

2Q25

Columbus Office Market Overview

NEWMARK

Market Observations



Economy

- The Columbus metro’s economy gained a modest number of jobs in year-over-year percentages in March through May of 2025. The MSA’s total nonfarm employment increased annually by 0.9% in May after rising 1.1% in March and 1.6% in April.
- Columbus’s most recent unemployment rate in May 2025 came in at 4.7%, which was the highest it has been since July of 2021, where it was also 4.7%. By comparison, the national unemployment rate has held steady at 4.2% from March through May.
- Two of the three office-occupying industries experienced annual job gains, with the Professional and Business Services sector leading the way at 2.7%. The Financial Activities sector accrued year-over-year job gains at 1.8%, while the Information sector came in at negative 0.7% year-over-year. Office using employment industries combined were up by 2.3% year-over-year.



Major Transactions

- Chase Tower, located at 100 E. Broad St. in the Central Business District (CBD) sold to an out-of-state investor group with the name of VT 3045 LLC. The 308,337 SF building has been largely vacant for a while, which led to a highly discounted transfer price of \$3.4 million, or \$11.03/SF. Another sale of note that was recorded in the second quarter is the transfer of the former Big Lots headquarters, located at 4900 E. Dublin Granville Rd. in the East submarket to OhioHealth Corp. The 329,348 SF property traded for \$36.0 million, or \$109.31/SF. Also notable was Worthington Steel Co. purchasing the 135,485 SF building at 3344 Morse Crossing for just under \$7.8 million, or \$57.20/SF, for its new offices. The company said the building will undergo a complete renovation.
- Subleases and renewals headlined the lease signings in the second quarter. Upstart renewed 97,054 SF in the Easton submarket; Aerotek Affiliated Services, Inc. renewed 54,270 SF in the New Albany submarket; King Business Interiors renewed 15,944 SF in the Grandview submarket; Lower Lights Christian Health Center Inc. subleased 15,325 SF in the Westerville submarket; and Vium Capital, LLC leased 14,808 SF, also in the Grandview submarket, to round out the top five.



Leasing Market Fundamentals

- The Columbus office market rebounded in the second quarter with 317,185 SF of positive absorption. The overall market’s positive absorption decreased the second quarter vacancy by 90 basis points to 21.4%. Year-to-date, the average vacancy rate for 2025 stands at 21.9%, improving over 2024’s average of 22.7%. The current vacancy rate at the halfway point of the year remains above the 20-year historical average of 15.7%.
- At 559,755 SF, the second quarter of 2025 saw an average amount of leasing activity in the Columbus office market, which halfway through 2025 puts the market just under the first half of 2024 and right on par with where it was in 2023.
- The overall average asking rental rate for the second quarter of 2025 fell to \$21.59/SF, a \$0.35/SF decrease from the first quarter. However, the year-to-date average asking rent came in at \$21.77/SF.



Outlook

- Office building sales volume has remained steady in the Columbus market over several consecutive quarters. However, the combination of upcoming loan maturities and an increasing number of under-occupied buildings may present new opportunities, as distressed office assets could become appealing targets for strategic investors. A notable example is the Chase Tower sale, where the property was acquired at a significant discount by new owners who plan to undertake substantial renovations.
- Leasing activity in the Columbus office market during the past year has been dominated by smaller transactions, as tenants reassess their space requirements in a post-COVID environment. Despite this trend, office utilization is on the rise, spurred by increased efforts to bring employees back to the workplace. Notably, the vacancy rate in the Columbus market has remained relatively stable and is beginning to show a gradual downward trend. Availability rates for both direct and sublet space have been slightly up and down in recent quarters, but have generally trended down since the first quarter of 2024 after an upward trend between the fourth quarter of 2021 and the fourth quarter of 2023.

1. Economy
2. Leasing Market Fundamentals
3. Appendix

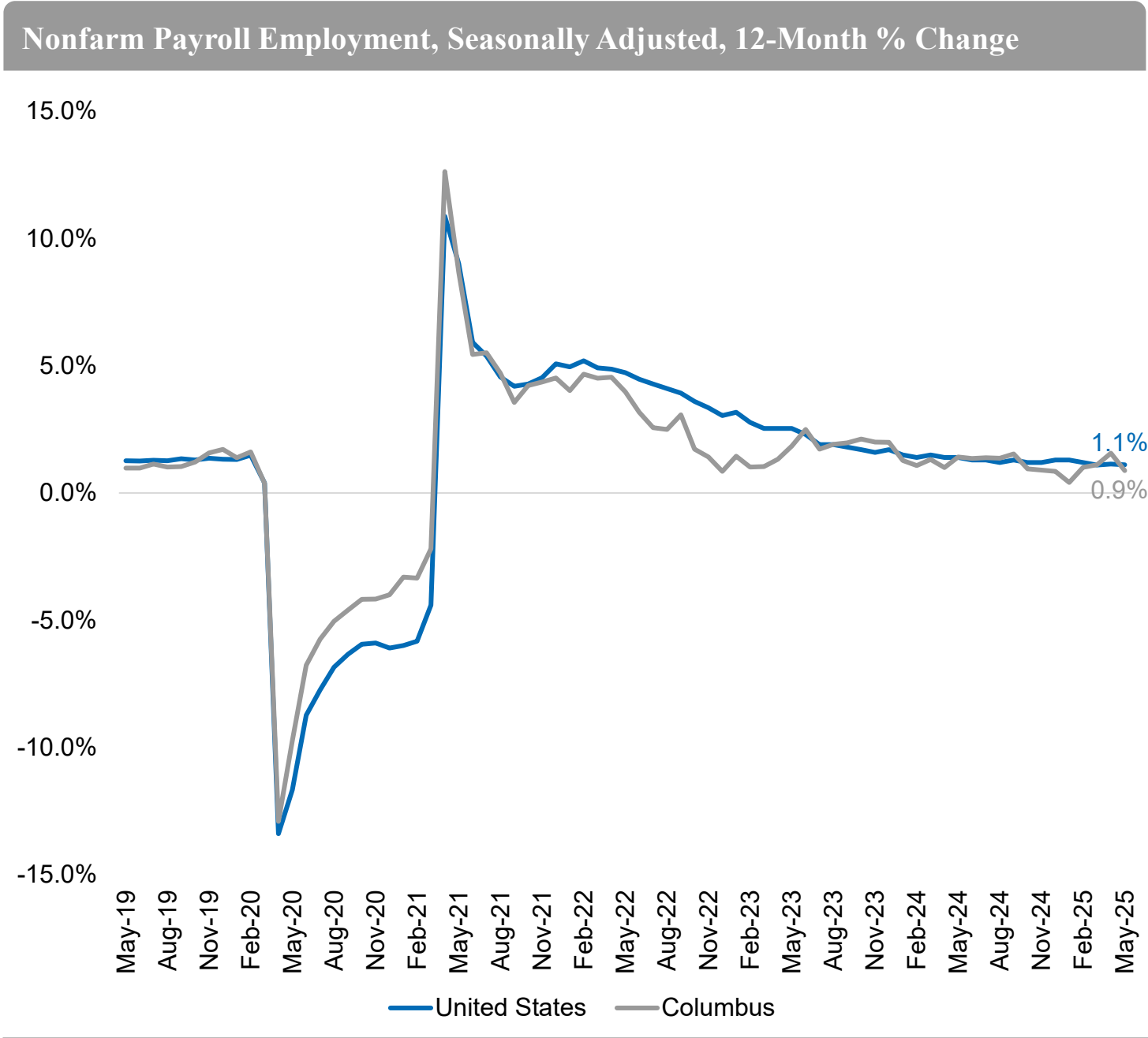
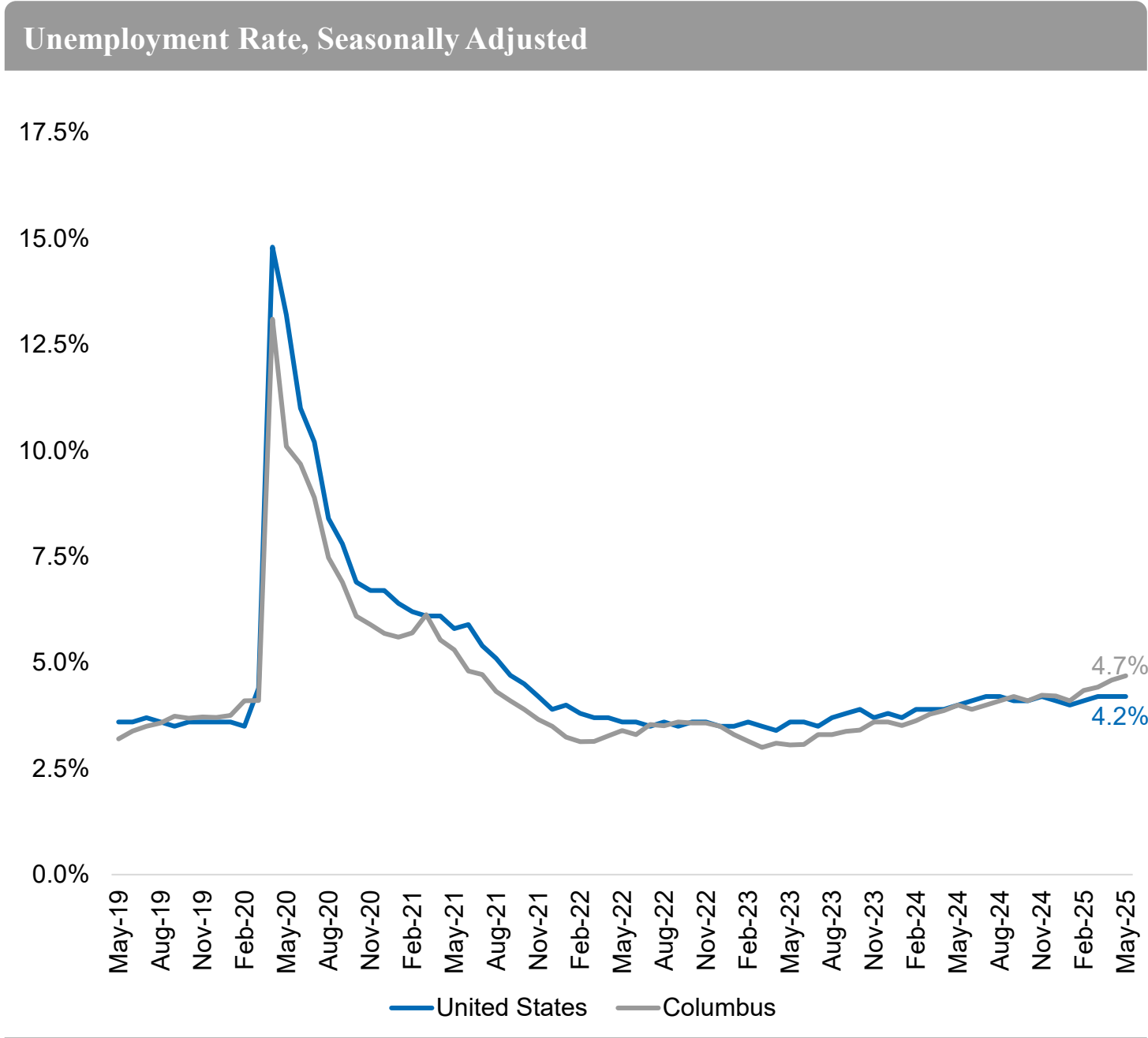
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Economy



Columbus and United States Unemployment and Nonfarm Employment Trends

The Columbus metro’s economy gained a modest number of jobs in year-over-year percentages in March through May of 2025. The MSA’s total nonfarm employment increased annually by 0.9% in May after rising 1.1% in March and 1.6% in April. National nonfarm employment increased by 1.1% in May, holding steady from 1.1% in March and April. Columbus’s most recent unemployment rate in May 2025 came in at 4.7%, which was the highest it has been since July of 2021, where it was also 4.7%. By comparison, the national unemployment rate has held steady at 4.2% from March through May.

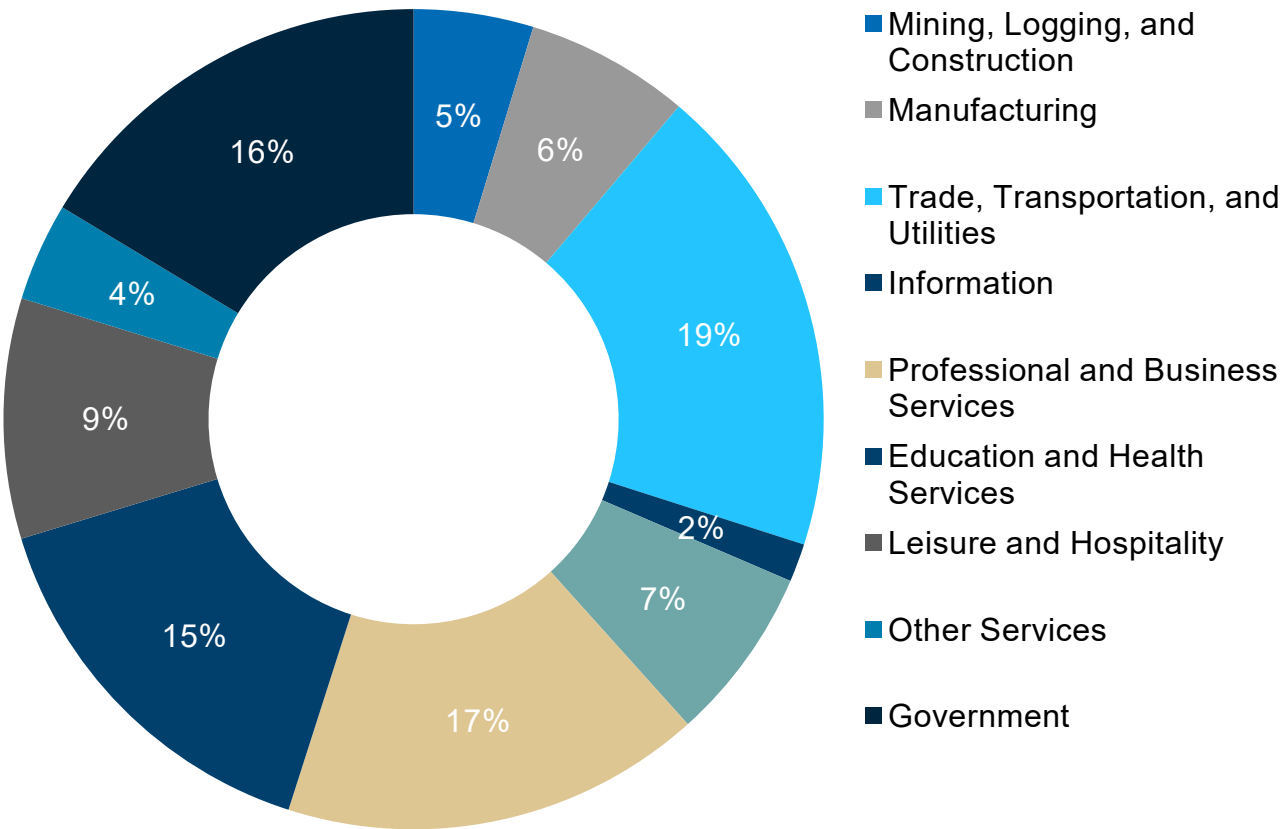


Source: U.S. Bureau of Labor Statistics, Columbus MSA

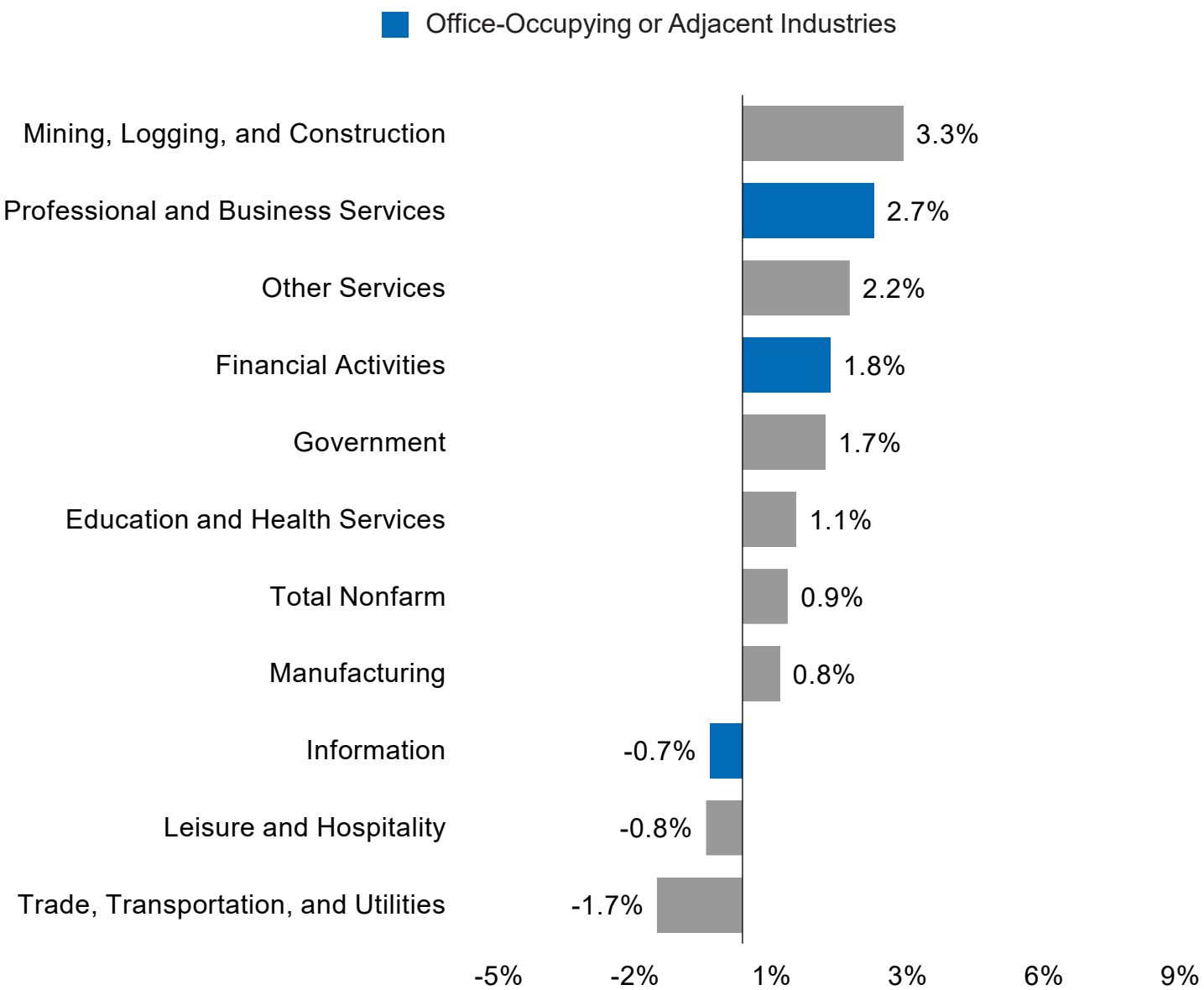
Job Gains in Two of Three Office-Occupying or Adjacent Industries

The Mining, Logging, and Construction sector led all industries in annual job growth at 3.3% in May for the Columbus MSA. Eight of 11 industry sectors in the market saw employment gains from May 2024 to May 2025. Two of the three office-occupying industries experienced annual job gains, with the Professional and Business Services sector leading the way at 2.7%. The Financial Activities sector accrued year-over-year job gains at 1.8%, while the Information sector came in at negative 0.7% year-over-year. Office using employment industries combined were up by 2.3% year-over-year.

Employment by Industry, May 2025



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

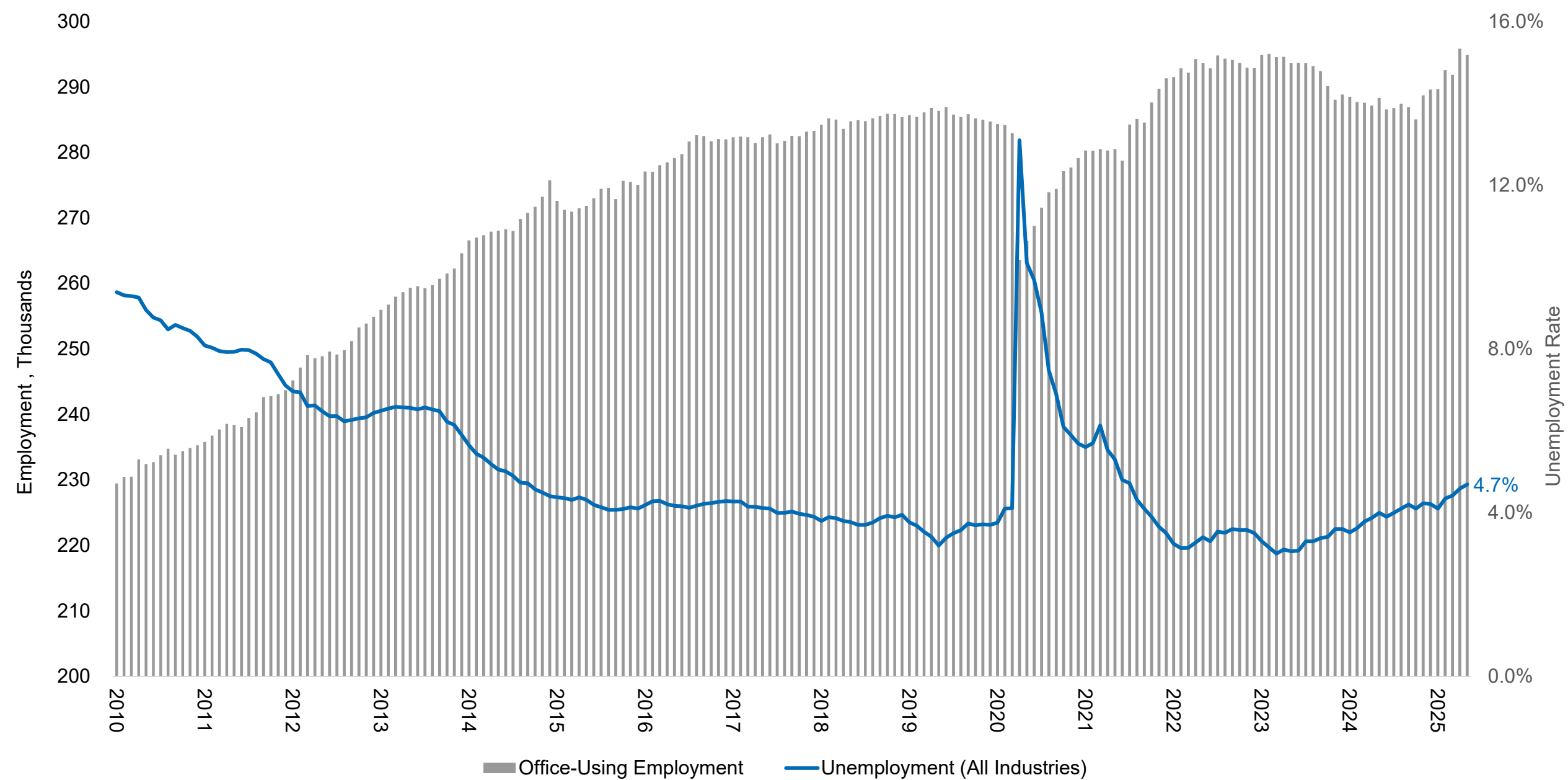


Source: U.S. Bureau of Labor Statistics, Columbus MSA

Office-Using Employment

The number of office-using jobs in the Columbus market as of May 2025 was at 297,880 and was above 290,000 for the fourth straight quarter. April's number of 295,854 was the highest in this statistical set that dates to January 2010. The MSA's unemployment percentage came in at 4.7%.

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.

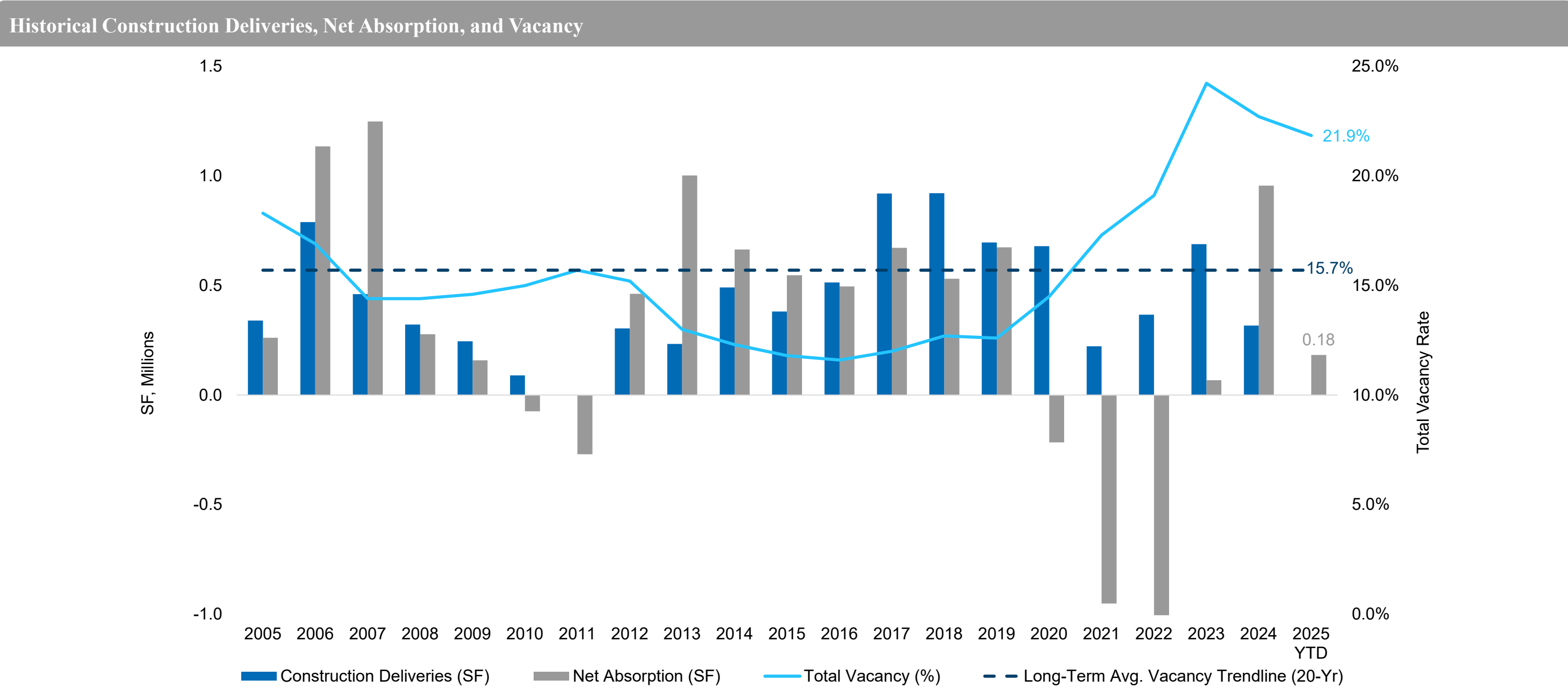
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Leasing Market Fundamentals



Absorption Bounces Back to Positive

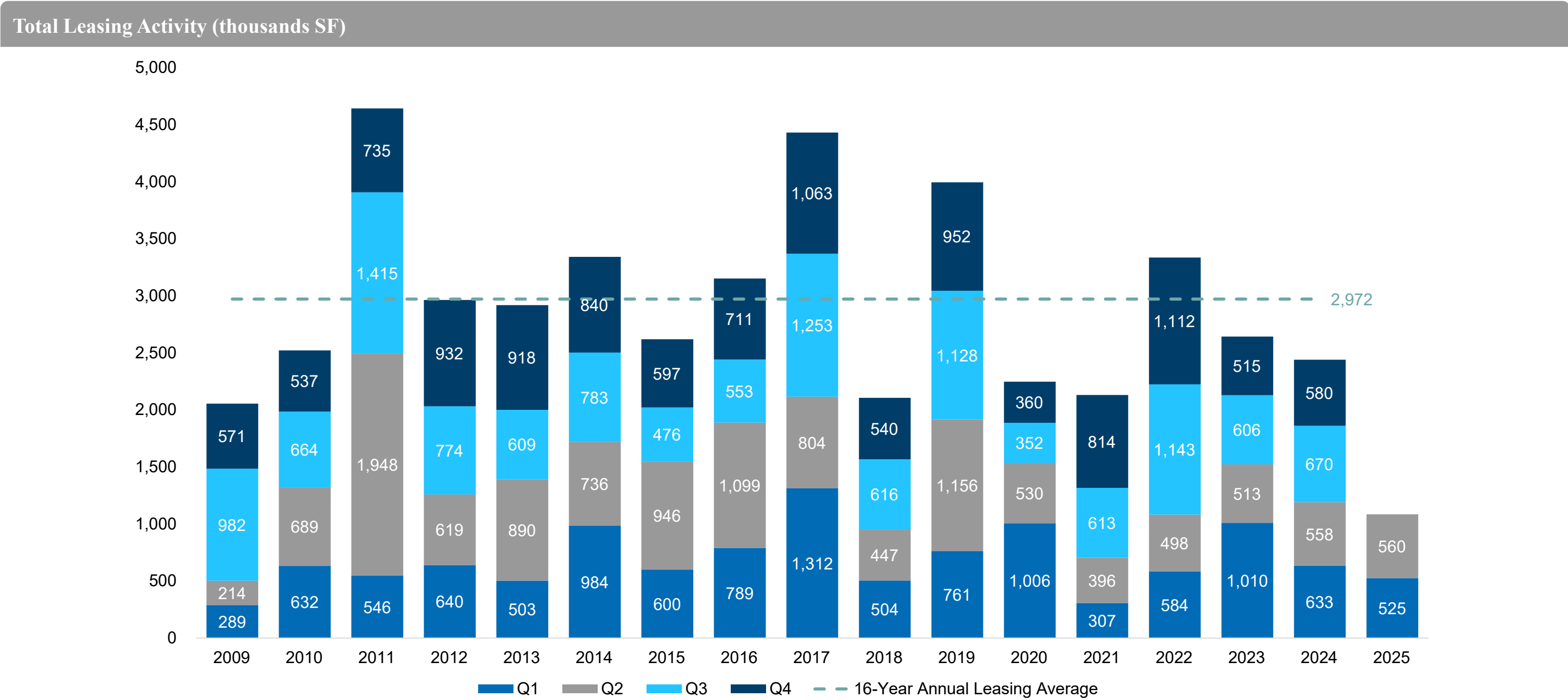
After starting 2025 with negative absorption, the Columbus office market rebounded in the second quarter with 317,185 SF of positive absorption. The Worthington submarket posted 58,937 SF of negative absorption, which was the most space given up by a submarket for the quarter, after it accrued a market-leading positive result in the first quarter. The Easton submarket led all submarkets with the most office space occupied with 149,620 SF of positive absorption. The overall market's positive absorption decreased the second quarter vacancy by 90 basis points to 21.4%. Year-to-date, the average vacancy rate for 2025 stands at 21.9%, improving over 2024's average of 22.7%. The current vacancy rate at the halfway point of the year remains above the 20-year historical average of 15.7%.



Source: Newmark Research, CoStar

Second Quarter Leasing Activity Average

At 559,755 SF, the second quarter of 2025 saw an average amount of leasing activity in the Columbus office market, which halfway through 2025 puts the market just under the first half of 2024 and right on par with where it was in 2023. The amount of leasing activity that took place was largely smaller deals as tenants continue to figure out their space needs in the post-Covid office environment. However, a revival in office utilization that has been paced by calls for employees to return to the office.

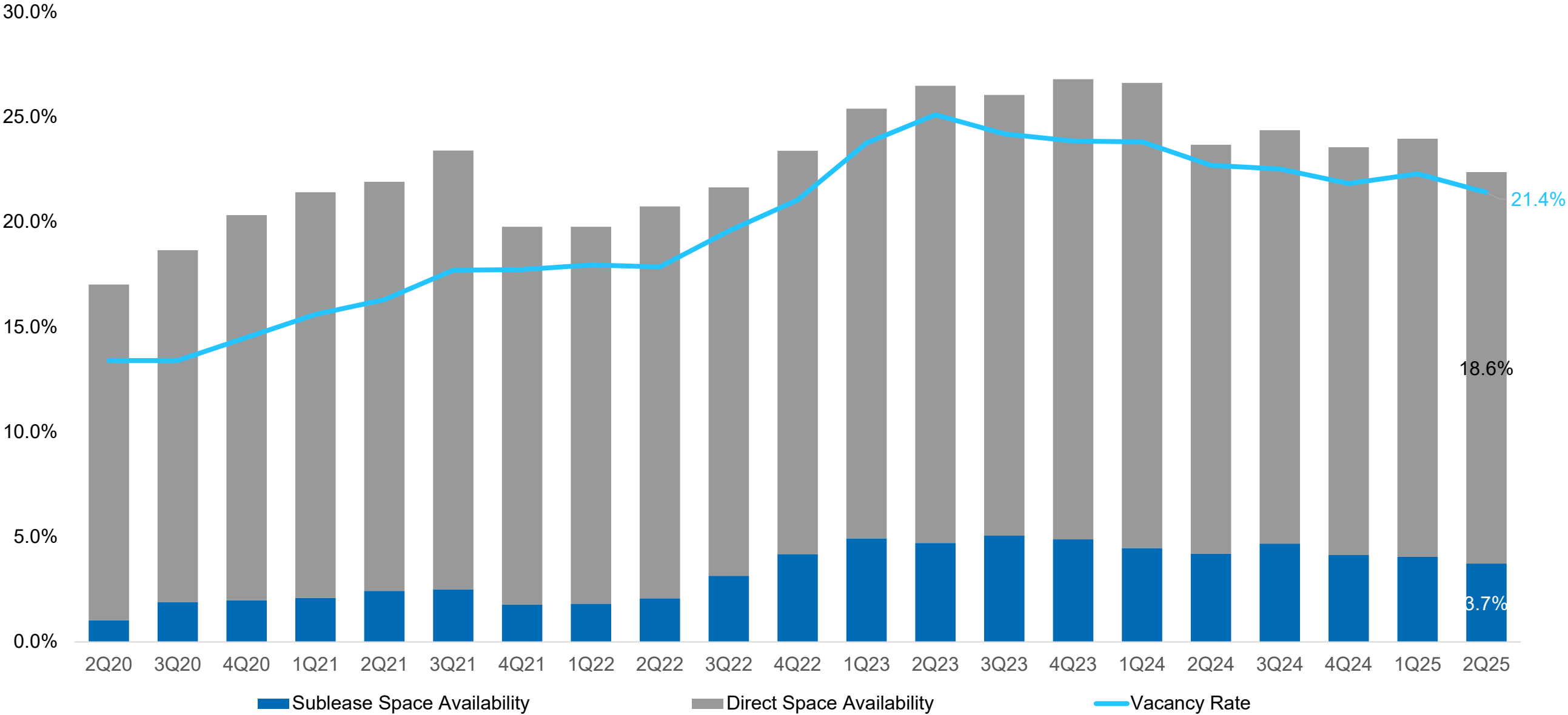


Source: Newmark Research, CoStar

Vacancy, Direct and Sublet Availability Down

In the past quarter, sublease availability in the Columbus office market dropped from 4.1% to 3.7%. Direct space availability fell even more sharply, down 130 basis points to 18.6%. The overall vacancy rate also improved, decreasing by 90 basis points to 21.4% compared to the previous quarter. Although vacancy rates have shown some fluctuations, they have remained relatively steady and are now displaying a gradual downward trend. While both direct and sublease availability have seen minor ups and downs in recent quarters, both metrics have generally declined since early 2024, following a period of rising availability from late 2021 through the end of 2023.

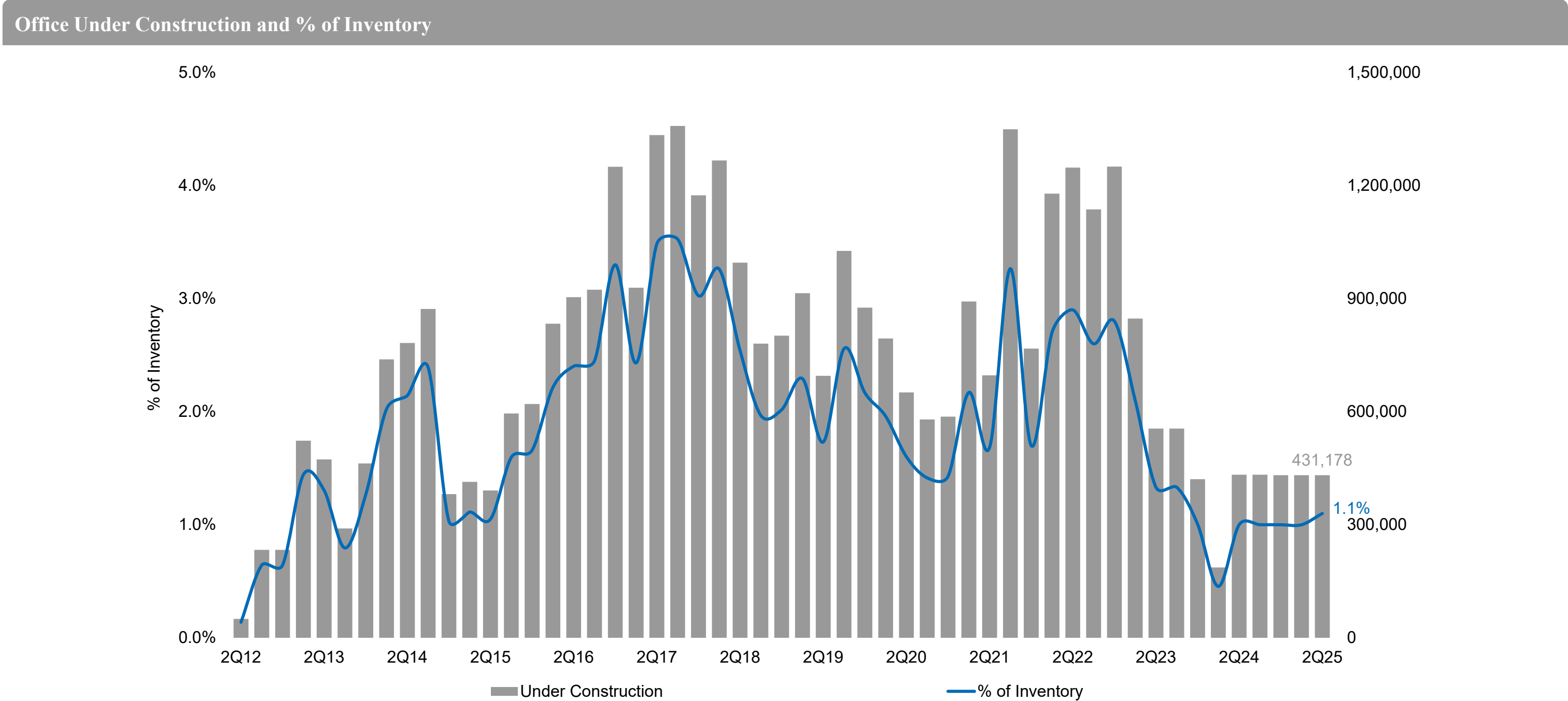
Available Space as Percent of Overall Market



Source: Newmark Research

Construction Levels Remain Flat

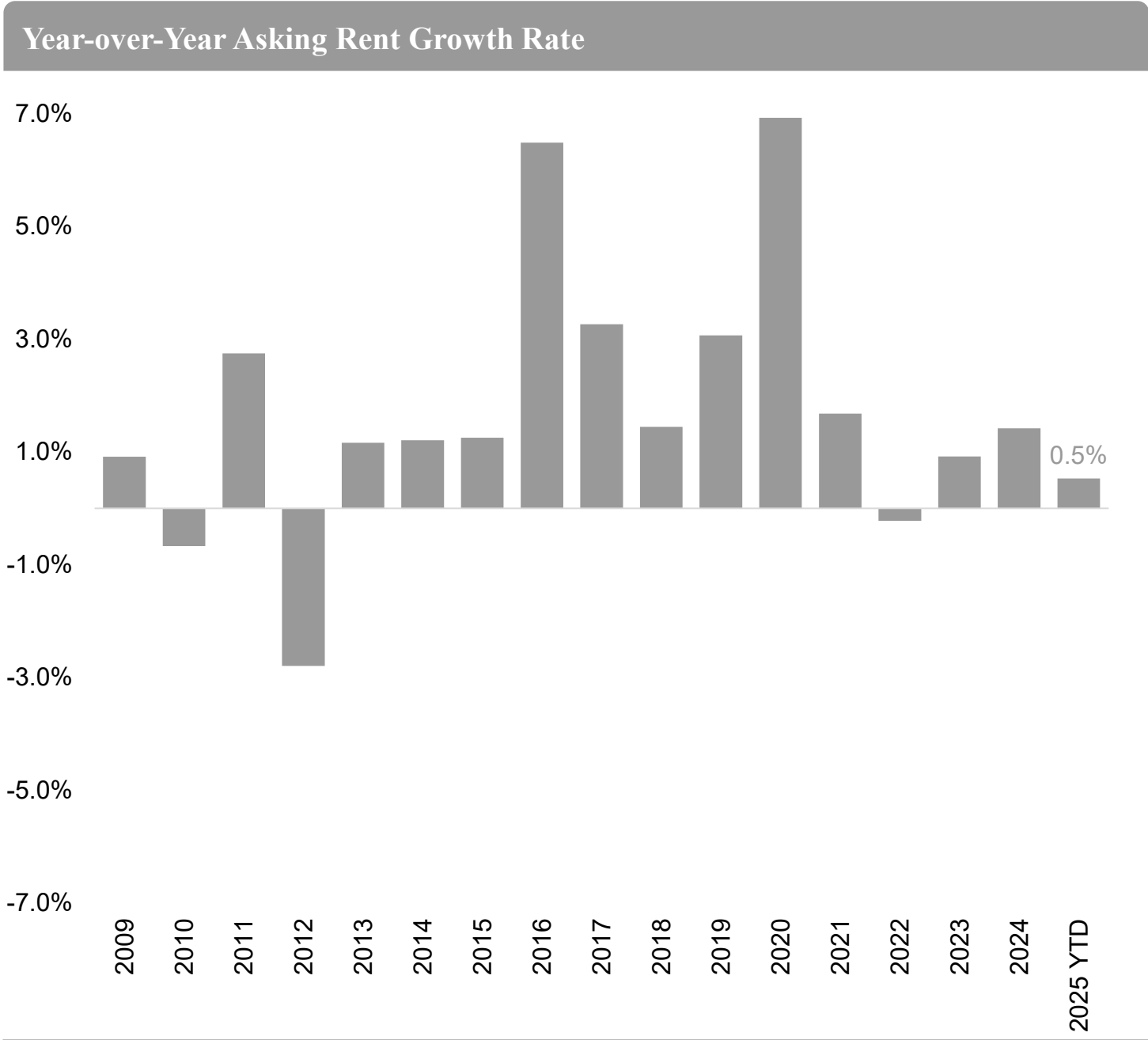
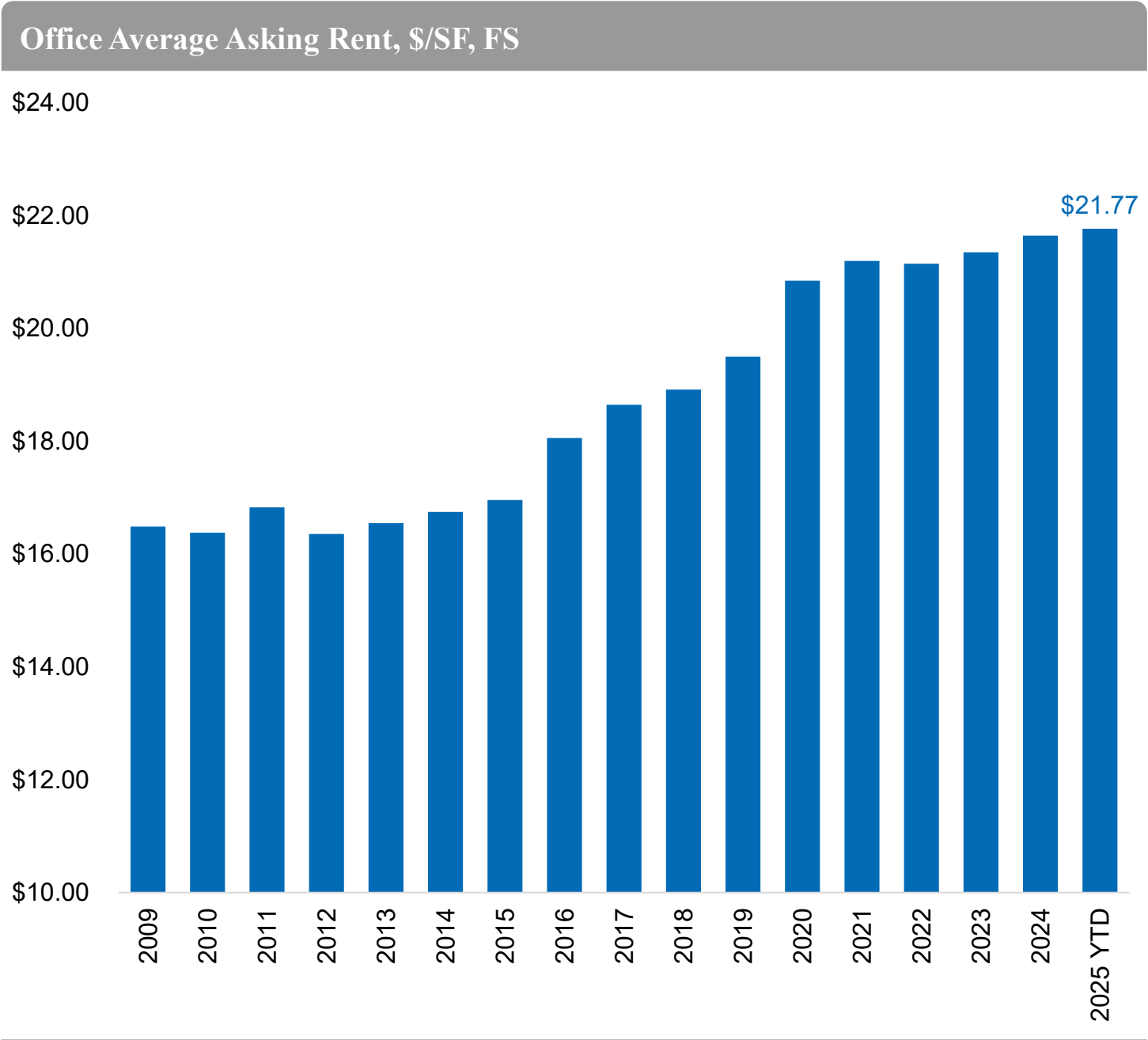
Office construction for the second quarter of 2025 remained flat from the previous quarter at 431,178 SF. Under construction projects represent 1.1% of the total office inventory.



Source: Newmark Research, CoStar

Year-to-Date Rental Rates Up Over Previous Years Despite Quarterly Decline

The overall average asking rental rate for the second quarter of 2025 fell to \$21.59/SF, a \$0.35/SF decrease from the first quarter. However, the year-to-date average asking rent of \$21.77/SF is still slightly above the yearly average of \$21.65/SF for 2024. However, the year-over-year asking rent growth rate increased by just 0.5% in the first half of the year, the second lowest result since 2012 posted a negative 2.8% return.

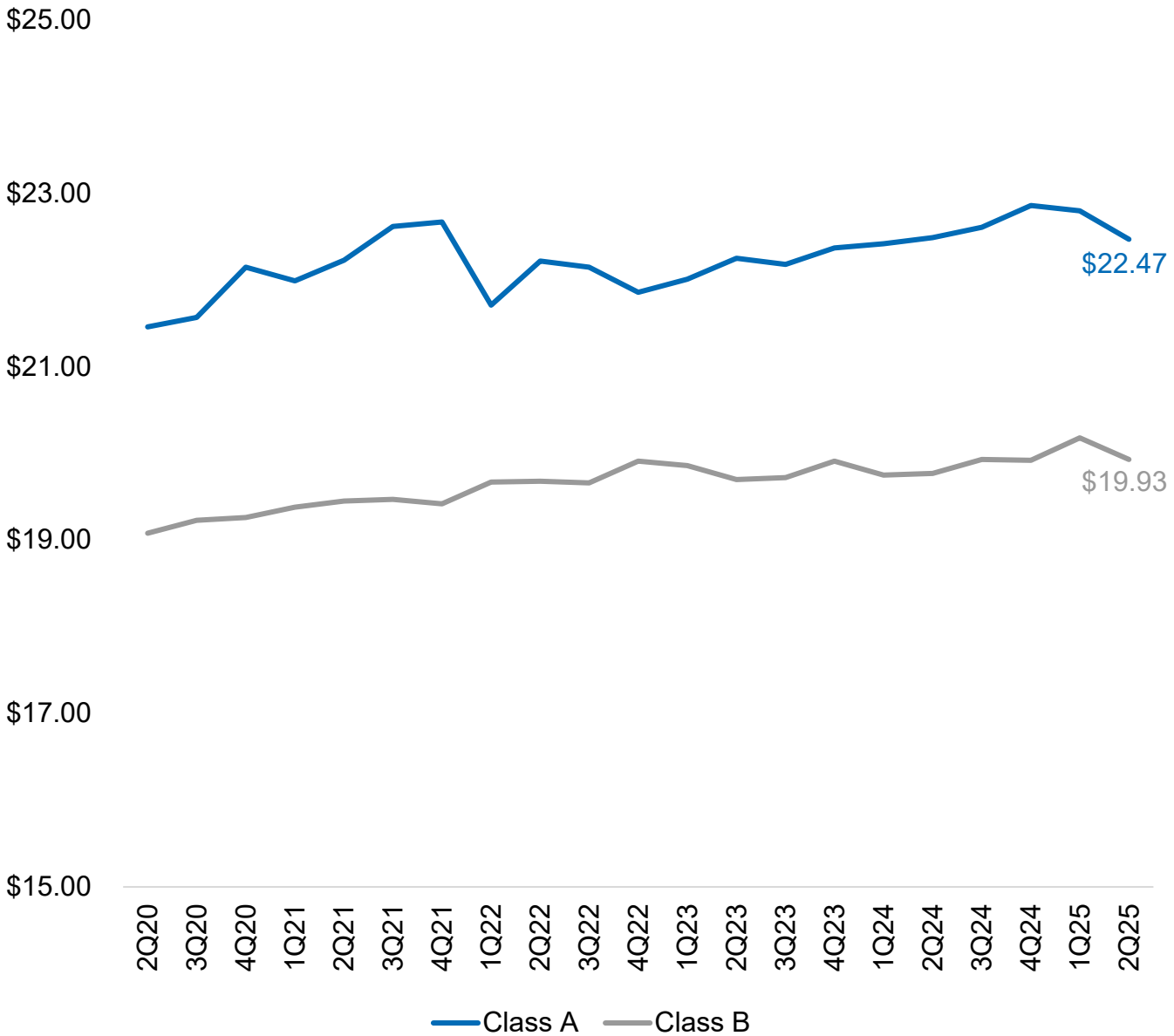


Source: Newmark Research, CoStar

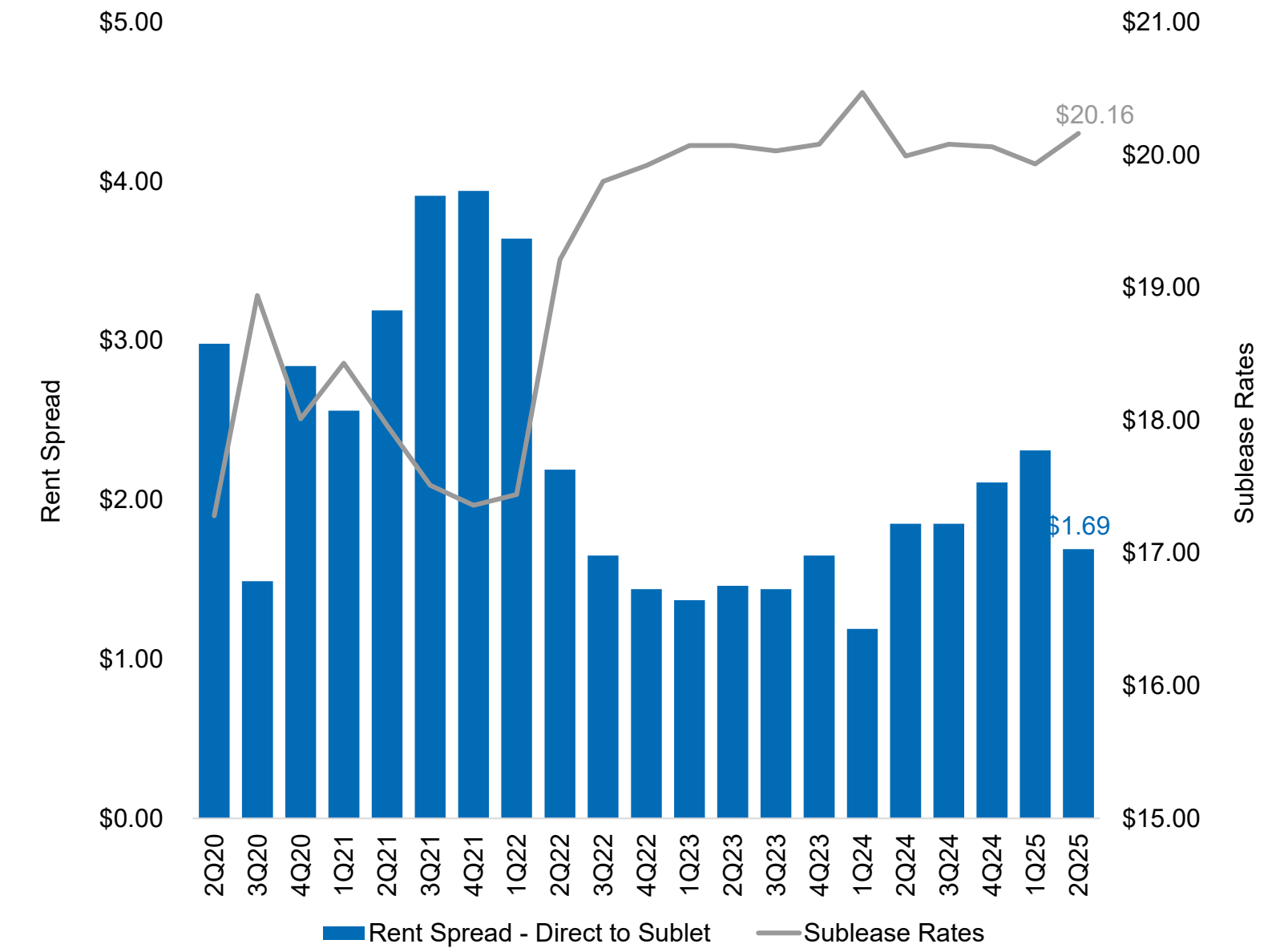
Sublease and Direct Space Rent Spread Contracts; Class A and B Difference Shrinks

The discrepancy between asking rates for Class A and B office properties tightened for the third quarter in a row, as Class A rates dipped by \$0.33/SF to \$22.47/SF. Class B rates also decreased to \$19.93/SF, a \$0.25/SF drop. The average sublease rate increased by \$0.23/SF to \$20.16/SF, which contracted the gap between sublease and direct rents to \$1.69/SF for the second quarter from \$2.31/SF the previous quarter. The \$1.69 rent spread is the lowest it has been between the two since the first quarter of 2024.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research, CoStar

Lease and Sale Transactions in 2Q25

Select 2Q25 Lease Transactions				
Tenant	Building(s)	Submarket	Type	Square Feet
Upstart	3075 Loyalty Cir.	Easton	Sublease	97,054
Aerotek Affiliated Services, Inc.	8100 Walton Pkwy.	New Albany	Renewal	54,270
King Business Interiors	1400 Goodale Blvd.	Grandview	Renewal	15,944
Lower Lights Christian Health Center Inc.	3000 Corporate Exchange Dr.	Westerville	Sublease	15,325
Vium Capital, LLC	995 Yard St.	Grandview	New	14,808
Arcadis US, Inc.	7575 Huntington Park Dr.	Worthington	Renewal & Expansion	14,606

Select 2Q25 Sale Transactions					
Buyer	Building	Submarket	Sale Price	Square Feet	Price Per SF
Columbus Metropolitan Housing Authority	3400 Morse Crossing	Easton	\$7,300,000	49,256	\$148.21
Young Wealth Management	6641 N. High St.	Worthington	\$2,700,000	21,981	\$122.83
OhioHealth Corp.	4900 E. Dublin Granville Rd.	East	\$36,000,000	329,348	\$109.31
Columbus Lucky Center LLC	1335 Dublin Rd.	Grandview	\$7,850,000	127,237	\$61.70
Worthington Steel Company	3344 Morse Crossing	Easton	\$7,750,000	135,485	\$57.20
City One, LLC	1110 Morse Rd.	North Central	\$1,253,500	23,256	\$53.90
VT 3045 LLC	100 E. Broad St.	CBD	\$3,400,000	308,337	\$11.03

Source: Newmark Research

Office Transfer Prices Down

A low-angle, upward-looking shot of a modern building's interior or exterior structure. The image shows a complex network of steel beams and girders forming a triangular and rectangular lattice. Large glass panels are visible, reflecting the sky. The perspective creates a sense of height and architectural scale.

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Appendix



Historical Statistical Overview



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Submarket Overview



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Additional Market Statistics



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Submarket Map



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