



Yardi® Matrix

# Office National Report

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February 2026



# Office Values on the Rebound

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- After years of declining values, overall transaction prices began to climb; however, dim spots remain.
- The average sales price of an office building increased 6.1% to \$182 per square foot in 2025, up from \$172 a year ago. Nationally, this was the first increase in prices since 2021. Though prices appear to have found the bottom, they are still down 32.7% from the \$271 average in 2019. At the metro level, only four of the top 25 metros have seen values surpass their pre-Covid levels, with Miami growing 20.0% from 2019, followed by Dallas (8.5%), Detroit (8.4%) and Orlando (5.8%). Though most metros are still far below their pre-Covid values, many have started to recover, with half of the top 25 metros hitting a floor in 2024, followed by a notable increase in average prices a year later.
- Properties rated A or A+ reversed from a steep decline in 2024 to a 7.5% increase in 2025. Similarly, B-rated property growth accelerated, increasing prices 6.2%, while C-rated properties accelerated to 2.0%. Properties by location have seen similar changes, with central business districts moving from a significant decline in 2024 to a 13.0% increase in 2025. Suburban properties accelerated as well, growing 15.5%, while urban properties, defined as being within a city center but outside the CBD, decelerated, falling 16.5%. Regardless of rating, the price floor seems to have appeared; however, location is still an issue. Urban properties have continued to decline in value, while other locations have started to rebound. Urban prices are still far above both CBD and suburban properties, suggesting there is unresolved tension that needs to be worked out in pricing those areas.
- After several years of rising discounts, the rate of properties selling at lower prices than previous sales has begun to fall. Of transactions with two or more sales prices for comparison, 44.9% sold at a discount in 2025, a slight decrease from the previous year. Despite this drop, the total number of discounts has actually increased as overall transaction activity has grown, showing that underperforming properties have been just as desirable at a discount as properties that survived the Covid storm are at a premium. One of the deepest discounts of 2025 was a property at 4 Overlook Point in suburban Chicago that sold for \$6.2 million, a 96% discount from its \$148 million sale in 2012.
- Though the sector is rebounding, discounts remain elevated and values are far below their pre-Covid levels. As the sector sorts itself out, there will be a continued separation between winners and losers.



## Listing Rates and Vacancy: Seattle Leads With High Vacancy

- The national average full-service equivalent listing rate was \$32.55 per square foot in January, according to Yardi Matrix, down 31 cents in the month and 2.5% year-over-year.
- The national vacancy rate was 18.2%, a decrease of 20 basis points in the month and 150 points year-over-year.
- Despite decreasing vacancy rates in many metros, some remain stubbornly high. Tech companies have leveraged remote work to

their benefit, and metros with a strong tech presence have experienced some of the highest vacancy in recent years. Seattle currently has the highest vacancy rate among the top 25 metros at 27.0%. This is likely to get worse, as it has come to light that Amazon, one of the largest employers in Seattle, plans to lay off around 16,000 corporate employees. Amazon has already been consolidating its workforce and reducing office leases in the area, so this latest round of layoffs is only going to push vacancy rates higher in the future.

### Listings by Metro

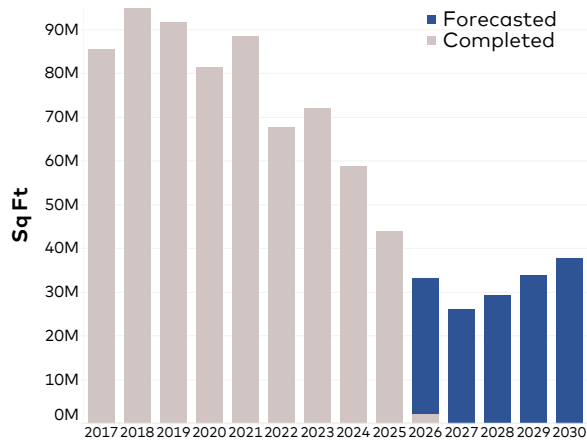
Market	Jan-26 Listing Rates	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Sq. Ft.
National	\$32.55	-2.5%	18.2%	-150 bps		
Atlanta	\$36.64	11.2%	19.8%	120 bps	1180 Peachtree	\$63.50
Los Angeles	\$46.50	10.7%	14.6%	-170 bps	100 Wilshire	\$110.16
San Diego	\$45.18	6.1%	22.7%	210 bps	One La Jolla Center	\$73.20
Chicago	\$28.75	5.8%	18.6%	20 bps	333 North Green	\$65.29
Phoenix	\$29.89	5.2%	17.0%	-240 bps	Watermark, The	\$56.00
Twin Cities	\$27.51	4.9%	17.8%	130 bps	International Centre	\$42.39
Dallas	\$32.07	2.2%	21.2%	-280 bps	23Springs	\$95.09
Nashville	\$32.05	2.2%	18.9%	40 bps	615 Third	\$51.70
Miami	\$56.03	2.1%	13.9%	-160 bps	Offices at The Well, The	\$175.00
Tampa	\$30.46	1.9%	14.2%	-170 bps	Harborview Plaza	\$52.87
New Jersey	\$34.44	1.5%	17.5%	-170 bps	Harborside Financial Plaza 10	\$66.08
San Francisco	\$63.84	0.8%	24.7%	-460 bps	Sand Hill Collection-The Ranch	\$199.20
Austin	\$46.04	0.6%	26.4%	-140 bps	Indeed Tower	\$82.69
Detroit	\$21.68	0.3%	23.3%	-50 bps	Michigan Central Station	\$40.00
Philadelphia	\$30.83	0.2%	18.1%	-160 bps	Three Logan Square	\$56.07
Portland	\$28.20	-0.2%	21.5%	0 bps	Fox Tower	\$50.53
Manhattan	\$67.36	-1.3%	13.1%	-350 bps	50 Hudson Yards	\$250.00
Bay Area	\$53.01	-2.5%	23.1%	-320 bps	400 Hamilton Avenue	\$152.88
Washington DC	\$39.89	-2.6%	19.9%	160 bps	1155 F Street	\$83.61
Boston	\$45.87	-2.6%	15.0%	-230 bps	One Canal Park	\$129.71
Seattle	\$34.91	-2.8%	27.0%	70 bps	Lincoln Square Office Tower	\$79.62
Orlando	\$26.75	-4.5%	19.6%	290 bps	CNL Center II	\$54.19
Denver	\$29.32	-5.2%	23.5%	-140 bps	Block 162	\$54.38
Houston	\$28.54	-5.3%	19.0%	-380 bps	Kirby Grove	\$54.21
Charlotte	\$32.62	-5.5%	17.5%	170 bps	110 East	\$55.00

Source: Yardi Matrix. Data as of January 2026. Listing rates are full-service or "full-service equivalent" rates for spaces available as of the report period. National listing rate is an average of all markets. Prior to July 2024, this report used the top 50 markets for a national average.

# Supply: Construction Starts Begin to Pick Up

- Nationally, there are 28.9 million square feet of office space currently under construction, according to Yardi Matrix, representing 0.4% of stock. This marks a 6.4% decrease from the previous month and a 42.9% year-over-year drop from the 50.7 million square feet that were under construction a year ago. While construction starts are at a historical low, 13.8 million square feet of office space were started in the past 12 months, an 18.5% increase over the prior 12-month period. This is a notable shift; however, the shrinking supply pipeline the sector has seen in recent years is unlikely to make a full turnaround.
- On January 30, President Trump nominated Kevin Warsh as his choice to replace Jerome Powell as the chairman of the Federal Reserve when his term ends in May. If he is confirmed, the expectation is that Warsh will be closely aligned with the Trump administration, which has continually urged the Fed to lower rates. A reduction in rates could give a much-needed boost to a struggling sector that has found it difficult to make new projects pencil out, especially when discounts on existing office properties are plentiful.

## National New Supply Forecast



Source: Yardi Matrix. Data as of January 2026.  
Data in this chart includes owner-occupied properties.

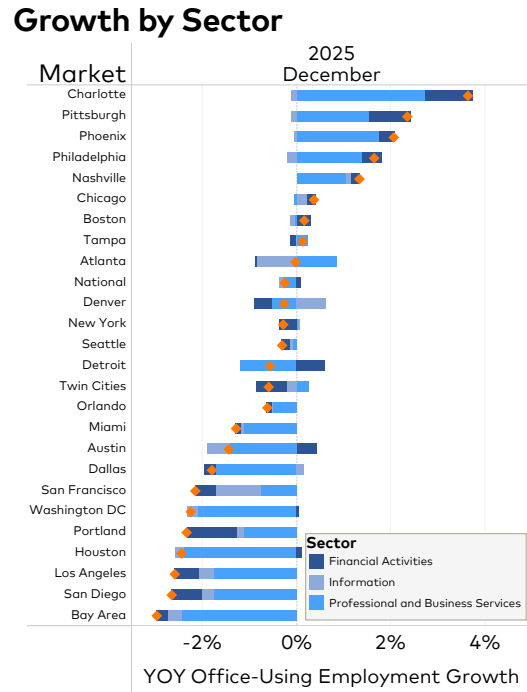
## Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	Plus Planned % Stock
National	28,965,322	0.4%	1.5%
Boston	4,142,689	1.6%	5.7%
Austin	1,415,152	1.4%	3.3%
San Diego	1,212,511	1.2%	1.8%
Miami	795,776	1.1%	3.8%
Dallas	2,445,180	0.9%	2.7%
Los Angeles	2,045,659	0.7%	2.2%
Manhattan	2,746,208	0.6%	2.4%
Orlando	388,212	0.6%	1.5%
New Jersey	1,058,344	0.5%	0.7%
Nashville	289,919	0.5%	1.8%
Atlanta	937,500	0.5%	2.8%
Houston	1,033,319	0.4%	1.7%
Denver	604,628	0.4%	1.3%
San Francisco	533,315	0.3%	3.0%
Tampa	246,900	0.3%	1.2%
Phoenix	432,258	0.3%	1.1%
Philadelphia	547,665	0.3%	1.7%
Charlotte	204,544	0.3%	1.9%
Twin Cities	251,774	0.2%	1.0%
Washington DC	654,847	0.2%	1.2%
Bay Area	145,000	0.1%	1.2%
Chicago	202,568	0.1%	0.6%
Seattle	20,000	0.0%	0.5%
Portland	-	-	1.0%
Detroit	-	-	0.2%

Source: Yardi Matrix. Data as of January 2026. Table does not include owner-occupied properties.

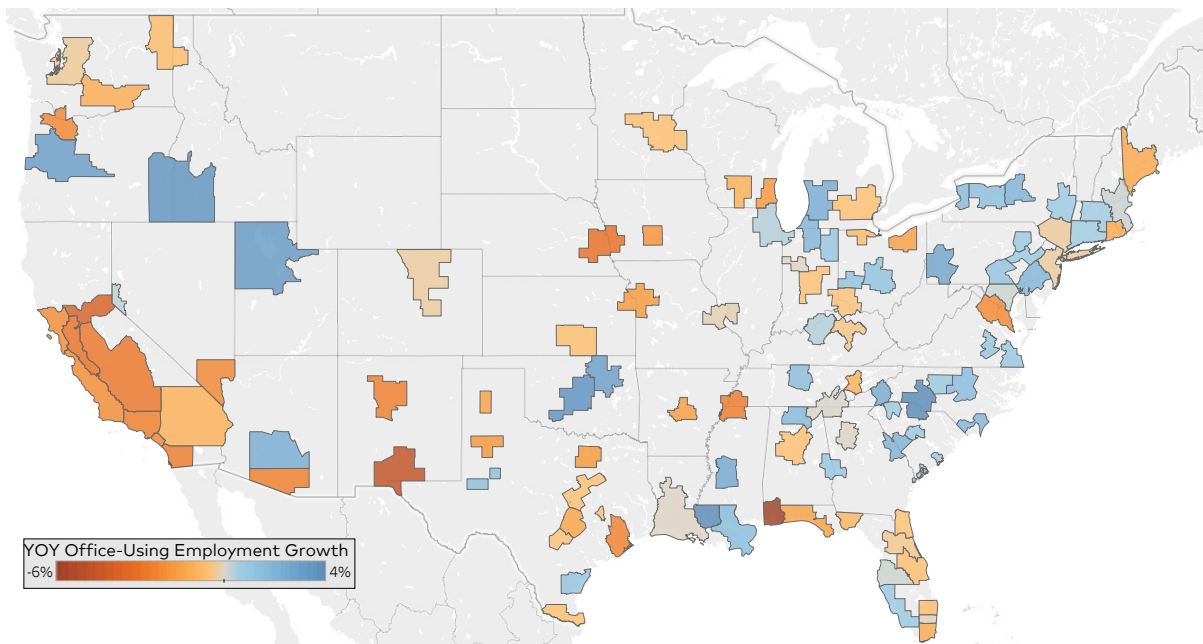
# Office-Using Jobs: Phoenix Office Employment Slowly Recovers

- Office-using sectors of the labor market did not gain any jobs in the month of January, according to the Bureau of Labor Statistics. The professional and business services sector added 34,000 jobs. Conversely, the financial activities sector lost 22,000 jobs and the information sector lost 12,000 jobs. On a year-over-year basis, office-using sectors lost 108,000 jobs nationally, a 0.3% decrease, while total non-farm employment grew 0.2% over the same period.
- Phoenix office employment has slowly recovered after job growth bottomed out in late 2024. Office employment growth sat at 2.1% year-over-year in December, placing it third overall amongst the top 25 markets. Overall growth across the three sectors has been on the upswing in the metro; while the information sector has lagged, losing 18,000 jobs in 2025, the other sectors made up for that loss, with professional and business services adding 16,400 jobs and financial activities adding 3,900 jobs.



Sources: Bureau of Labor Statistics and Moody's Analytics

## Office-Using Employment Growth



Sources: Bureau of Labor Statistics and Moody's Analytics

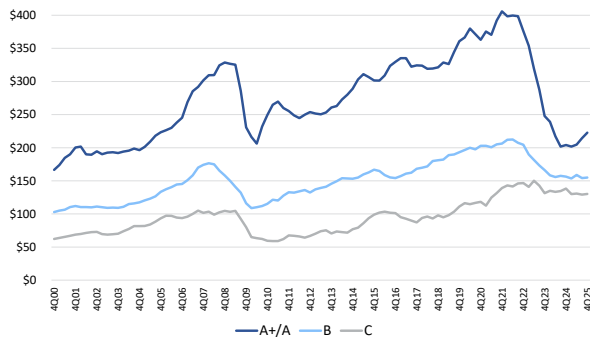
# Transactions: Prices Up in Manhattan

- Yardi Matrix recorded 121 transactions in January, with office properties trading for \$278 per square foot on average, for a total sales volume of \$4.0 billion.
- Manhattan recorded 73 transactions in 2025, the highest number of the decade, with an average sales price of \$495 per square foot, a 21.5% increase year-over-year. Recent sales show this trend is likely to continue through 2026. In January, Park Avenue Tower, a 619,630-square-foot Midtown building, was purchased by SL Green Realty from Perform Properties for \$730 million, a modest 7.5% discount from its previous sale back in 2014.

## Sales Activity

Market	YTD Sales Price PSF	YTD Sales Volume (Mil, as of 1/31)
National	\$278	\$4,019
Manhattan	\$760	\$1,278
Miami	\$677	\$506
Bay Area	\$433	\$359
Chicago	\$145	\$202
Orlando	\$181	\$189
San Diego	\$287	\$174
Houston	\$63	\$138
Phoenix	\$230	\$137
Washington DC	\$229	\$133
Seattle	\$297	\$84
Los Angeles	\$427	\$63
Philadelphia	\$204	\$61
Boston	\$207	\$61
Denver	\$57	\$60
Dallas	\$316	\$53
Atlanta	\$104	\$45
San Francisco	\$1,088	\$44
Twin Cities	\$131	\$25
New Jersey	\$78	\$18
Portland	\$53	\$2
Austin	-	\$0
Tampa	-	\$0
Charlotte	-	\$0
Nashville	-	\$0
Detroit	-	\$0

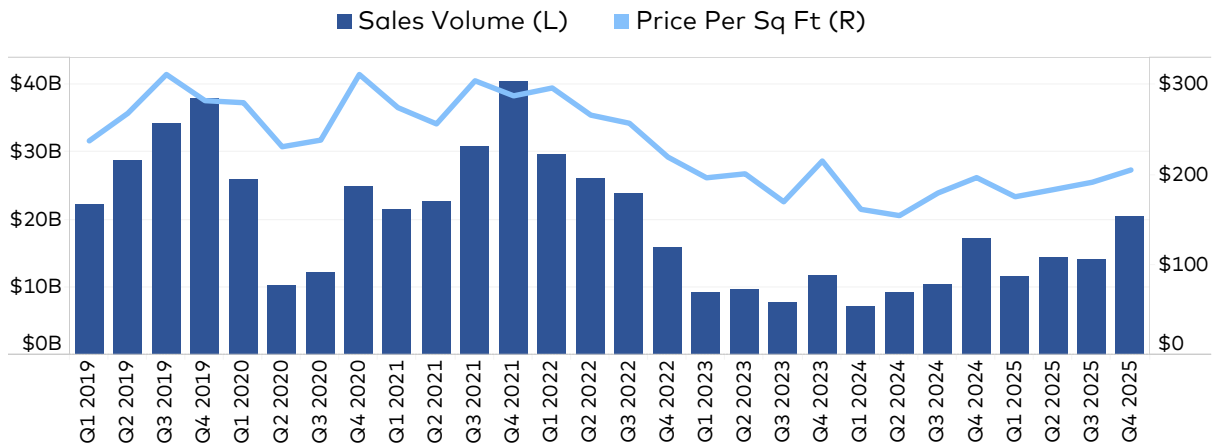
## Asset Class (price PSF)



Source: Yardi Matrix; 12-month moving average. Does not include unpublished and portfolio transactions.

Source: Yardi Matrix. Data as of January 2026. Sales data for unpublished and portfolio transactions is estimated using sales comps.

## Quarterly Transactions



Source: Yardi Matrix. Data as of January 2026.

# Definitions

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This report covers office buildings 25,000 square feet and above. Yardi Matrix subscribers have access to more than 14,000,000 property records and 300,000 listings for a continually growing list of markets.

Yardi Matrix collects listing rate and occupancy data using proprietary methods.

- *Listing Rates*—Listing Rates are full-service rates or “full-service equivalent” for spaces that were available as of the report period. Yardi Matrix uses aggregated and anonymized expense data to create full-service equivalent rates from triple-net and modified gross listings. Expense data is available to Yardi Matrix subscribers. National listing rate is an average of all markets. Prior to July 2024, this report used the top 50 markets for a national average.
- *Vacancy*—The total square feet vacant in a market, including subleases, divided by the total square feet of office space in that market. Owner-occupied buildings are not included in vacancy calculations.

A and A+/Trophy buildings have been combined for reporting purposes.

Stage of the supply pipeline:

- *Planned*—Buildings that are currently in the process of acquiring zoning approval and permits but have not yet begun construction.
- *Under Construction*—Buildings for which construction and excavation has begun.

Supply pipeline figures do not include owner-occupied properties unless otherwise noted.

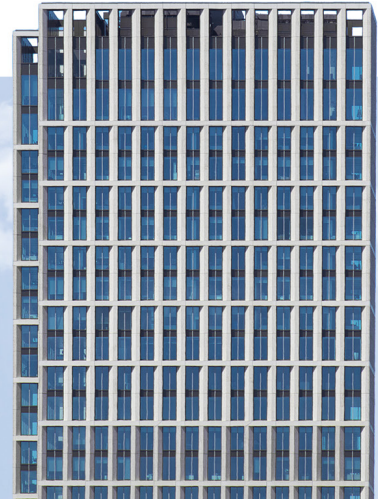
Office-Using Employment is defined by the Bureau of Labor Statistics as including the sectors Information, Financial Activities, and Professional and Business Services. Employment numbers are representative of the Metropolitan Statistical Area and do not necessarily align exactly with Yardi Matrix market boundaries.

Sales volume for portfolio transactions or those with unpublished dollar values are estimated using sales comps based on similar sales in the market and submarket, use type, location and asset ratings, sale date and property size.



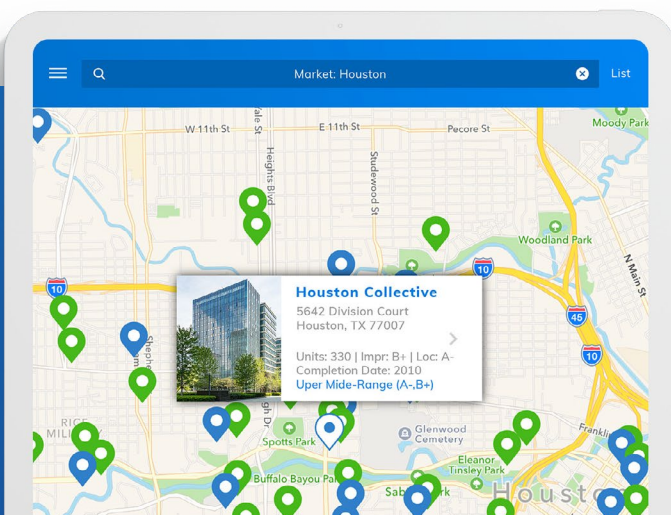
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- Active in 120 markets across the U.S. covering 81,000+ properties
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info at the asset and portfolio levels
- Gain new supply pipeline information at the asset, competitive set and market levels
- Benchmark performance to similar assets



Yardi Matrix Office delivers detailed property-level information, allowing you to analyze current market conditions at the micro and macro levels.



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