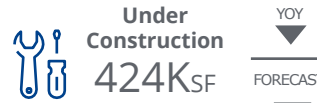
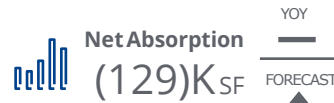
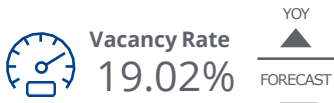




# Office Columbus 25Q1

## Key Takeaways

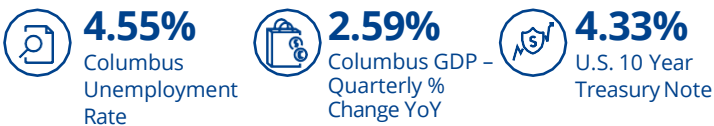
- Negative absorption contributed to an increase in vacancy of 42 basis points to 19.02%.
- Construction completions started the year slow with only 51K completed, which is still more than other Midwest markets of similar size.
- Weighted average asking rents decreased by \$0.09 to \$21.93/SF.



## Regional Summary

- In the first quarter of 2025, the Columbus, Ohio, office market is witnessing a notable shift as governmental and corporate entities implement return-to-office mandates. This movement is generating increased interest in office space and stimulating regional investment activity. Rather than lowering rents in response to shifting market conditions, landlords have opted to increase concessions or offer generous TI allowances to maintain face rents. As a result, the market currently favors tenants. As more companies return to the office, this dynamic may shift back to landlords, potentially leading to a reduction in concessions.
- Despite ongoing occupancy challenges in the office sector, vacancy and absorption in Columbus will likely remain flat over the next 12 to 18 months. The construction pipeline is at the lowest level in over a decade.
- Columbus was ranked the second-fastest growing U.S. city in 2024, according to a report by the Bank of America Institute. The Columbus MSA population grew by nearly 1.5% year-over-year in the third and fourth quarters of 2024. The growth was driven by strong job creation, a relatively low cost of living, and increasing migration fueled by business investments and population trends.
- Looking ahead, increased demand for office space is expected to attract investors seeking opportunities in the Columbus market. Developers are focusing on creating amenity-rich office environments to meet tenants' evolving preferences. However, challenges persist, including balancing hybrid work models and addressing potential shortages of modern office spaces. Overall, the Columbus office market is poised for growth, driven by the ongoing return-to-office trends and strategic investments in the region's commercial real estate sector.

## Market Indicators



## Historic Comparison

	24 Q1 YoY	24 Q4 QoQ	25 Q1 Current
<b>Total Inventory (in Thousands of SF)</b>	52,705	53,070	53,122
<b>New Supply (in Thousands of SF)</b>	266	365	51
<b>Net Absorption (in Thousands of SF)</b>	(129)	450	(129)
<b>Overall Vacancy</b>	17.44%	18.58%	19.02%
<b>Overall Asking Lease Rates (FSG)</b>	\$21.27	\$21.99	\$21.93

## Market Graph



The office market declined in absorption, and office construction continues to stall due to uncertain macroeconomic factors.

## Absorption & Leasing

A confidential tenant signed a new lease, which was the most significant lease totaling 16,190 square feet at 1105 Schrock Road in the Worthington submarket. Net absorption will flatten over the near term as office attendance stabilizes and in-office job growth continues to expand. Over 200,000 square feet of new deals were signed this quarter, many with mid-2025 commencement dates. Suburban net absorption was impacted by Express Scripts and Equip vacating 5151 Blazer Memorial Parkway, contributing to negative absorption in Dublin. However, strong leasing activity in Polaris and Worthington helped offset some of these losses. Newer developments, including Arlington Gateway, 330 Rush Alley at the Peninsula, and 6620 Mooney Street at Bridge Park, have all benefited from strong occupancy rates ranging from mid-80% to high 90%.

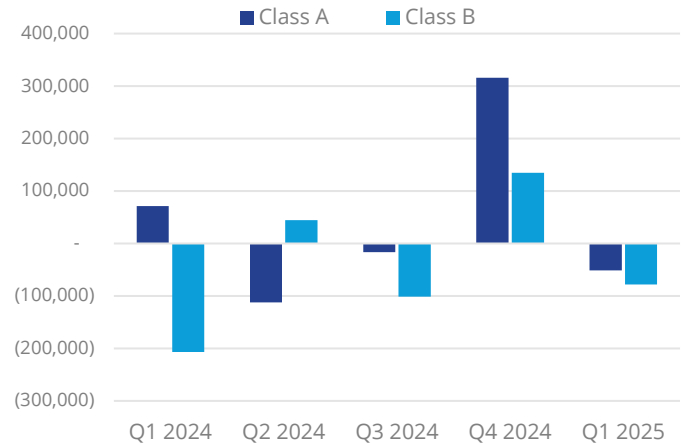
## Vacancy & Market Rents

The Columbus office market experienced a slight drop in rental rates to \$21.93 alongside a minor uptick in vacancy to 19.02%, reflecting ongoing transition as companies reassess their office space needs. Despite these short-term fluctuations, the market is poised for a turnaround, driven by the wave of return-to-office initiatives from both the public and private sectors. As demand increases, landlords are expected to invest in upgrades to make their buildings more attractive, incorporating modern amenities, flexible workspaces, and enhanced on-site services to appeal to companies bringing employees back in more significant numbers. This shift will likely stabilize vacancy rates and put upward pressure on rents as competition for high-quality office spaces intensifies.

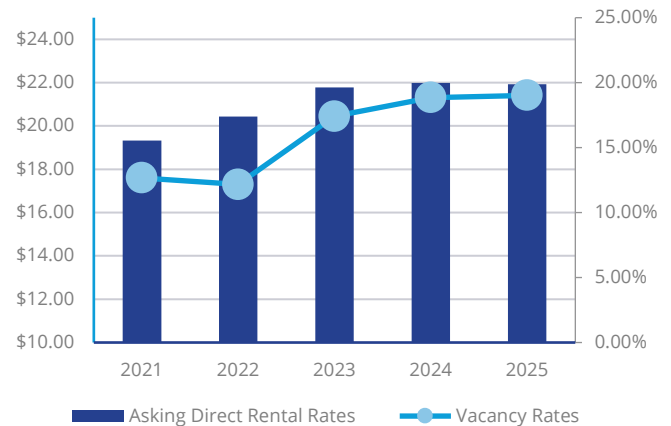
## Sales Activity

Capital is returning to the Columbus office market, with Q1 2025 marking the strongest sales quarter in two years. Private investors continue to drive activity, targeting Class A properties with modern amenities. There is growing investor interest in well-located Class B and B- assets, as buyers look to reposition properties at a discount. The overall sales market remains cautious, with buyers seeking value opportunities and sellers adjusting expectations to align with current market dynamics. Sales volume reached \$104 million due to the sale of several prominent buildings in the downtown area, including 2 Miranova, Gravity II, and Huntington Plaza at 37 W. Broad St. 37 W Broad St was purchased by Downtown Columbus, Inc., and will be renovated to accommodate 350 Department of Public Utilities employees, signaling renewed confidence in the downtown office market.

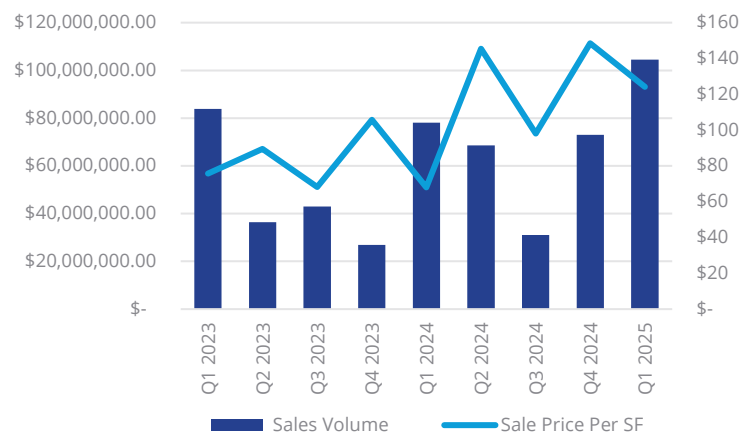
Absorption by Class



Vacancy Rate & Direct Asking Rate



Sales Volume & Market Price Per SF



## Top Performing Office Buildings

### Net Absorption

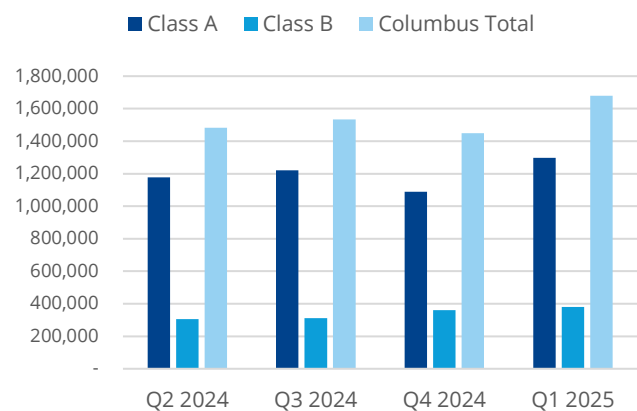
Building	Submarket	RBA	Year Built/ Renovated	Net Absorption YTD (SF)	% Leased	Available (SF)
3435 Stelzer Rd	Easton	238,641	1995	27,284	93.48%	15,549
1105 Schrock Rd	Worthington	212,879	1983	27,258	74.79%	53,650
8740 Orion Pl	Polaris	52,005	2003	19,083	86.24%	7,155

## 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
2025 YTD	(129K)	51K	\$21.93	19.02%
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%

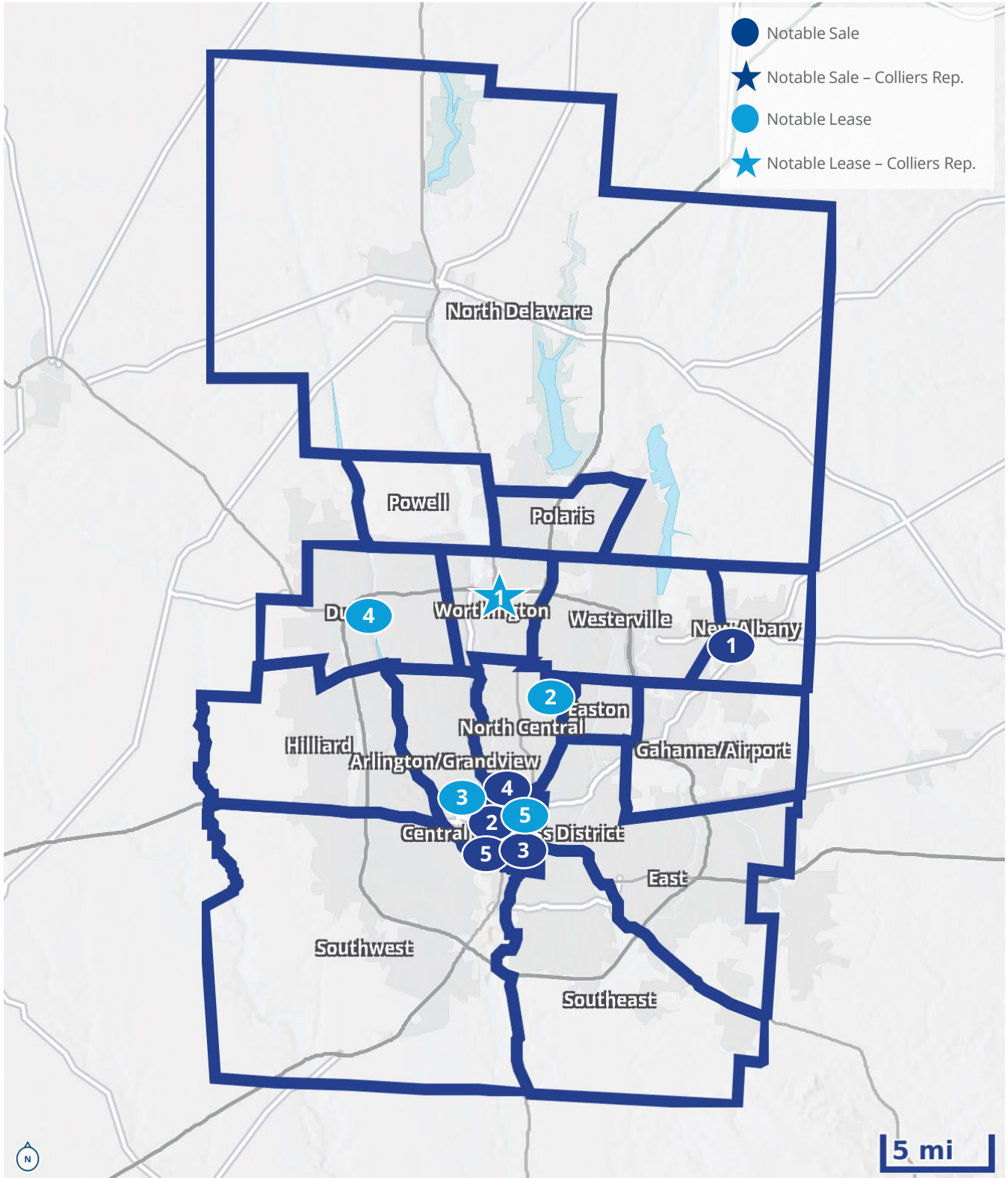
## Notable Sales Activity

#	Address	Size	Buyer	Price	Price/SF	Submarket
1	4900 E Dublin Granville Rd	329,348	OhioHealth	\$36,000,000	\$109.31/SF	New Albany
2	2 Miranova Pl	243,527	Miranova Partners LLC	\$13,155,000	\$54.02/SF	CBD
3	37 W Broad St	146,000	Downtown Columbus Inc.	\$10,057,625	\$68.89/SF	CBD
4	101 E Town St	66,373	150 Commerce Holdings, LLC	\$8,300,000	\$125.05/SF	CBD
5	455 W Broad St	195,530	935 Cassady LLC	\$6,901,875	\$35.30/SF	CBD

## Notable Lease Activity

#	Address	Size	Tenant	Type	Submarket
<b>1</b>	<b>1105 Schrock Rd</b>	<b>16,190</b>	<b>Confidential Tenant</b>	<b>New Lease</b>	<b>Worthington</b>
2	2760 Airport Dr	11,051	Target ABA	New Lease	North Central
3	855 Grandview Ave	10,830	Book + Street	New Lease	Arlington/Grandview
4	4675 Lakehurst Ct	10,129	Exact Benefits Group LLC	New Lease	Dublin
5	300 E Broad St	9,795	Zambito Executive Search, LLC	New Lease	CBD

**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)
<b>Urban</b>											
A	9,845,407	21.32%	2.25%	23.57%	18.56%	18.25%	(14,395)	(14,395)	60,000	-	\$23.69
B	11,956,198	12.50%	0.84%	13.33%	10.10%	10.13%	2,676	2,676	-	-	\$22.36
<b>TOTAL</b>	<b>21,801,605</b>	<b>16.48%</b>	<b>1.47%</b>	<b>17.95%</b>	<b>13.92%</b>	<b>13.79%</b>	<b>(11,719)</b>	<b>(11,719)</b>	<b>60,000</b>	<b>-</b>	<b>\$23.13</b>
<b>Suburban</b>											
A	14,769,793	24.25%	7.29%	31.54%	27.32%	26.92%	(37,003)	(37,003)	364,005	51,654	\$22.35
B	16,551,450	18.06%	1.69%	19.76%	18.33%	17.45%	(81,043)	(81,043)	-	-	\$19.87
<b>TOTAL</b>	<b>31,321,243</b>	<b>20.98%</b>	<b>4.33%</b>	<b>25.31%</b>	<b>22.57%</b>	<b>21.91%</b>	<b>(118,046)</b>	<b>(118,046)</b>	<b>364,005</b>	<b>51,654</b>	<b>\$21.20</b>
<b>Columbus Total</b>											
A	24,615,200	23.08%	5.27%	28.35%	23.81%	23.44%	(51,398)	(51,398)	424,005	51,654	\$22.88
B	28,507,648	15.73%	1.33%	17.06%	14.88%	14.38%	(78,367)	(78,367)	-	-	\$20.74
<b>TOTAL</b>	<b>53,122,848</b>	<b>19.13%</b>	<b>3.16%</b>	<b>22.29%</b>	<b>19.02%</b>	<b>18.58%</b>	<b>(129,765)</b>	<b>(129,765)</b>	<b>424,005</b>	<b>51,654</b>	<b>\$21.93</b>

## 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)
<b>Arlington/Grandview</b>											
A	1,942,395	6.72%	3.72%	10.44%	12.24%	12.72%	9,237	9,237	-	-	\$23.12
B	2,428,533	10.95%	0.07%	10.95%	6.57%	6.96%	9,482	9,482	-	-	\$22.94
<b>TOTAL</b>	<b>4,370,928</b>	<b>9.03%</b>	<b>1.69%</b>	<b>10.72%</b>	<b>9.09%</b>	<b>9.52%</b>	<b>18,719</b>	<b>18,719</b>	<b>-</b>	<b>-</b>	<b>\$23.11</b>
<b>CBD</b>											
A	7,903,012	24.90%	1.88%	26.79%	20.11%	19.61%	(23,632)	(23,632)	60,000	-	\$23.73
B	9,527,665	12.90%	0.80%	13.94%	11.00%	10.93%	(6,806)	(6,806)	-	-	\$22.18
<b>TOTAL</b>	<b>17,430,677</b>	<b>18.35%</b>	<b>1.42%</b>	<b>19.76%</b>	<b>15.13%</b>	<b>14.87%</b>	<b>(30,438)</b>	<b>(30,438)</b>	<b>60,000</b>	<b>-</b>	<b>\$23.14</b>
<b>Dublin</b>											
A	4,884,060	30.70%	10.25%	40.95%	33.30%	33.03%	(12,820)	(12,820)	-	-	\$22.27
B	4,187,265	19.67%	0.69%	20.37%	17.82%	14.59%	(109,685)	(109,685)	-	-	\$19.85
<b>TOTAL</b>	<b>9,071,325</b>	<b>25.61%</b>	<b>5.84%</b>	<b>31.45%</b>	<b>26.15%</b>	<b>24.52%</b>	<b>(122,505)</b>	<b>(122,505)</b>	<b>-</b>	<b>-</b>	<b>\$21.34</b>
<b>East</b>											
A	59,912	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	60,000	-	-
B	882,357	11.64%	0.00%	11.64%	11.64%	11.42%	5,833	5,833	-	-	\$22.69
<b>TOTAL</b>	<b>942,269</b>	<b>10.90%</b>	<b>0.00%</b>	<b>10.90%</b>	<b>10.90%</b>	<b>10.69%</b>	<b>5,833</b>	<b>5,833</b>	<b>60,000</b>	<b>-</b>	<b>\$22.69</b>

Columbus Office  
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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)
<b>Easton</b>											
A	1,640,660	2.76%	12.96%	15.72%	13.50%	13.34%	(2,523)	(2,523)	-	-	\$28.01
B	1,247,573	26.46%	7.37%	33.83%	33.13%	34.71%	19,703	19,703	-	-	\$25.01
<b>TOTAL</b>	<b>2,888,233</b>	<b>13.00%</b>	<b>10.55%</b>	<b>23.55%</b>	<b>21.98%</b>	<b>22.57%</b>	<b>17,180</b>	<b>17,180</b>	<b>-</b>	<b>-</b>	<b>\$25.40</b>
<b>Gahanna/Airport</b>											
A	208,915	5.49%	0.00%	5.49%	5.49%	8.16%	5,567	5,567	48,000	-	\$27.00
B	1,399,485	31.79%	2.20%	33.99%	29.12%	28.63%	(6,987)	(6,987)	-	-	\$18.85
<b>TOTAL</b>	<b>1,608,400</b>	<b>28.37%</b>	<b>1.92%</b>	<b>30.29%</b>	<b>26.05%</b>	<b>25.97%</b>	<b>(1,420)</b>	<b>(1,420)</b>	<b>48,000</b>	<b>-</b>	<b>\$19.06</b>
<b>Hilliard</b>											
A	800,000	32.81%	2.60%	35.41%	29.95%	29.42%	(4,329)	(4,329)	154,937	-	\$20.62
B	551,103	3.81%	0.31%	4.12%	6.57%	6.57%	-	-	-	-	\$16.37
<b>TOTAL</b>	<b>1,351,103</b>	<b>20.99%</b>	<b>1.66%</b>	<b>22.65%</b>	<b>20.41%</b>	<b>20.10%</b>	<b>(4,329)</b>	<b>(4,329)</b>	<b>154,937</b>	<b>-</b>	<b>\$20.28</b>
<b>New Albany</b>											
A	1,261,144	28.75%	11.80%	40.55%	39.57%	38.59%	(12,342)	(12,342)	-	-	\$24.59
B	909,963	16.24%	0.64%	16.88%	20.20%	20.86%	-	-	-	-	\$24.52
<b>TOTAL</b>	<b>2,171,107</b>	<b>23.51%</b>	<b>7.12%</b>	<b>30.63%</b>	<b>31.72%</b>	<b>31.16%</b>	<b>(12,342)</b>	<b>(12,342)</b>	<b>-</b>	<b>-</b>	<b>\$24.56</b>
<b>North Central</b>											
A	867,939	13.17%	0.00%	13.17%	11.95%	11.40%	(4,862)	(4,862)	101,068	-	\$24.35
B	1,562,274	8.39%	0.00%	8.39%	7.53%	5.13%	744	744	-	-	\$16.18
<b>TOTAL</b>	<b>2,430,213</b>	<b>10.10%</b>	<b>0.00%</b>	<b>10.10%</b>	<b>9.11%</b>	<b>7.37%</b>	<b>(4,118)</b>	<b>(4,118)</b>	<b>101,068</b>	<b>-</b>	<b>\$20.35</b>
<b>North Delaware</b>											
A	189,250	5.38%	0.73%	6.11%	5.25%	0.73%	(8,551)	(8,551)	30,000	-	\$19.00
B	526,859	24.17%	2.10%	26.27%	26.61%	26.61%	(1)	(1)	-	-	\$13.00
<b>TOTAL</b>	<b>716,109</b>	<b>19.20%</b>	<b>1.74%</b>	<b>21.00%</b>	<b>21.01%</b>	<b>19.77%</b>	<b>(8,552)</b>	<b>(8,552)</b>	<b>30,000</b>	<b>-</b>	<b>\$13.47</b>
<b>Polaris</b>											
A	1,976,895	20.40%	0.81%	21.22%	17.34%	17.71%	7,167	7,167	-	-	\$23.22
B	784,968	11.16%	0.62%	11.78%	11.55%	14.42%	22,544	22,544	-	-	\$23.00
<b>TOTAL</b>	<b>2,761,863</b>	<b>17.78%</b>	<b>0.76%</b>	<b>18.54%</b>	<b>15.70%</b>	<b>16.77%</b>	<b>29,711</b>	<b>29,711</b>	<b>-</b>	<b>-</b>	<b>\$23.19</b>
<b>Powell</b>											
A	302,362	29.01%	0.00%	29.01%	29.01%	31.37%	5,998	5,998	-	-	\$20.99
B	320,017	13.21%	0.00%	13.21%	13.21%	13.68%	1,503	1,503	-	-	\$17.67
<b>TOTAL</b>	<b>622,379</b>	<b>20.89%</b>	<b>0.00%</b>	<b>20.89%</b>	<b>20.89%</b>	<b>22.27%</b>	<b>7,501</b>	<b>7,501</b>	<b>-</b>	<b>-</b>	<b>\$19.98</b>

Columbus Office  
**25Q1**

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)
<b>Southeast</b>											
A	150,000	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-
B	420,590	1.11%	0.00%	1.11%	1.11%	1.11%	-	-	-	-	\$20.18
<b>TOTAL</b>	<b>570,590</b>	<b>0.82%</b>	<b>0.00%</b>	<b>0.82%</b>	<b>0.82%</b>	<b>0.82%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$20.18</b>
<b>Southwest</b>											
A	-	-	-	-	-	-	-	-	-	-	-
B	824,165	0.13%	0.00%	0.13%	0.13%	0.00%	(1,122)	(1,122)	-	-	\$20.50
<b>TOTAL</b>	<b>824,165</b>	<b>0.13%</b>	<b>0.00%</b>	<b>0.13%</b>	<b>0.13%</b>	<b>0.00%</b>	<b>(1,122)</b>	<b>(1,122)</b>	<b>-</b>	<b>-</b>	<b>\$20.50</b>
<b>Westerville</b>											
A	993,540	31.06%	13.60%	44.65%	41.89%	37.03%	(48,253)	(48,253)	-	-	\$22.34
B	1,583,949	23.37%	5.50%	23.37%	28.93%	27.30%	(25,882)	(25,882)	-	-	\$18.16
<b>TOTAL</b>	<b>2,577,489</b>	<b>26.33%</b>	<b>8.58%</b>	<b>34.96%</b>	<b>33.92%</b>	<b>31.05%</b>	<b>(74,135)</b>	<b>(74,135)</b>	<b>-</b>	<b>-</b>	<b>\$20.40</b>
<b>Worthington</b>											
A	1,435,116	33.13%	2.91%	36.04%	33.12%	34.51%	37,945	37,945	-	51,654	\$21.12
B	1,350,882	24.39%	1.30%	25.69%	20.99%	21.90%	12,307	12,307	-	-	\$17.91
<b>TOTAL</b>	<b>2,785,998</b>	<b>28.89%</b>	<b>2.13%</b>	<b>31.02%</b>	<b>27.23%</b>	<b>28.28%</b>	<b>50,252</b>	<b>50,252</b>	<b>-</b>	<b>51,654</b>	<b>\$19.81</b>



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