Leasing Momentum Strengthens as Vacancy Recedes

▼20.0%
Vacancy Rate

▼150,240
SF Net Absorption

▶94,523
SF Under Construction

▲$22.80
FSG/YR Direct Lease Rate

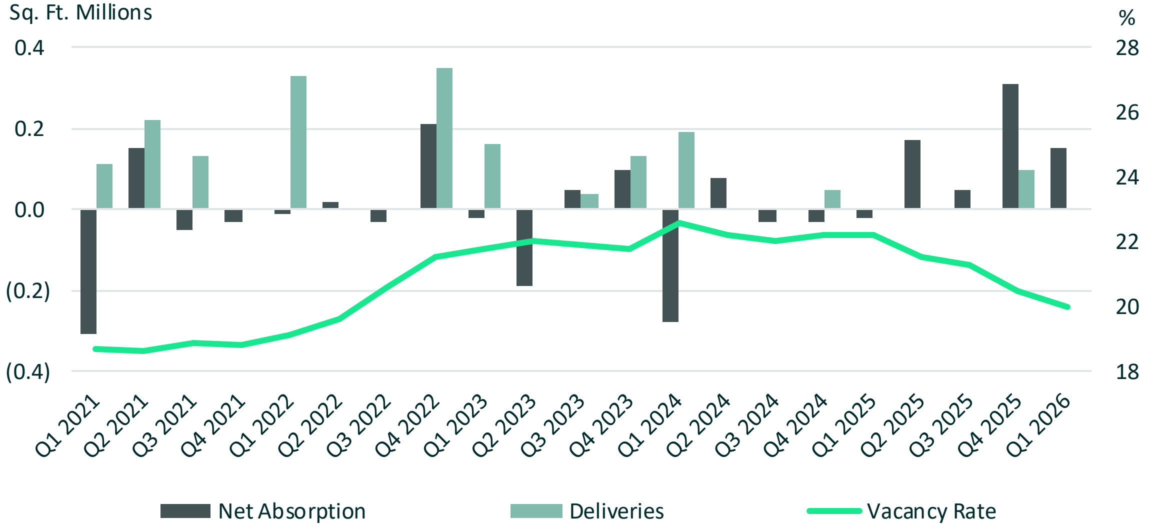
Note: Arrows indicate change from previous quarter.

Market Overview

In Q1 2026, the office market posted lower vacancy and availability than in recent periods. From a peak of 22.6% in Q1 2024, vacancy declined to 20.0% in Q1 2026, a 260-basis-point reduction, while availability moved from 24.7% to 22.9% over the same period. Net absorption in 2025 totaled 505,000 sq. ft., following 260,000 sq. ft. of net move-outs in 2024, and average asking rents increased 9.8% between Q1 2021 and Q1 2026 to $22.80 per sq. ft.

Year-over-year, Q1 2026 recorded lower vacancy and availability and higher rents than Q1 2025. Vacancy was 220 basis points lower, availability was 240 basis points lower, and asking rents were 1.9% higher than a year earlier. YTD net absorption improved by 170,000 sq. ft., from negative 20,000 sq. ft. in Q1 2025 to positive 150,000 sq. ft. in Q1 2026. Quarter-over-quarter, vacancy decreased a further 50 basis points from 20.5% in Q4 2025, net absorption declined from 311,000 sq. ft., and rents rose 0.6% from $22.67 per sq. ft.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Total vacancy in Q1 2026 continued to diverge by quality tier. Class A vacancy declined 140 bps quarter-over-quarter and 570 bps year-over-year to 23.4%, while Class B vacancy increased 40 bps QoQ and 200 bps YoY to 20.0%; Class C increased slightly 10 bps QoQ and 90 bps YoY to 8.5%. Direct Class A vacancy fell to 18.1% as sublease vacancy eased to 5.3%, contrasting with rising direct Class B vacancy at 19.2% and steady sublease vacancy at 0.7%. The Class A–B vacancy spread narrowed to 3.4 percentage points from 11.1 percentage points a year earlier, signaling a more balanced distribution of vacancy across asset classes.

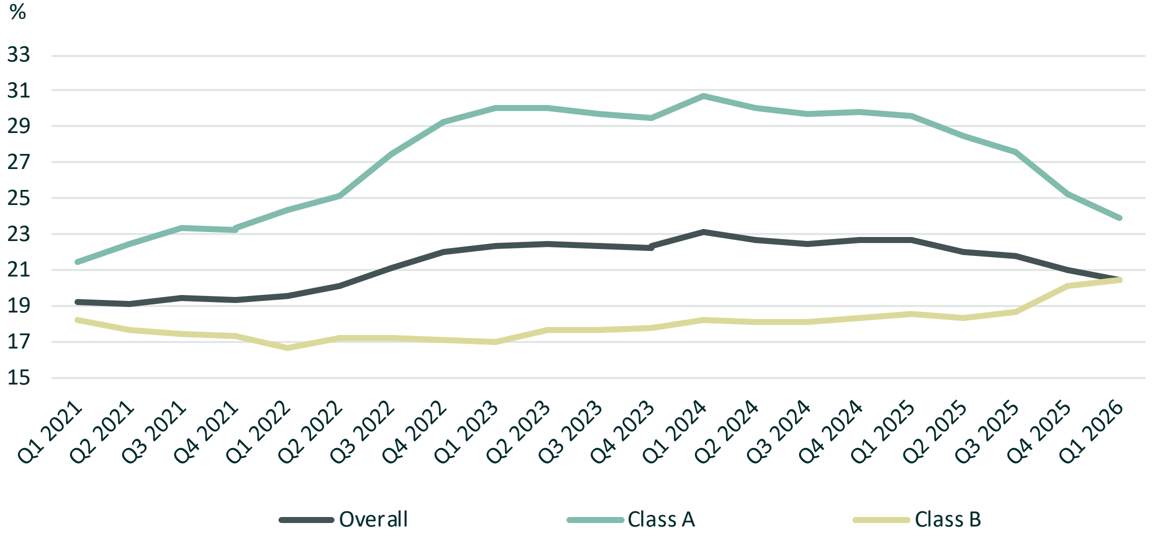
On a submarket basis, Downtown posts elevated vacancy compared to the market average, with Class B at 26.0% and Class A at 20.6%. Meanwhile the suburban submarkets show 24.7% Class A and 15.8% Class B vacancy. There is 1.1 million sq. ft. of sublease space available metro-wide, heavily concentrated in Class A product in Dublin (502,000 sq. ft.), New Albany (149,000 sq. ft.), Westerville (118,000 sq. ft.) and Downtown (79,000 sq. ft.), with additional blocks in Easton and Polaris.

Asking Rent

The overall average direct asking lease rate in Q1 2026 is $22.80 per sq. ft., up 0.6% quarter-over-quarter and 1.9% year-over-year. Class A office asking rents eased from $25.28 per sq. ft. to $25.20 per sq. ft. over the quarter but are 6.6% higher than a year ago, keeping Class A well above the market average. Class B asking rates rose from $20.53 per sq. ft. to $20.93 per sq. ft., a 1.9% quarterly increase.

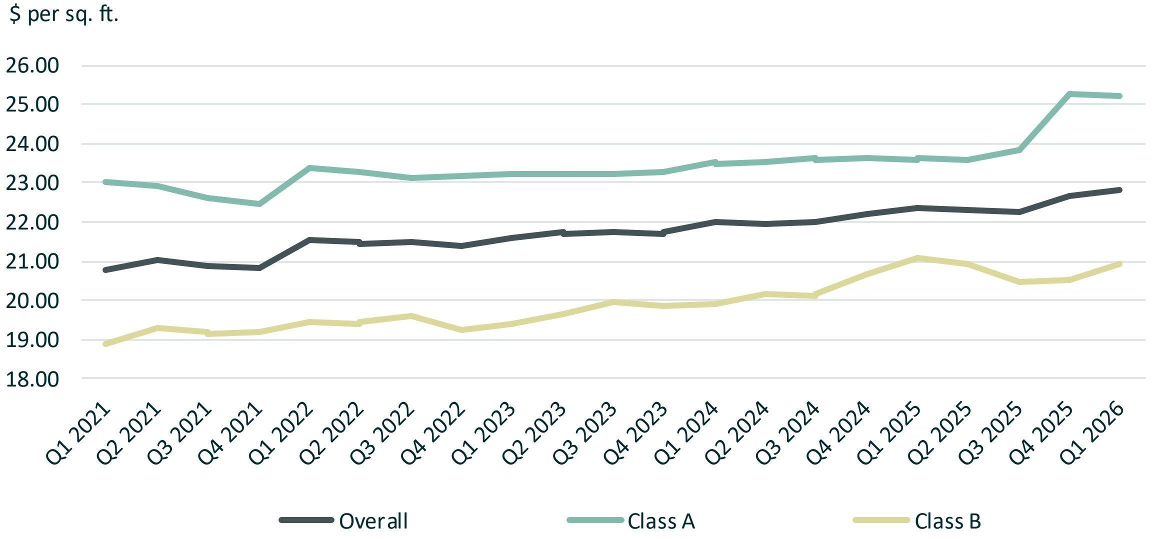
In Q1 2026, the Easton submarket posted the highest average direct asking rate on a combined Class A–C basis at $25.77 per sq. ft. due to the high concentration of Class A space. Grandview and Downtown followed with $25.20 and $25.10 per sq. ft., respectively.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



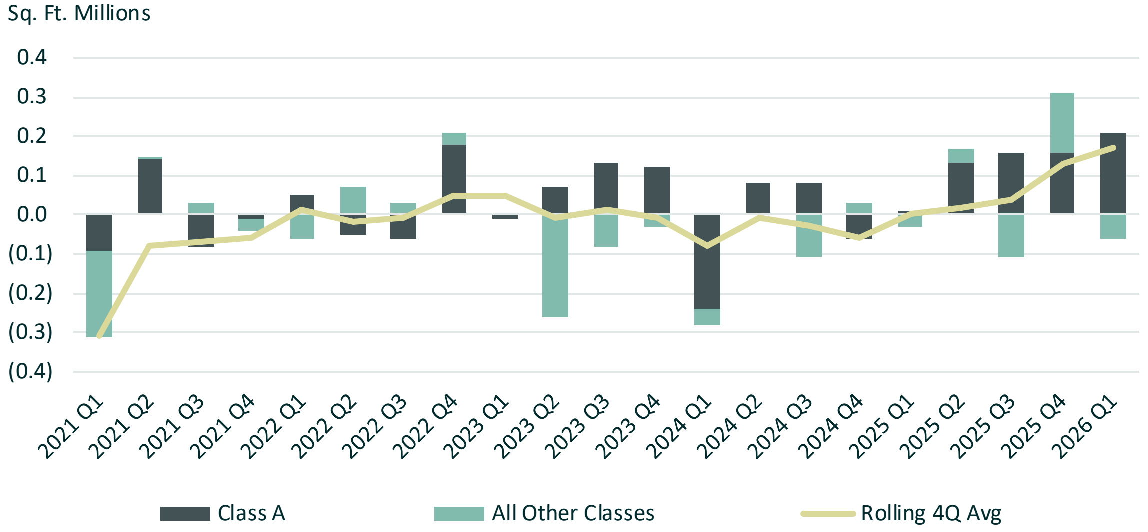
Source: CBRE Research, Q1 2026

Net Absorption

Total net absorption reached 150,000 sq. ft. in Q1 2026, below the 310,000 sq. ft. posted in Q4 2025 but markedly improved from the negative 20,000 sq. ft. recorded in Q1 2025. Class A drove the gains with 211,000 sq. ft. of positive net absorption, its fifth consecutive positive quarter, while all other classes registered negative 61,000 sq. ft.

Positive net absorption for Q1 2026 was concentrated primarily in the Hilliard submarket with 96,000 sq. ft. for the quarter as Advanced Drainage Systems occupies its new built-to-suit office, and the Dublin submarket with 79,000 sq. ft. Gahanna, Upper Arlington, Airport, Easton, Westerville, and New Albany were the other submarkets recording positive net absorption. Other submarkets recorded negative net absorption, led by Downtown with negative 34,000 sq. ft., followed by Bexley/Whitehall (negative 11,000 sq. ft.), and Worthington (negative 9,000 sq. ft.).

Figure 4: Net Absorption Trend



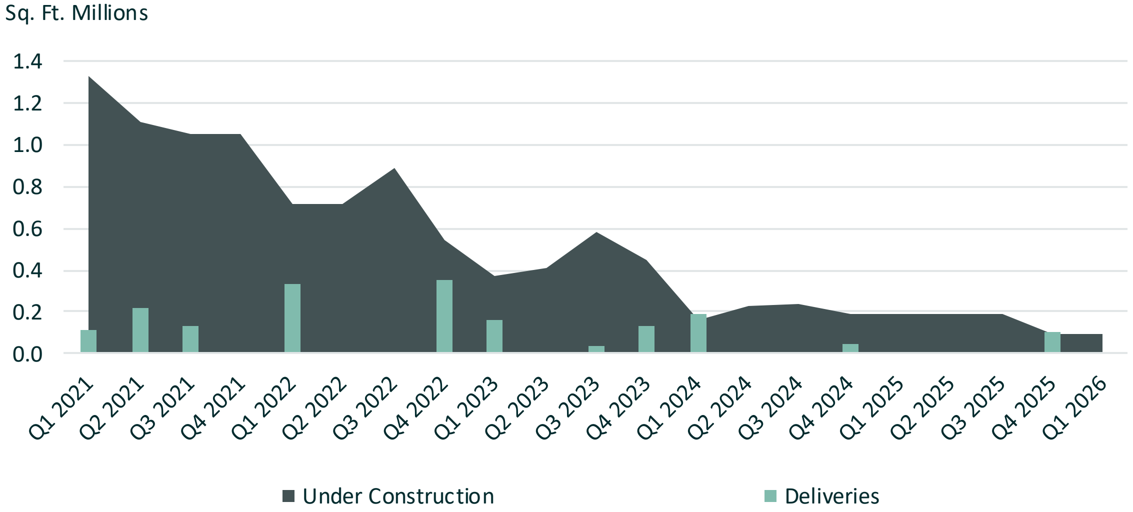
Source: CBRE Research, Q1 2026

Construction Activity

As of Q1 2026, the office construction pipeline totaled 95,000 sq. ft. under construction with no space delivering during the quarter. Under-construction volume was unchanged quarter-over-quarter but declined by 98,000 sq. ft., or 50.8%, from 193,000 sq. ft. a year earlier due to the delivery Advanced Drainage Systems built-to-office, while quarterly deliveries were flat year-over-year at 0 sq. ft. Following 98,000 sq. ft. of completions in 2025, annual deliveries have slowed from 240,000 sq. ft. in 2024.

In Q1 2026, Downtown and Bexley/Whitehall captured the largest share of active projects, led by The Merchant Building at 64,828 sq. ft. downtown and the 15,000 sq. ft. 2200 E Main – The Fitzgerald in Bexley/Whitehall. Construction also continues in Hilliard, with the 14,695 sq. ft. TruePoint – Building K contributing to the current under-construction inventory.

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

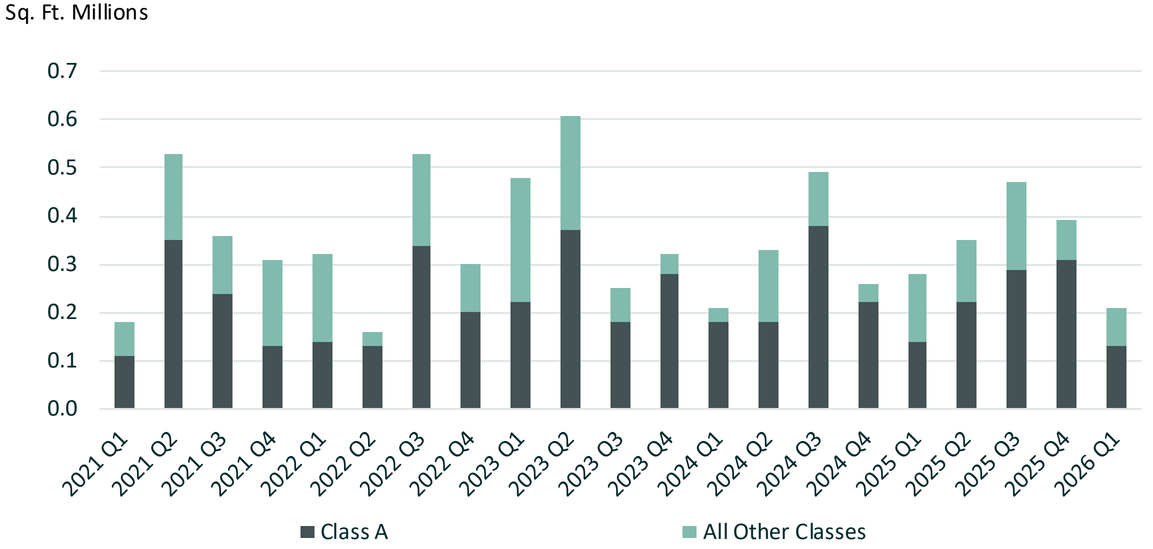
Leasing Activity

Total leasing activity reached 207,000 sq. ft. in Q1 2026, while full-year 2025 volume totaled 1.4 million sq. ft. Q1 2026 leasing declined by 190,000 sq. ft., or 47.8%, from Q4 2025 and was 41,000 sq. ft., or 16.5%, below Q1 2025, even as annual volume in 2025 finished 159,000 sq. ft., or 12.5%, above 2024.

In Q1 2026, Downtown posted the highest leasing activity at 141,000 sq. ft., followed by Worthington with 33,000 sq. ft., together capturing the majority of submarket demand. Dublin, Polaris and Grandview also recorded positive activity of 12,000 sq. ft., 11,000 sq. ft. and 10,000 sq. ft., respectively.

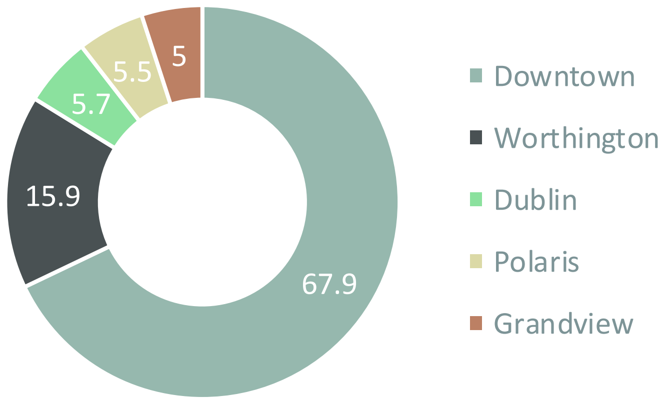
The bulk of leasing activity this quarter came from new activity, with over 132,000 sq. ft. signed attributed to new leases and expansions. Meanwhile, renewals made up the remaining 75,000 sq. ft. of activity. This is a distinct shift from last quarter, when new leasing and renewal activity were much more balanced.

Figure 6: Leasing Activity Trend Leases Over 10,000 sq. ft.



Source: CBRE Research, Q1 2026

Figure 7: Leasing by Submarket (% of Total Activity of Leases Over 10,000 sq. ft.)



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Kegler, Brown, Hill, and Ritter Co., LPA	52,000	Renewal	65 E State St	Downtown
Lower	25,000	Expansion	711 N High St	Downtown
Gifthealth	19,000	New Lease	80 E Rich St	Downtown
Poling & Associates Co., L.P.A.	18,000	New Lease	300 E Broad St	Downtown
Expeditors International	15,000	New Lease	250 S High St	Downtown
Renascent Protection Solutions	12,000	New Lease	485 Metro Pl S	Dublin
Ohio State University Physicians	11,000	New Lease	160 W Wilson Bridge Rd	Worthington
P/S Executive Centers	11,000	Renewal	1900 Polaris Pkwy	Polaris

Source: CBRE Research, Q1 2026

Market Statistics

Figure 9: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	13.11	24.7	26.7	19.2	7.5	22.88	189,000	189,000	-	30,000
Class B	9.88	15.8	19.8	18.7	1.1	19.39	(6,000)	(6,000)	-	-
Class C	4.37	5.5	7.0	6.3	0.7	16.36	1,000	1,000	-	-
Total	**27.36**	**18.4**	**21.1**	**17.0**	**4.1**	**21.13**	**185,000**	**185,000**	**-**	**30,000**

Source: CBRE Research, Q1 2026

Figure 10: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	6.01	20.6	22.8	21.5	1.3	29.70	22,000	22,000	-	65,000
Class B	6.75	26.0	29.8	28.2	1.6	22.41	(49,000)	(49,000)	-	-
Class C	1.03	21.2	25.1	24.7	0.4	18.63	(7,000)	(7,000)	-	-
Total	**13.79**	**23.3**	**26.4**	**25.0**	**1.4**	**25.10**	**(34,000)**	**(34,000)**	**-**	**65,000**

Source: CBRE Research, Q1 2026

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	19.12	23.4	25.5	19.9	5.6	25.20	211,000	211,000	-	95,000
Class B	16.63	20.0	23.8	22.6	1.3	20.93	(55,000)	(55,000)	-	-
Class C	5.40	8.5	10.4	9.8	0.7	17.18	(6,000)	(6,000)	-	-
Total	**41.15**	**20.0**	**22.9**	**19.7**	**3.2**	**22.80**	**150,000**	**150,000**	**-**	**95,000**

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	0.83	2.8	3.7	3.7	-	16.60	7,000	7,000	-	-
Bexley/Whitehall	0.51	5.3	8.0	8.0	-	13.77	(11,000)	(11,000)	-	15,000
Downtown	13.79	23.3	26.4	25.0	1.4	25.10	(34,000)	(34,000)	-	65,000
Dublin	7.62	25.7	29.1	22.3	6.8	21.52	79,000	79,000	-	-
Easton	2.68	14.3	16.6	11.7	4.9	25.77	7,000	7,000	-	-
Gahanna	0.79	24.6	27.0	21.4	5.5	20.11	16,000	16,000	-	-
Grandview	2.16	12.1	16.8	15.2	1.6	25.20	(6,000)	(6,000)	-	-
Hilliard	1.03	23.0	26.3	24.3	2.0	17.71	96,000	96,000	-	15,000
New Albany	1.51	29.6	30.0	20.1	9.9	22.91	2,000	2,000	-	-
Polaris	2.75	9.4	12.0	10.9	1.1	22.17	(7,000)	(7,000)	-	-
Reynoldsburg	0.30	12.8	12.8	12.8	-	14.00	(3,000)	(3,000)	-	-
Upper Arlington	1.24	3.4	5.2	5.2	-	22.18	8,000	8,000	-	-
Westerville	2.12	19.0	22.0	15.6	6.4	16.69	5,000	5,000	-	-
Worthington	3.83	20.0	21.8	20.2	1.6	19.66	(9,000)	(9,000)	-	-
Total	**41.15**	**20.0**	**22.9**	**19.7**	**3.2**	**22.80**	**150,000**	**150,000**	**-**	**95,000**

Source: CBRE Research, Q1 2026

Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America's aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the $80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

▼ **3.6%**
Unemployment Rate

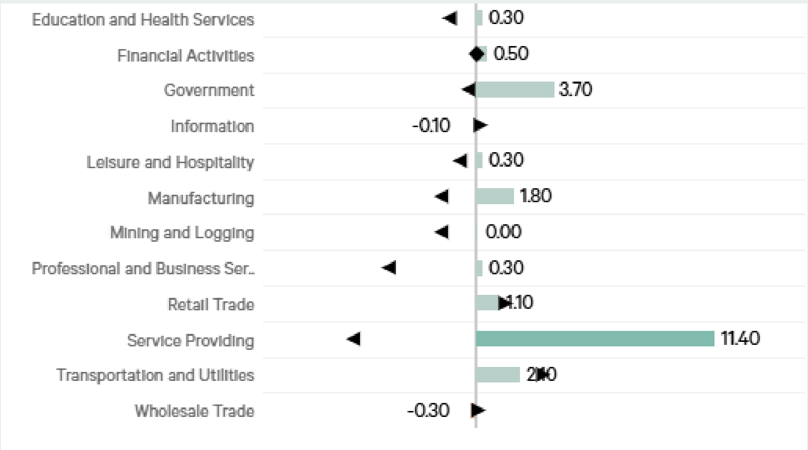
▼ **1.2M**
Labor Force

▼ **293.1k**
Office Using Jobs

▲ **306.5k**
Industrial Using Jobs

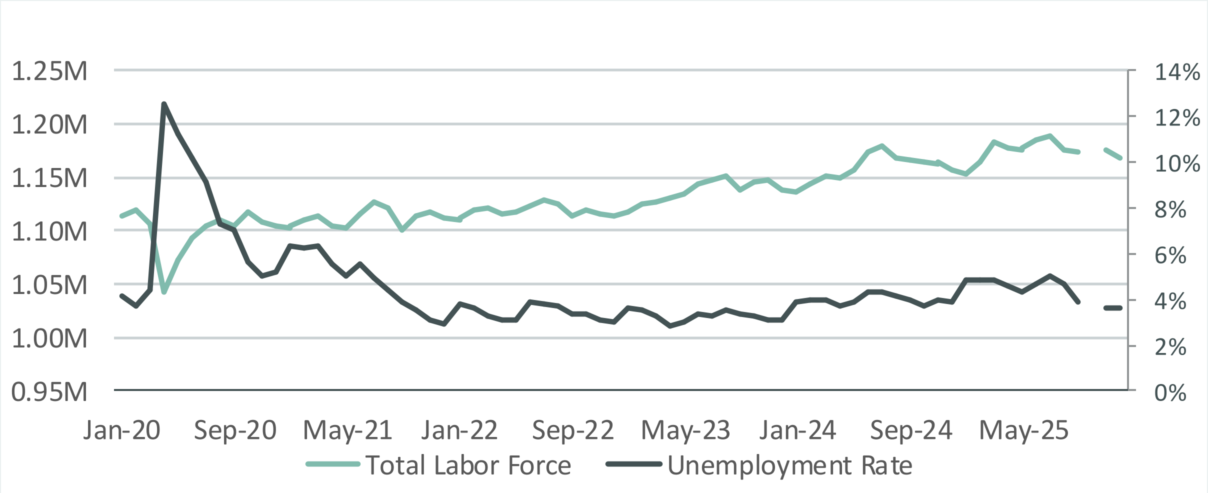
▲ **148.7k**
Retail Using Jobs

Columbus, OH Employment Change by Sector
Bars indicate yearly trend; arrows indicate monthly



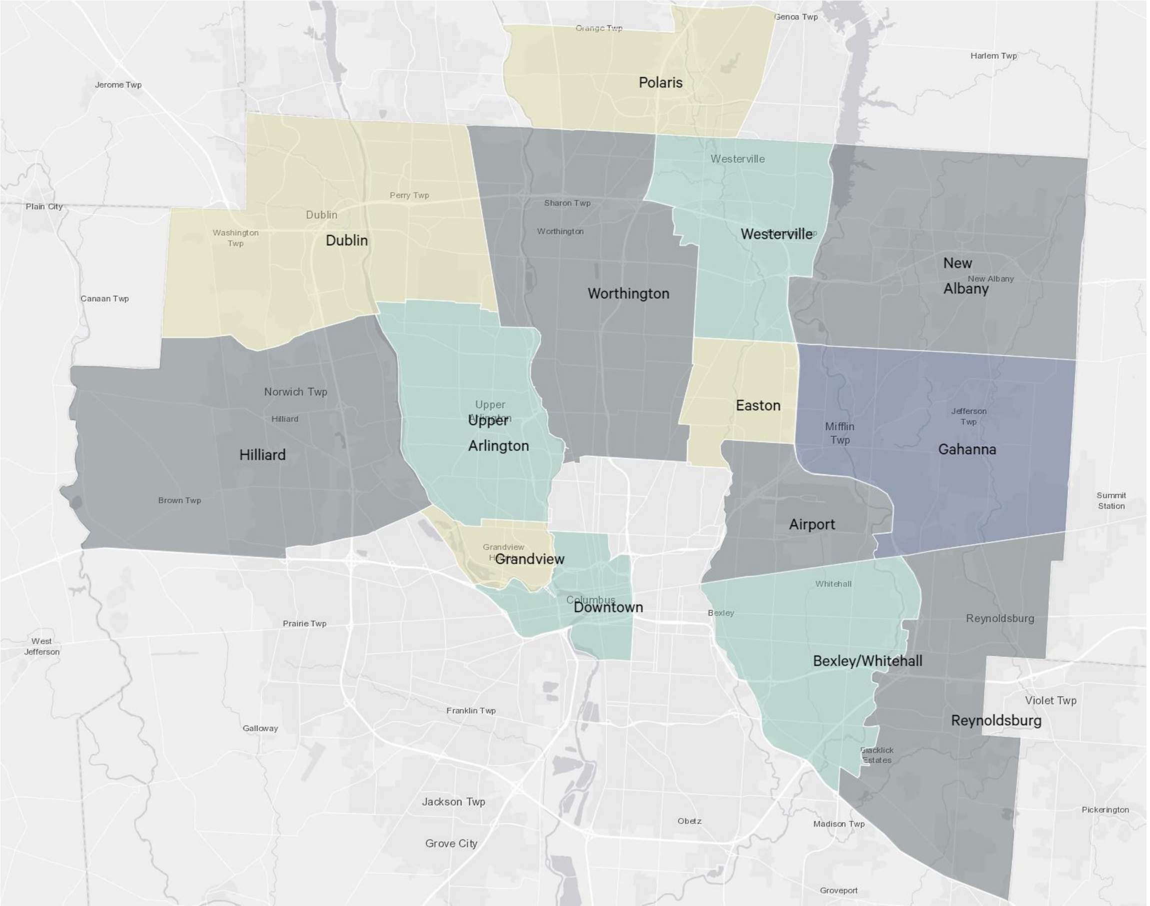
Source: US BLS, December 2025

Columbus, OH Unemployment Rate and Labor Force Trends



Source: US BLS, December 2025. *data not available for October 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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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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