

FIGURES | COLUMBUS (OH) OFFICE | Q1 2025

# Vacancy rates see slight decline amid rising demand for high-quality space

▼ 21.7%

Vacancy Rate

▼ 81,062

SF Net Absorption

▼ 0

SF Construction Delivered

► 192,873

SF Under Construction

▲ \$22.27

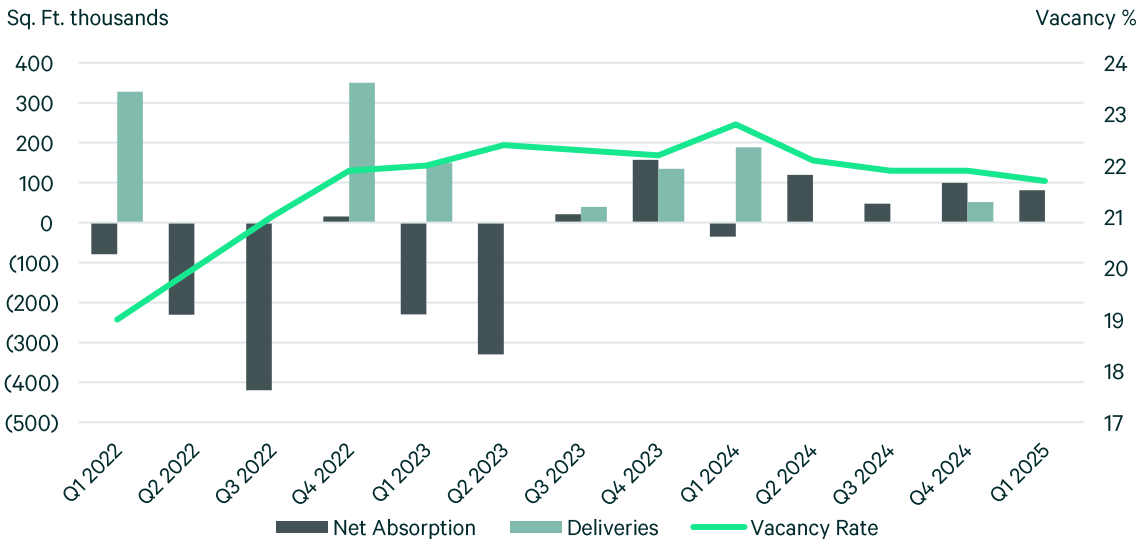
FSG/YR Lease Rate

Note: Arrows indicate change from previous quarter.

## MARKET OVERVIEW

- Total vacancy for the Columbus office market stands at 21.7%, a 30-basis point decrease from Q4 2024, and departure from vacancy remaining stagnant through the second half of 2024.
- The market recorded a positive net absorption of 81,062 sq. ft. for Q1 2025, down 8.5% from last quarter.
- No new construction was delivered in Q1. However, 192,873 sq. ft. of office space is currently under construction, reflecting ongoing activity and an expected continuation of demand. TruePointe, a large mixed-use development in Hilliard, continues construction and is planned to deliver over 300,000 sq. ft. upon full completion.
- The average Full-Service Gross (FSG) lease rate remains stable at \$22.27 per sq. ft. per year.
- Notable lease transactions include Rev1 Ventures' new lease for 44,391 sq. ft. at 330 Rush Alley in Downtown and Mount Carmel Health System's renewal of 42,395 sq. ft. at 477 Cooper Road in Westerville.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2025

## Vacancy

In Q1 2025, the total vacancy rate for the Columbus office market stood at 21.7%, reflecting a slight decrease from the previous quarter. New Albany recorded the highest vacancy rate at 32.1% while Bexley/Whitehall had the lowest at 2.1%, both unchanged from last quarter.

Class A properties experienced a vacancy rate of 28.3%, down 20 basis points from the previous quarter, while Class B and Class C properties had vacancy rates of 17.0% and 10.2%, down 30 and 10 basis points from last quarter, respectively. The market wide sublease availability remained unchanged at 3.9% across the market.

## Asking Rent

The overall market's average direct asking rate increased to \$22.27 per sq. ft. this quarter from \$22.12 per sq. ft. in Q4 2024. Class A properties continue to command the highest rents at \$23.53 per sq. ft., a \$0.05 decrease from Q4. Class B properties followed at \$21.13 per sq. ft., and Class C properties at \$17.75 per sq. ft. All three property classes saw an increased year-over-year direct asking rate, continuing an overall positive trend post-Covid.

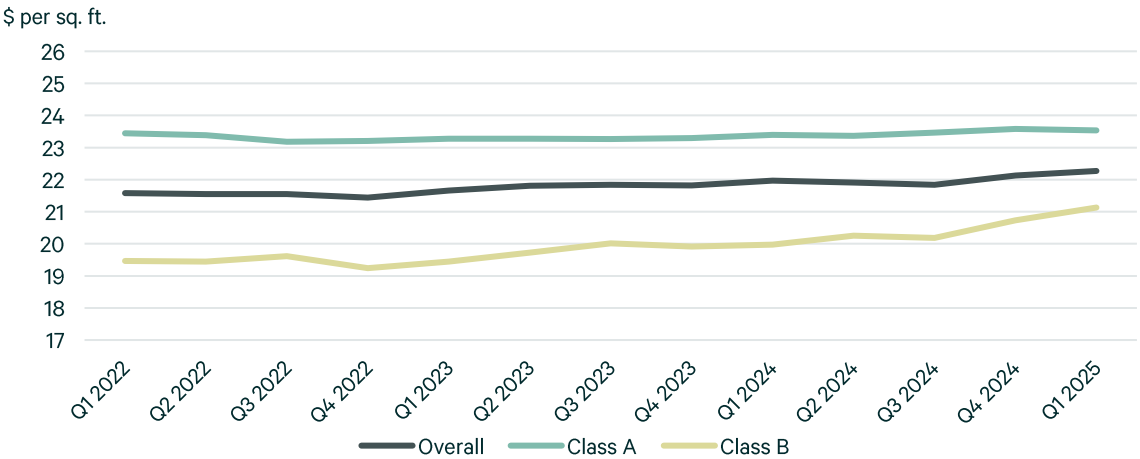
Among the submarkets, Grandview recorded the highest asking rates at \$25.57 per sq. ft, an increase of \$0.79 from last quarter. Easton followed at \$25.35, a \$0.22 decrease from last quarter. This data indicates a consistent demand for premium office spaces, particularly in prime locations with new construction like Grandview and Easton.

FIGURE 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2025

FIGURE 3: Avg. Direct Asking Rate (FSG/YR) by Class



Source: CBRE Research, Q1 2025

## Net Absorption

In the first quarter, the Columbus office market observed a total net absorption of 81,062 square feet, continuing the positive trend seen in the previous four quarters. Class A properties led the absorption metrics with a significant gain, especially in the suburban submarkets. Notably, Pointe at Polaris II saw two large leases, with PHRG occupying 17,000 sq. ft. and Gannett Fleming securing 6,000 sq. ft. Meanwhile, Sedgwick placed 31,000 sq. ft. of space on the market for sublease at 5500 Glendon Court, contributing notable negative absorption.

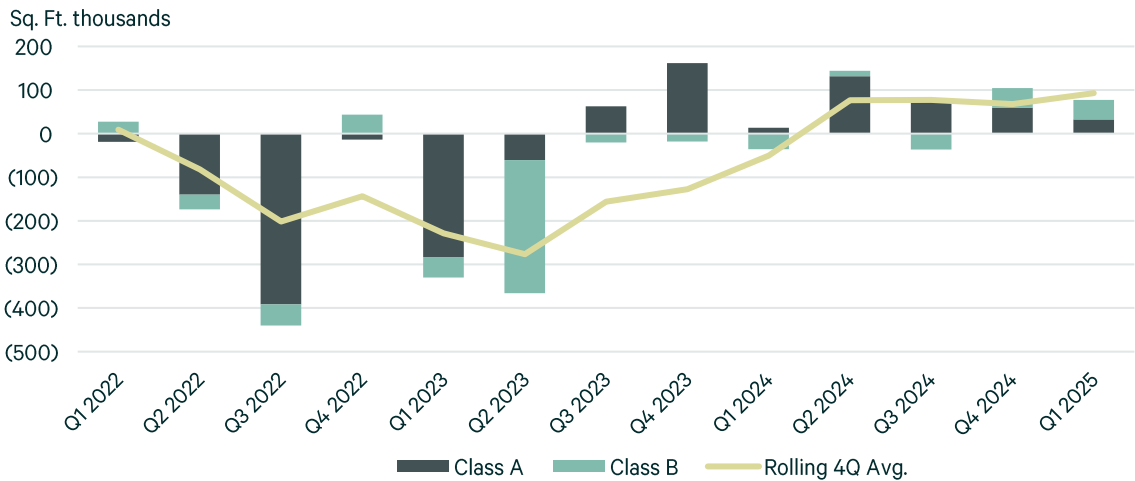
The Suburban submarkets contributed over 79,000 sq. ft. of positive net absorption to the market total, with Downtown recording only slight positive net absorption. This is a notable departure from last quarter, when Suburban areas saw a negative net absorption and Downtown saw 110,000 sq. ft. of positive net absorption.

## Construction Activity

While no new buildings delivered this quarter, the Columbus office market continues to see significant construction activity with 192,873 sq. ft. currently under construction. Key projects include the TruePointe development in Hilliard, which features 98,350 sq. ft. for the Advanced Drainage Systems Headquarters and the Merchant Building in the Downtown area, contributing 64,828 sq. ft. of office space.

Both TruePointe and the Merchant Building will include retail, residential units, and hotels indicating the continued to demand for Class A office product in mixed-use, live-work spaces.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q1 2025

FIGURE 5: Construction Activity



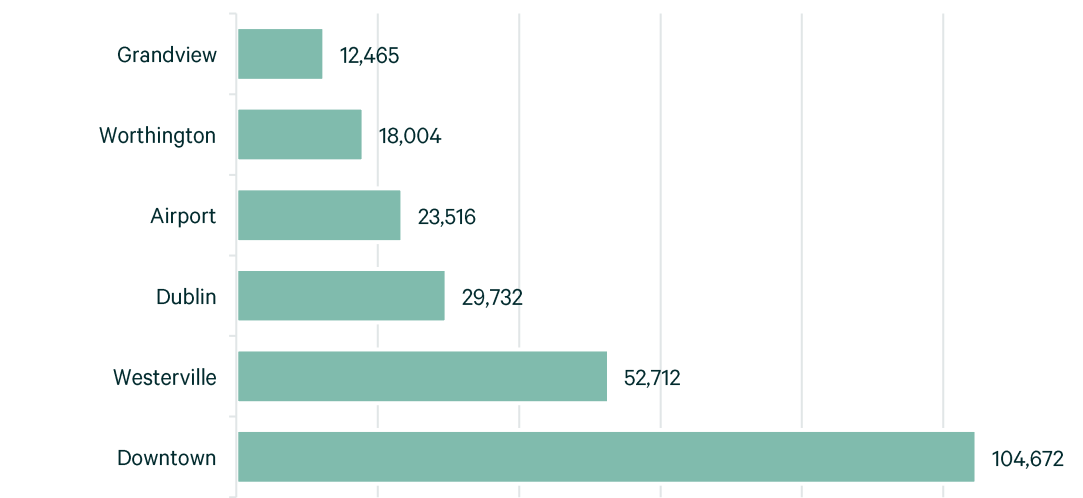
Source: CBRE Research, Q1 2025

## Leasing Activity

Leasing activity in the Columbus office market remained robust in Q1, with several key transactions contributing to the overall positive net absorption. Downtown, Rev1 Ventures signed a new lease for 44,391 sq. ft. 330 Rush Alley, while a confidential tenant renewed 35,062 sq. ft. at 10 W Broad St. and Total Quality Logistics renewed 11,987 sq. ft. at 585 S Front St. Additionally, Mount Carmel Health System renewed its lease for 42,395 sq. ft. at 477 Cooper Rd in Westerville.

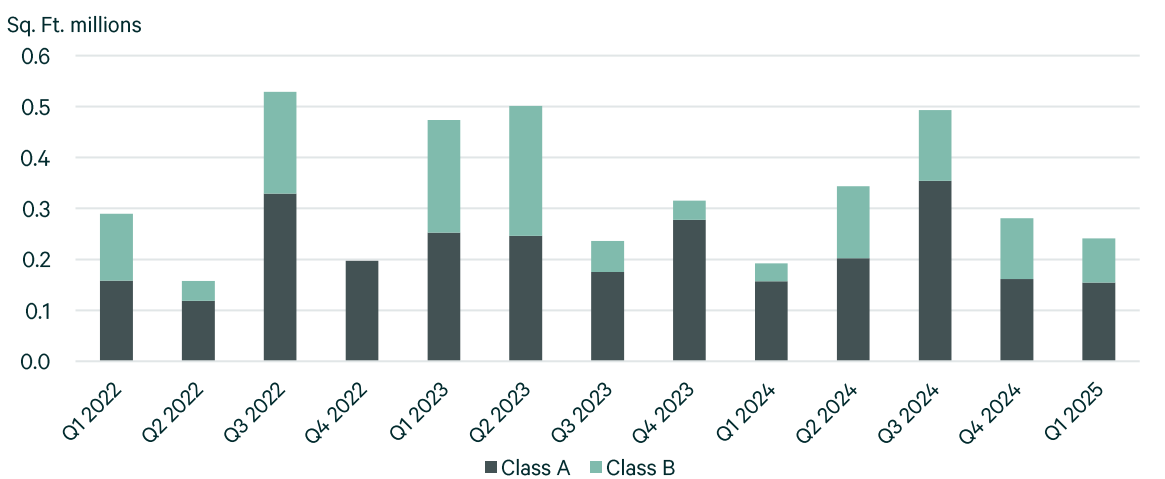
The Downtown submarket saw the greatest portion of leasing activity in Q1 with over 100,000 sq. ft. of space leased. Westerville followed with a notable 52,000 sq. ft. of activity, trailed by Dublin and the Airport submarkets.

FIGURE 6: Leasing by Submarket – 10,000 sq. ft. and up



Source: CBRE Research, Q1 2025

FIGURE 6: Leasing Activity Trend – 10,000 sq. ft. and up



Source: CBRE Research, Q1 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Rev1 Ventures	44,391	New Lease	330 Rush Aly	Downtown
Mount Carmel Health System	42,395	Renewal	477 Cooper Rd	Westerville
Confidential Tenant	35,062	Renewal	10 W Broad St	Downtown
Pulte Home Company	23,000	Renewal	475 Metro Pl S	Dublin
Undisclosed Tenant	18,004	New Lease	1105 Schrock Rd	Worthington
Loth	12,465	Renewal	855 Grandview Ave	Grandview
Columbus Neighbourhood Health Center	12,465	Renewal	2780 Airport Dr	Airport
Total Quality Logistics	11,987	Renewal	585 S Front St	Downtown
Target ABA	11,051	New Lease	2760 Airport Dr	Airport

Source: CBRE Research, Q1 2025

Market Statistics by Index

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
SUBURBAN										
Class A	13,091,601	29.2	30.6	21.9	8.6	22.17	41,990	41,990	0	128,045
Class B	10,298,144	17.2	23.5	22.4	1.0	20.95	39,258	39,258	0	0
Class C	4,391,690	8.7	10.3	9.2	1.0	16.80	(2,199)	(2,199)	0	0
Total	27,781,435	21.5	24.7	20.1	4.6	21.29	79,049	79,049	0	128,045

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
DOWNTOWN										
Class A	7,584,960	26.9	30.4	27.6	2.8	25.63	(9,435)	(9,435)	0	64,828
Class B	5,171,415	16.6	20.8	19.2	1.7	21.57	5,557	5,557	0	0
Class C	1,027,268	16.8	21.5	19.4	2.1	21.25	5,891	5,891	0	0
Total	13,783,643	22.3	26.2	23.8	2.4	24.12	2,013	2,013	0	64,828

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
METRO										
Class A	20,676,561	28.3	30.5	24.0	6.5	23.53	32,555	32,555	0	192,873
Class B	15,469,559	17.0	22.6	21.3	1.3	21.13	44,815	44,815	0	0
Class C	5,418,958	10.2	12.4	11.2	1.2	17.75	3,692	3,692	0	0
Total	41,565,078	21.7	25.2	21.3	3.9	22.27	81,062	81,062	0	192,873

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Airport	832,436	18.0	18.8	18.8	0.0	16.02	14,229	14,229	0	0
Bexley/Whitehall	510,310	2.0	2.0	2.0	0.0	14.25	757	757	0	15,000
Downtown	13,783,643	22.3	26.2	23.8	2.4	24.12	2,013	2,013	0	64,828
Dublin	7,838,739	26.9	30.8	24.2	6.6	21.72	974	974	0	0
Easton	2,811,220	23.6	24.1	13.2	10.9	25.35	(17,283)	(17,283)	0	0
Gahanna	720,060	24.6	24.6	22.8	1.8	19.89	(9,390)	(9,390)	0	0
Grandview	2,162,865	11.6	24.0	21.9	2.1	25.57	7,480	7,480	0	0
Hilliard	891,284	29.6	35.6	33.1	2.5	18.36	(1,684)	(1,684)	0	113,045
New Albany	1,839,188	32.1	34.0	25.9	8.1	22.08	2,302	2,302	0	0
Polaris	2,668,069	13.7	15.8	15.0	0.8	23.05	17,158	17,158	0	0
Reynoldsburg	296,676	11.7	11.7	11.7	0.0	14.0	0	0	0	0
Upper Arlington	1,239,966	4.6	6.0	5.3	0.7	21.9	3,150	3,150	0	0
Westerville	2,123,812	24.1	26.1	19.7	6.4	16.73	1,441	1,441	0	0
Worthington	3,846,810	20.3	23.1	21.4	1.7	19.91	59,915	59,915	0	0
Total	41,565,078	21.7	25.2	21.3	3.9	22.27	81,062	81,062	0	192,873

## National Economic Outlook

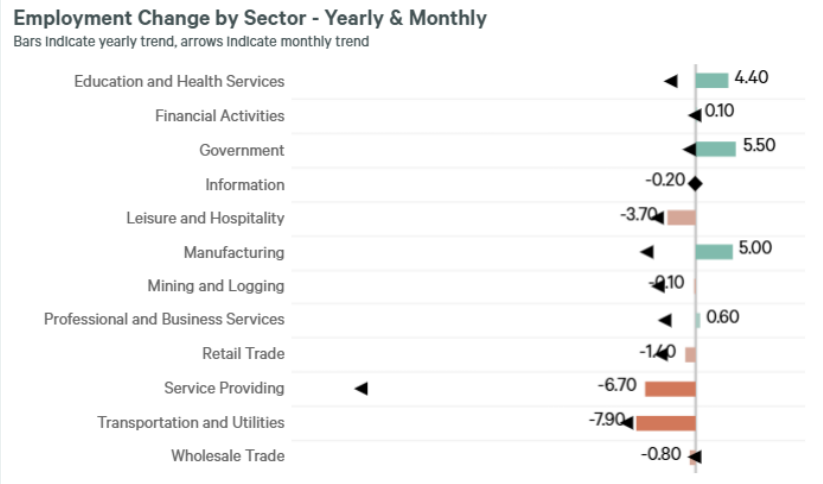
Policy speculation and announcements are now the key drivers of macro expectations and financial markets. The reality of material trade conflicts this year is now paired with realized softer economic data. Some of this could be due to firms taking a ‘wait-and-see’ approach as they digest changing trade policy. Consumer sentiment has declined noticeably, albeit much more than actual spending. Consequently, CBRE has revised its GDP growth outlook for this year down to just below 2%.

Despite policy uncertainty, credit markets are more accommodative, with tighter spreads and more issuance compared to a few quarters ago. More fluid credit markets have yet to translate into stronger sales volume, as many institutional owners and reams of dry powder capital remain on the sidelines. The continuation of accretive credit trends and eventual deployment of dry powder will depend on the impact of new policies. Should they prove more inflationary, this would erode recent capital markets progress. If not, and macro impacts are limited, this could give the Fed a green light for further cuts and help unlock monies waiting on the sidelines.

## Columbus, OH Employment Update

- ▲ 4.8%  
Unemployment Rate
- ▲ 1.2M  
Labor Force
- ▼ 286.3k  
Office Using Jobs
- ▼ 295.5k  
Industrial Using Jobs
- ▼ 145.0k  
Retail Using Jobs

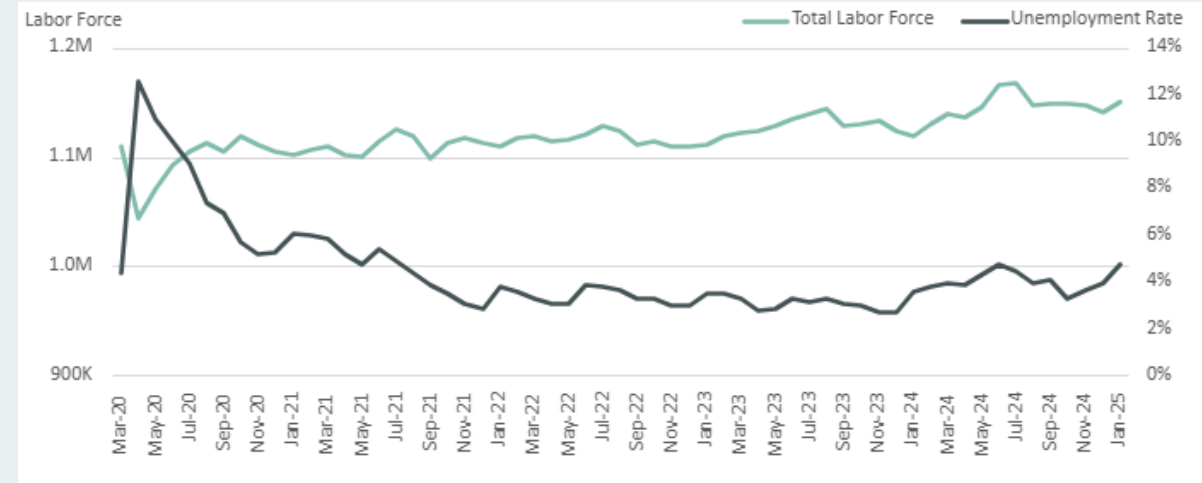
Employment Change by Sector – Yearly + Monthly  
Bars indicate yearly trend, arrows indicate monthly trend



Note: Arrows indicate month-over-month change.

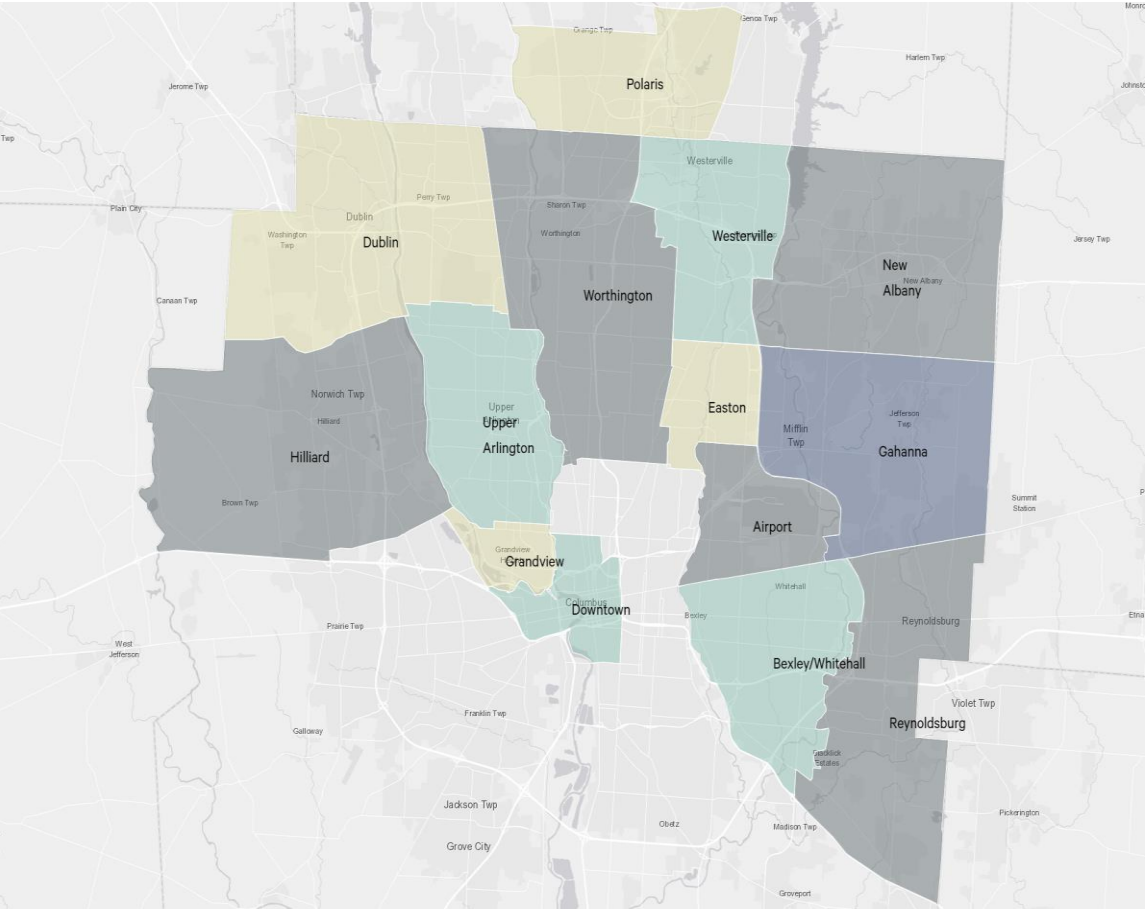
Source: US BLS, January 2025

### Columbus, OH Unemployment Rate and Labor Force Trends



Source: US BLS, January 2025

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Survey Criteria

Includes all office buildings 10,000 sq. ft. and greater in size. Buildings which have begun construction as evidenced by site excavation or foundation work. Excludes single-tenant owner-occupied buildings, government-owner-and-operated buildings, and medical buildings.

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