INVESTMENT FORECAST

Office

Columbus Metro Area

IPA | INSTITUTIONAL PROPERTY ADVISORS

2026

Talent Pipeline Keeps Companies' Sights on the Market, Especially in Nodes of Newer Offices

Diversified economy continues to aid vacancy. A labor market anchored by government, education, and healthcare institutions, utilizing a talent pipeline from the third-largest U.S. university by student population, provides support for Columbus offices even amid economic uncertainty. Move-ins by firms in chemical manufacturing, data infrastructure, insurance, and other private industries contributed to the strongest post-pandemic year for metrowide net absorption in 2025, roughly tripling the best annual performance in this period. Demand is expected to grow further this year, positioning Columbus for the second-largest year-over-year vacancy compression nationwide in 2026. At the submarket level, however, trends vary. Vacancy rose downtown last year, especially among Class A properties, as leases for larger spaces slowed. Demand is instead shifting toward smaller footprints. East Columbus, with its older office stock, continues to report higher Class B and C vacancy, as demand remains concentrated in more modern, amenity-rich nodes such as the Worthington-Flint Corridor.

Private investors and owner-users capitalize on lower pricing. The average price per square foot in Columbus ranks among the three lowest of all major U.S. markets. Yet the metro's average cap rate last year — 8.4 percent — was among the lowest in the Midwest and more than 100 basis points below Cincinnati and Cleveland, reflecting investor confidence in the market's long-term outlook. Owner-users were especially active, accounting for more than 50 percent of total sales volume and contributing to a roughly 50 percent increase in overall transaction activity metrowide. Most pre-1990 suburban properties traded with cap rates well above 8 percent, underscoring investor interest for value-add opportunities in well-located assets, especially around Interstate 270.

2026 MARKET FORECAST

+0.9% — **Employment:** The labor market in Columbus will add 9,000 jobs in 2026, including 4,000 typically office-using roles. The metro's pace of job growth ranks among the top 15 major U.S. markets.

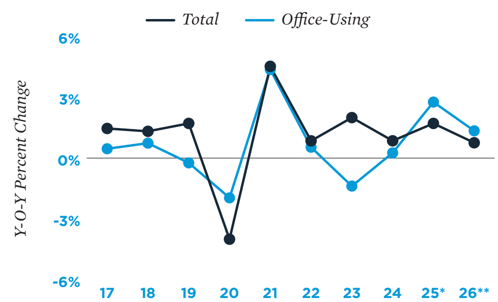
180,000 *sq. ft.* — **Construction:** After a year with no meaningful deliveries, space additions in 2026 will still total only about 20 percent of the metro's historical annual average.

-70 bps — **Vacancy:** Net absorption above the long-term average and a limited pipeline will support further vacancy declines. The metric is projected to reach 11.6 percent by December.

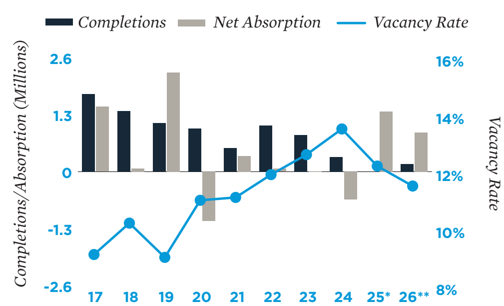
+1.7% — **Rent:** Following a second consecutive year of vacancy compression, the average asking rent will reach $17.22 per square foot. The pace of rent growth ranks in the top quartile nationwide.

INVESTMENT: *Transaction activity downtown tripled last year, likely supported by the Downtown Columbus 2040 Strategic Plan. Investors may target mixed-use assets benefiting from rising foot traffic in the coming years.*

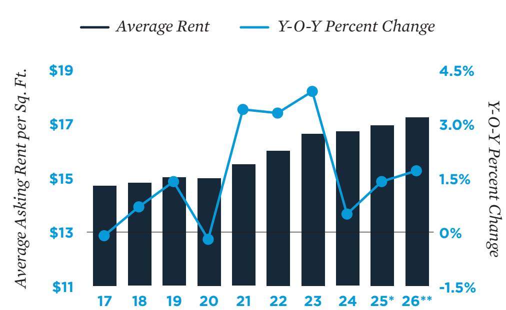
Employment Trends



Supply and Demand



Rent Trends



* Estimate ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

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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 January 2026. 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 office 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.