

# INVESTMENT FORECAST

Office  
Columbus Metro Area

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2025

## High-Skilled Talent Attracts Companies and Investors as Columbus' Office Market Holds Steady

**Stability emerges amid tenant shifts.** The Columbus office market appears to be finding balance following a period of flight to quality and firm downsizing. Hilliard's local inventory has expanded over 10 percent since 2020, yet vacancy remains among the lowest in the metro due to strong demand for premium Class A space. The only notable 2025 delivery in the metro — a 300,000-square-foot mixed-use project — is already over 50 percent pre-leased, fueling expectations for sustained tightness. Central Columbus is also set to maintain one of the lowest vacancy rates in the metro at around 10 percent as firms seek well-amenitized locations. Despite Dublin reaching the highest vacancy metrowide last year at nearly 18 percent amid net relinquishments, total leasing activity improved compared with 2023, driven by its well-educated residents and proximity to major highways. Similarly, move-ins by technology and health care firms in Polaris and Westerville helped vacancy fall by over 400 basis points from the 2023 peak; however, Chase Bank's 350,000-square-foot exit in late 2024 pushed local rates up by 200 basis points.

**Educated workers and tight Class B/C vacancy attract capital.** Columbus's ability to cultivate high-skilled talent is set to enhance the metro's investment appeal, bolstered by Ohio State University's \$2 billion Wexner Medical Center project and the approval of Phase II for its multidisciplinary research hub. Health care firms seeking qualified professionals drove investment in medical office buildings in 2024, particularly investors targeting portfolios of smaller Class B/C assets. With the metro's traditional Class B/C office vacancy holding stable at under 10 percent, investors may focus on these assets in 2025. Properties near Intel and Anduril's planned facilities may entice buyers, as the anticipated economic growth could generate ancillary demand for office space.

### 2025 MARKET FORECAST

+0.7%



**EMPLOYMENT:** Following net job losses in 2024, the metro's workforce will expand by 8,000 roles this year. The traditionally office-using sector will climb slightly above its 2019 peak headcount.

320,000  
sq. ft.



**CONSTRUCTION:** Supply additions will slow further after near-record low deliveries in 2024. Completions will drop to less than half the metro's long-term annual average of 860,000 square feet.

-60 bps



**VACANCY:** Positive net absorption will drive the first decline in vacancy since before the pandemic, bringing the metro's rate to 12.9 percent — well below the national average of 16.4 percent.

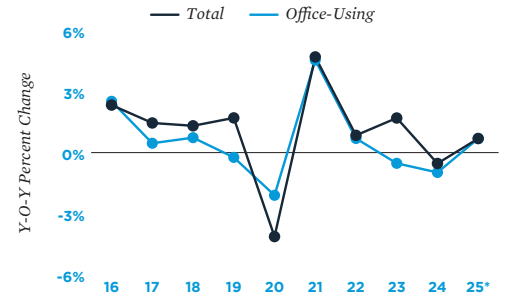
+1.2%



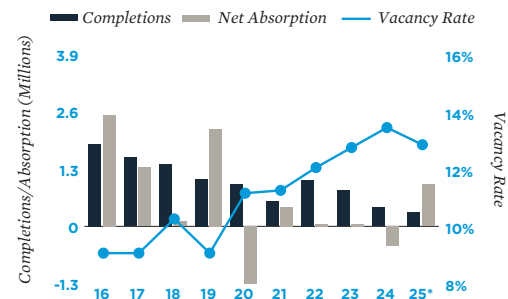
**RENT:** Pockets of elevated vacancy will pressure market rates this year, keeping rent growth in line with the metro's long-term average and bringing the mean asking rate to \$16.67 per square foot.

**INVESTMENT:** *Strong demand for modern office space may draw buyers to Columbus, where post-2020-built properties maintain vacancy near the metro average and command asking rents nearly double the market rate.*

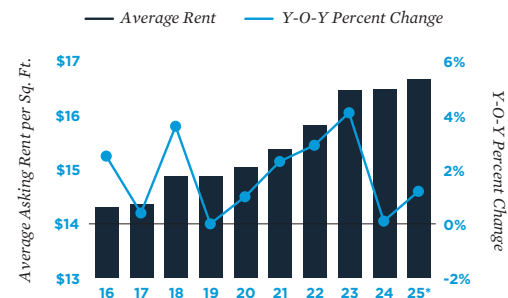
### Employment Trends



### Supply and Demand



### Rent Trends



\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of December 2024. Effective rent is equal to asking rent less concessions. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and apartment data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.