$22.93
Dublin											
A	4,884,060	18.60%	10.58%	29.18%	33.03%	33.75%	35,162	60,488	-	121,721	\$22.07
B	4,187,265	14.48%	0.74%	15.21%	14.59%	18.06%	145,262	115,509	-	-	\$18.56
TOTAL	9,071,325	16.70%	6.04%	22.74%	24.52%	26.51%	180,424	175,997	-	121,721	\$21.09
East											
A	59,912	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	60,000	-	-
B	882,357	11.42%	0.00%	11.42%	11.42%	11.91%	(2,773)	(23,389)	-	-	\$18.64
TOTAL	942,269	10.69%	0.00%	10.69%	10.69%	11.16%	(2,773)	(23,389)	60,000	-	\$18.64

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Easton											
A	1,640,660	2.41%	11.50%	13.91%	13.34%	13.87%	8,658	73,107	-	-	\$28.17
B	1,247,573	25.03%	8.75%	33.78%	34.71%	32.44%	(28,328)	(34,998)	-	-	\$25.34
TOTAL	2,888,233	12.19%	10.31%	22.50%	22.57%	21.89%	(19,670)	38,109	-	-	\$25.66
Gahanna/Airport											
A	208,915	5.81%	0.00%	5.81%	8.16%	8.15%	-	-	48,000	-	-
B	1,399,485	26.24%	0.92%	27.15%	28.63%	33.54%	68,900	31,073	-	-	\$18.31
TOTAL	1,608,400	23.58%	0.80%	24.39%	25.97%	30.25%	68,900	31,073	48,000	-	\$18.31
Hilliard											
A	690,000	25.17%	1.25%	26.42%	29.42%	35.54%	119,929	120,660	154,937	110,000	\$23.52
B	551,103	3.36%	0.31%	3.67%	6.57%	6.26%	(1,684)	266	-	-	\$16.73
TOTAL	1,241,103	16.27%	0.86%	17.14%	20.10%	22.54%	118,245	120,926	154,937	110,000	\$22.95
New Albany											
A	1,261,144	27.63%	11.80%	39.43%	38.59%	38.58%	(126)	7,104	-	-	\$24.71
B	909,963	17.86%	0.64%	18.50%	20.86%	21.15%	2,666	11,627	-	-	\$24.65
TOTAL	2,171,107	23.54%	7.12%	30.66%	31.16%	31.27%	2,540	18,731	-	-	\$24.68
North Central											
A	867,939	10.79%	0.00%	14.12%	11.40%	13.08%	-	10,336	101,068	111,830	\$25.41
B	1,562,274	8.73%	0.00%	9.42%	5.13%	5.59%	7,223	24,186	-	-	\$16.39
TOTAL	2,430,213	9.47%	0.00%	10.95%	7.37%	8.03%	7,223	34,522	101,068	111,830	\$20.39
North Delaware											
A	189,250	0.00%	0.73%	0.73%	0.73%	0.73%	-	-	30,000	-	-
B	526,859	13.51%	0.94%	14.46%	26.61%	25.03%	(8,320)	(19,381)	-	-	\$13.00
TOTAL	716,109	9.94%	0.89%	10.83%	19.77%	18.61%	(8,320)	(19,381)	30,000	-	\$13.00
Polaris											
A	1,976,895	14.76%	1.13%	15.89%	17.71%	18.25%	10,946	3,586	-	-	\$22.93
B	784,968	14.97%	0.00%	14.87%	14.42%	14.67%	1,966	(5,677)	-	-	\$21.69
TOTAL	2,761,863	14.82%	0.80%	15.63%	16.77%	17.24%	12,912	(2,091)	-	-	\$22.67
Powell											
A	302,362	23.69%	0.00%	23.69%	31.37%	29.66%	(5,157)	(2,968)	-	-	\$21.38
B	320,017	11.36%	0.00%	11.36%	13.68%	13.68%	-	(6,156)	-	-	\$18.39
TOTAL	622,379	17.35%	0.00%	17.35%	22.27%	21.44%	(5,157)	(9,124)	-	-	\$20.43

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Southeast											
A	150,000	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
B	420,590	1.11%	0.00%	1.11%	1.11%	0.00%	(4,673)	(4,673)	-	-	\$20.18
TOTAL	570,590	0.82%	0.00%	0.82%	0.82%	0.00%	-	-	-	-	\$20.18
Southwest											
A	-	-	-	-	-	-	-	-	-	-	-
B	824,165	0.00%	0.00%	0.00%	0.00%	0.00%	(9,434)	8,484	-	-	\$15.95
TOTAL	824,165	0.00%	0.00%	0.00%	0.00%	0.00%	(9,434)	(35,485)	-	-	\$15.95
Westerville											
A	993,540	24.27%	13.37%	37.64%	37.03%	37.56%	5,329	4,769	-	-	\$22.73
B	1,583,949	16.79%	4.47%	21.26%	27.30%	26.36%	(14,763)	(40,254)	-	-	\$18.26
TOTAL	2,577,489	19.68%	7.90%	27.58%	31.05%	30.68%	(9,434)	(35,485)	-	-	\$20.50
Worthington											
A	1,382,992	27.58%	3.51%	31.10%	34.51%	33.65%	(11,905)	(41,464)	51,654	-	\$20.35
B	1,350,882	21.45%	1.57%	23.02%	21.90%	22.00%	1,461	48,706	-	-	\$17.89
TOTAL	2,733,874	24.55%	2.55%	27.10%	28.28%	27.89%	(10,444)	7,242	51,654	-	\$19.29



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