

Zacher Company 2026 Office Narrative

2026 Fort Wayne, Indiana Office Market Report Narrative

The Fort Wayne office market showed continued improvement in 2026, with higher occupancy, positive net absorption, and increased leasing activity strengthening overall market fundamentals. Limited new construction also supports the market by restricting additional supply and allowing existing vacancies to be absorbed. Class A and well-located properties, particularly in the Downtown submarket, continued to outperform the broader market as tenants increasingly prioritized quality, amenities, and functionality. Looking ahead, the Fort Wayne office market is expected to remain relatively stable compared to other Midwest metropolitan markets, although performance will increasingly be determined by property quality, location, tenant composition, and the ability to adapt existing office space to evolving user requirements.

The office market statistics for the 2026 report, which is a review of activities from October 2025 to September 2026, showed a decline in vacancy from 11.60% to 10.35%, marking the second consecutive year of improvement following the 13.66% peak in 2024. Approximately 99,000 square feet of positive net absorption was recorded during the year. Class A properties led the market, with vacancy declining from 11.6% to 8.9%, as tenants continued to prioritize quality, well-located office space. Class B vacancy remained relatively stable at 10.5%, while Class C continued to face the greatest challenges at 28.1%.

Downtown experienced notable improvement, with vacancy declining from 12.82% to 9.59%. Leasing activity was highlighted by Do it Best's 45,000 square feet and Vera Bradley's 40,491 square feet leases at Electric Works, along with Regus leasing 23,872 square feet at Abridge Pointe. Despite continued positive absorption, large blocks of available space remained the market's primary challenge, including approximately 184,000 square feet at the former SIRVA building, 116,000 square feet at Abridge Pointe, 111,000 square feet at Magnavox Way Corporate Center, and 92,000 square feet at the former K&K Insurance building.

Investment opportunities remained available at competitive pricing, with buyer interest concentrated primarily among local and private investors rather than national and institutional groups. New construction remained limited, with approximately 47,000 square feet delivered during the reporting period. The lack of significant new supply continued to support the absorption of existing vacancies and the gradual strengthening of the Fort Wayne office market.

The Fort Wayne office market is expected to remain stable to improving in 2027, with limited new construction and continued positive absorption supporting a gradual decline in vacancy. Several significant user and investment transactions are anticipated during the year, while leasing activity is expected to remain steady, driven primarily by relocations of existing office users rather than new-to-market companies. Class A and well-located renovated properties should continue to outperform older, functionally obsolete office buildings as users prioritize quality, amenities, efficiency, and employee experience.



Downtown is expected to benefit from continued leasing momentum and emerging redevelopment opportunities, as county-owned properties near the Riverfront become vacant. While these properties may introduce additional inventory, they also present opportunities for adaptive reuse and redevelopment. New office construction is expected to remain limited, consisting primarily of build-to-suit and owner-occupied projects. Rental rates should remain generally stable, although rising operating expenses and tenant improvement costs will continue to pressure landlord returns.

Hybrid work, technology, and AI will continue to reshape long-term office demand and influence workplace requirements, favoring higher-quality, adaptable properties while creating additional challenges for older office inventory. Despite challenging macroeconomic conditions, the Fort Wayne office market is expected to remain relatively well positioned compared with many larger markets, supported by its lower vacancy, limited new supply and diverse employment base.