



Yardi® Matrix

# National Office Report

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March 2025



# Flex Space Offerings Expand

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- Coworking continues to grow, bringing more options to a sector undergoing massive cultural and technological shifts, and filling a much-needed gap for working professionals.
- Since the height of the pandemic, coworking has provided an alternative to the rigidity of both the in-office and remote-work models. The relationship between workers and the office continues to evolve, and the uncertainties and changing expectations over the last few years bring opportunities to reimagine collaboration with colleagues. Firms increasingly see coworking as a viable option, leading to expansion of flex space in markets across the country.
- The number of coworking spaces grew over the course of the past year, according to Yardi Matrix. Nationally, at the end of February 2025, Yardi Matrix tracked 7,814 coworking locations, up 25% year-over-year. Coworking totaled 140.1 million square feet, a 15.2% increase year-over-year from the 121.6 million-square-foot total a year earlier. Moreover, coworking as a percent of total office space has increased to 2.0%, up 30 basis points year-over-year.
- At the regional level, the Southeast leads the nation in locations, with 1,960 as of February 2025, up 24.2% year-over-year, followed by the West (1,709 spaces, up 16.7%), Northeast (1,422 spaces, up 17.5%), Midwest (1,121 spaces, up 27.7%) and Southwest (999 spaces, up 18.8%). The Southeast also leads in amount of coworking space, with 33.3 million square feet, up 18% year-over-year. The West has 31.8 million square feet, up 8.9%, followed by the Northeast (31.7 million square feet, up 3.6%), Midwest (21.7 million square feet, up 28.1%) and Southwest (17.0 million, up 13%). The Midwest has far outshined the rest of the country in year-over-year growth in both locations and square footage. However, it is one of the smaller regions, comprising roughly 14% of locations and 15% of square feet nationwide.
- Over the past 12 months, the average size of coworking locations dropped 1,524 square feet to 17,932. This was particularly true in the Northeast, where it declined 2,989 square feet to a 22,311 average. The Midwest was the only region to show an increase, up 70 square feet to an average of 19,313. We expect the average size of coworking spaces to further decline in the future as the coworking business model shifts toward the suburbs and away from central business districts.

