



Yardi® Matrix

National Office Report

August 2025



Discounted Sales Rise

- Discounted sales continue to accelerate as vacancy rates remain high and loans come due. The percentage of transactions that sold at a discount increased from 20% in 2021 to 46% in 2025 through July. Expected relief from a rate cut has not come as the Fed keeps interest rates unchanged.
- More than 3,200 office properties with two or more historical sales prices for comparison have been traded since the start of 2023. Of these, 1,359, or more than 42%, sold at a lower value than their previous sale, according to Yardi Matrix's database. Among the top markets, those with the highest percentage of discounted sales were Houston (69%), San Francisco (67%), Manhattan (64%), Washington, D.C. (64%) and Dallas (61%). These were also the top markets for number of A-rated properties sold. Discounted sales were concentrated in higher-quality buildings. Among transactions since the start of 2023, 71% of A or A+ properties had prices decline from their previous sale, compared to only 38% of B-rated properties and 19% of Cs.
- CBDs were hit especially hard during the pandemic as office workers fled crowded districts. As such, 70% of CBD properties have sold at a discount since 2023. In Chicago, 311 S. Wacker Drive, a 65-story high-rise, sold for \$45 million in June 2025, down 85% from its 2014 price tag of \$302 million. Urban areas—defined as within the city center but outside the CBD—weren't hit nearly as hard, with only 45% of properties selling at a discount. In urban Phoenix, the four-story building at 2801 E. Camelback Road sold for \$48 million in June 2025, a 27% discount from its \$66 million price in 2022.
- The suburbs have not suffered as much as central business districts have from the move to remote work. Only 39% of suburban properties have been sold at a discount since 2023. Metros like Charlotte have still seen modest discounts in the suburbs despite solid migration and leading office employment growth. The six-story, two-building office campus at 1055 LPL Way in Fort Mill sold in April 2025 for \$107 million, a 17% discount from its \$130 million sale in 2017.
- Discounts will continue, as demand for office space remains weak and high interest rates persist. Loan extensions will likely diminish as maturities peak and lenders grow weary of holding underperforming assets, pushing prices down further. This will create opportunities for a variety of investors, such as those interested in costly conversions.



Listing Rates and Vacancy: Austin Vacancy Rates Move Upward

- The national average full-service equivalent listing rate was \$32.72 per square foot in July, down 15 cents from the previous month but up 3.3% year-over-year. The national vacancy rate was 19.4%—unchanged from the previous month and up 130 basis points over last year.
- Austin vacancy rates have continued to climb in recent months, with 27.2% of space vacant in July, a 430-basis-point increase over the past year. Despite the market's rel-

atively strong utilization and solid employment growth in recent years, the impact of new supply and the movement towards hybrid and remote work have pushed vacancies upward. Since the start of the decade, Austin has completed 14.3 million square feet of new space (14.8% of stock), a level that would have been difficult to absorb even in a pre-remote work world. While available office utilization metrics all show Austin as a top market, physical office occupancy still sits significantly below pre-pandemic levels.

Listings by Metro

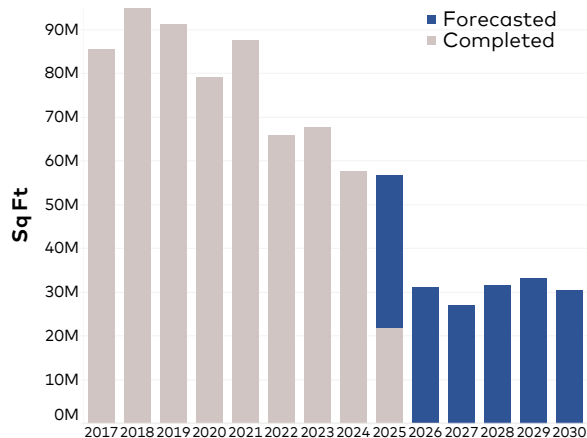
Market	Jul-25 Listing Rates	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Sq. Ft.
National	\$32.72	3.3%	19.4%	130 bps		
Charlotte	\$35.67	15.9%	17.7%	370 bps	6101 Carnegie Blvd	\$46.00
Miami	\$57.30	15.1%	14.3%	230 bps	701 Brickell	\$140.00
Orlando	\$27.78	13.5%	18.7%	300 bps	Wells Fargo Tower	\$31.00
Atlanta	\$35.66	11.4%	19.9%	150 bps	1180 Peachtree	\$63.50
Boston	\$52.83	11.0%	16.0%	320 bps	Genesis 55 Summer	\$108.83
Dallas	\$31.92	11.0%	22.9%	150 bps	McKinney & Olive	\$88.84
San Diego	\$45.23	8.5%	23.2%	450 bps	One La Jolla Center	\$70.20
Austin	\$45.61	8.2%	27.2%	430 bps	Indeed Tower	\$82.69
Twin Cities	\$26.94	8.2%	17.5%	190 bps	Nordic, The	\$40.42
Phoenix	\$29.53	7.6%	17.5%	-10 bps	24th at Camelback II	\$52.00
Portland	\$28.85	6.5%	21.1%	430 bps	Fox Tower	\$43.38
Tampa	\$30.39	4.0%	16.2%	290 bps	Bayshore Place	\$52.00
Nashville	\$31.19	3.9%	19.6%	360 bps	1200 Broadway	\$44.88
Chicago	\$27.86	2.1%	19.4%	50 bps	One Magnificent Mile	\$49.70
Washington DC	\$41.31	2.1%	19.6%	300 bps	1001 Pennsylvania Avenue	\$79.80
Los Angeles	\$41.11	0.8%	14.5%	-170 bps	Century City Center	\$126.00
Detroit	\$21.72	0.5%	24.6%	510 bps	Orchestra Place	\$36.14
Philadelphia	\$30.69	-2.5%	18.9%	340 bps	Three Logan Square	\$52.07
Denver	\$29.75	-2.7%	23.5%	180 bps	Block 162	\$53.11
New Jersey	\$33.61	-3.4%	18.6%	160 bps	10 Exchange Place	\$55.30
San Francisco	\$59.12	-3.7%	26.3%	40 bps	Sand Hill Collection-The Ranch	\$209.40
Bay Area	\$51.55	-4.0%	23.9%	270 bps	245 Lytton Avenue	\$153.00
Seattle	\$35.22	-4.5%	27.0%	350 bps	Lincoln Square South	\$67.24
Manhattan	\$67.97	-4.7%	15.2%	-130 bps	540 Madison Avenue	\$130.00
Houston	\$27.56	-7.6%	20.8%	-270 bps	811 Main Street	\$47.04

Source: Yardi Matrix. Data as of July 2025. Listing rates are full-service or "full-service equivalent" rates for spaces available as of 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: Manhattan Pipeline Begins to Thaw

- There are 40.2 million square feet of office space currently under construction, according to Yardi Matrix, representing 0.6% of stock.
- The new-construction pipeline has slowed substantially in recent years, but the nation's largest office market has seen a spike in development activity this summer. Between the start of 2023 and May of this year, less than 500,000 square feet of office space started construction in Manhattan. But in June of this year, Related Cos. and Oxford Properties broke ground on 1.1 million square feet at 70 Hudson Yards. Then last month, BXP went vertical with a 930,000-square-foot tower at 343 Madison. Manhattan's pipeline is larger if owner-occupied properties are included, but most of those properties were started before 2023—J.P. Morgan's 2.5 million-square-foot 270 Park, for instance, started construction in 2020 and is nearing completion this year.
- Signs of life in the Manhattan pipeline do not appear to be emblematic of a resurgence of office development nationally, however. The market accounted for more than 20% of all office starts nationally through July.

National New Supply Forecast



Source: Yardi Matrix. Data as of July 2025.
Data in this chart includes owner-occupied properties.

Supply Pipeline (by metro)

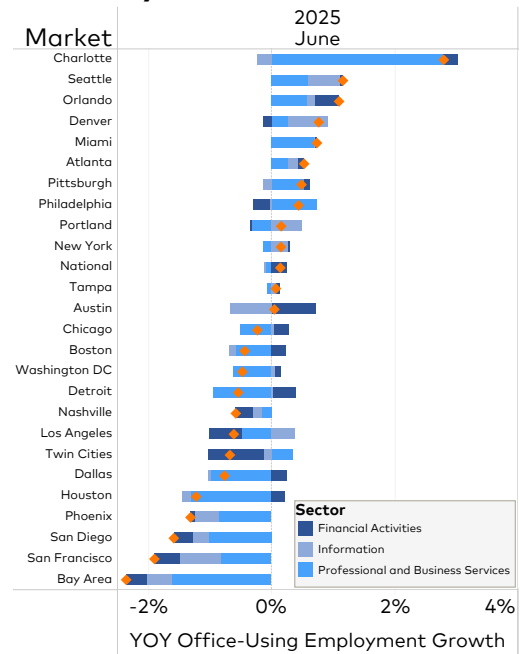
Market	Under Construction	Under Construction % Stock	Plus Planned % Stock
National	40,155,681	0.6%	2.1%
Austin	2,607,776	2.7%	6.1%
Boston	5,558,284	2.2%	5.2%
Miami	1,551,039	2.1%	6.0%
San Diego	1,949,395	1.9%	2.2%
Nashville	1,167,000	1.9%	2.2%
San Francisco	1,767,000	1.1%	4.2%
Dallas	2,564,731	0.9%	3.3%
Phoenix	1,063,670	0.7%	1.0%
Los Angeles	2,079,010	0.7%	2.8%
Charlotte	539,447	0.7%	3.4%
Orlando	460,884	0.7%	1.1%
Houston	1,630,328	0.7%	2.1%
Philadelphia	1,182,117	0.6%	2.0%
Manhattan	2,572,337	0.6%	3.0%
Seattle	731,963	0.5%	2.3%
Twin Cities	595,121	0.5%	1.5%
New Jersey	907,747	0.4%	1.0%
Tampa	343,880	0.4%	2.2%
Bay Area	785,373	0.4%	2.5%
Denver	612,728	0.4%	1.3%
Atlanta	707,500	0.3%	2.7%
Washington DC	735,127	0.2%	3.4%
Chicago	490,876	0.2%	0.8%
Detroit	115,000	0.1%	0.5%
Portland	0	0.0%	0.0%

Source: Yardi Matrix. Data as of July 2025. Table does not include owner-occupied properties.

Office-Using Jobs: Charlotte Continues to Lead

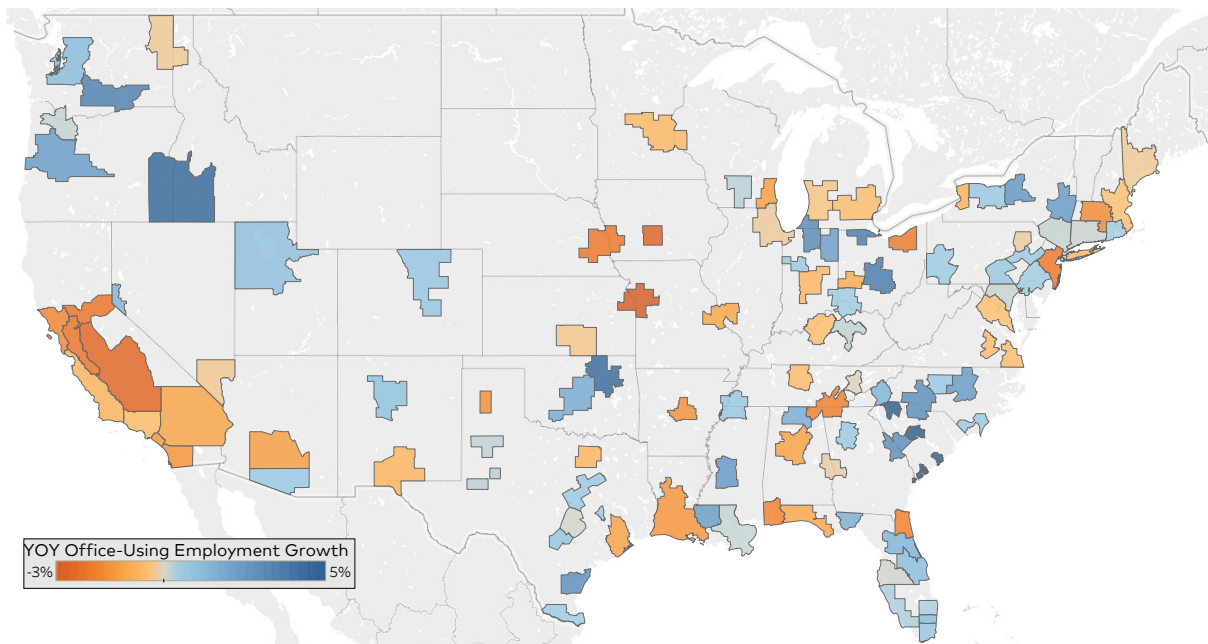
- Office-using sectors of the labor market lost a combined 1,000 jobs in the month of July, according to the Bureau of Labor Statistics. The decline was led by the professional and business services sector, which lost 14,000 jobs, while the information sector lost only 2,000 jobs. Conversely, the financial activities sector was positive, adding 15,000 jobs. On a year-over-year basis, office-using sectors gained 41,000 jobs nationally, a 0.1% increase, while total non-farm employment grew 1% over the same time period.
- Metro data, which lags behind the national release, shows that only 12 of the top 25 markets saw positive year-over-year growth in June. Charlotte was the leader of the top markets with 2.8% year-over-year growth. Seattle was next with 1.2% and Orlando followed with 1.1%. Most of Charlotte's office employment growth has occurred in the professional and business services sector, boosted by several major corporate relocations to the area.

Growth by Sector



Sources: Bureau of Labor Statistics and Moody's Analytics

Office-Using Employment Growth

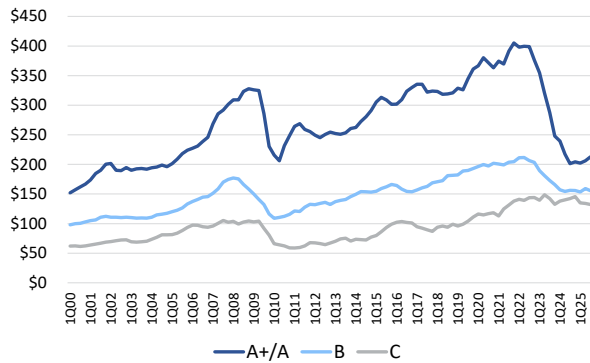


Sources: Bureau of Labor Statistics and Moody's Analytics

Transactions: Prices Increase in Phoenix

- Yardi Matrix recorded \$27 billion in sales through July, with properties trading for an average of \$182 per square foot. The first half of 2025 saw \$25 billion in sales, an \$8.7 billion increase from the first half of 2024.
- The average sale price of an office property in Phoenix increased from \$165 per square foot last year to \$197 in 2025, the first increase in over three years. Of the 34 sales with a published transaction amount and a history of two or more sales, only seven traded at a discount to their previous sale price. Despite this, sales only totaled \$487 million, placing Phoenix in the middle of the pack for the year.

Asset Class (price PSF)



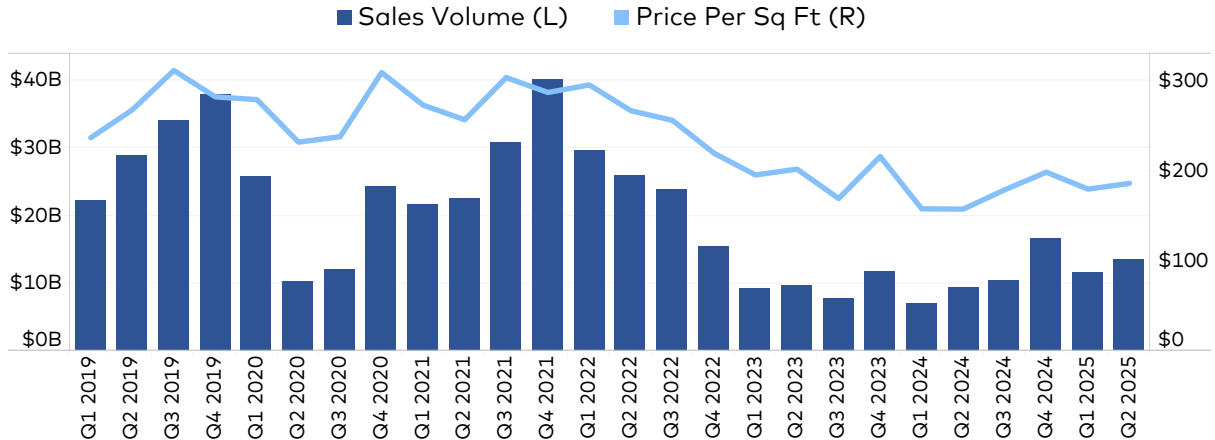
Source: Yardi Matrix; 12-month moving average. Does not include unpublished and portfolio transactions.

Sales Activity

Market	YTD Sales Price PSF	YTD Sales Volume (Mil, as of 07/31)
National	\$182	\$26,978
Bay Area	\$377	\$3,122
Washington DC	\$194	\$2,848
Manhattan	\$429	\$2,823
Los Angeles	\$274	\$1,450
Dallas	\$229	\$1,208
Boston	\$159	\$956
New Jersey	\$165	\$907
San Diego	\$344	\$844
Atlanta	\$139	\$832
San Francisco	\$263	\$785
Houston	\$96	\$774
Chicago	\$62	\$740
Denver	\$120	\$555
Phoenix	\$197	\$487
Austin	\$223	\$343
Twin Cities	\$84	\$321
Miami	\$291	\$296
Charlotte	\$144	\$291
Tampa	\$147	\$261
Seattle	\$124	\$248
Philadelphia	\$87	\$240
Detroit	\$189	\$224
Portland	\$88	\$167
Nashville	\$152	\$96
Inland Empire	\$204	\$59

Source: Yardi Matrix. Data as of July 2025. Sales data for unpublished and portfolio transactions is estimated using sales comps.

Quarterly Transactions



Source: Yardi Matrix. Data as of July 2025.

Definitions

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.

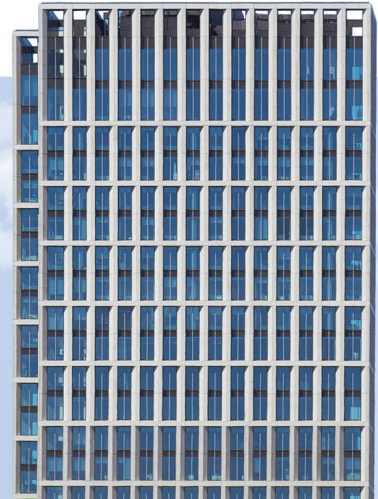
Office-Using Employment is defined by the Bureau of Labor Statistics as including the sectors Information, Financial Activities, and Professional and Business Services. Employment numbers are representative of the Metropolitan Statistical Area and do not necessarily align exactly with Yardi Matrix market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



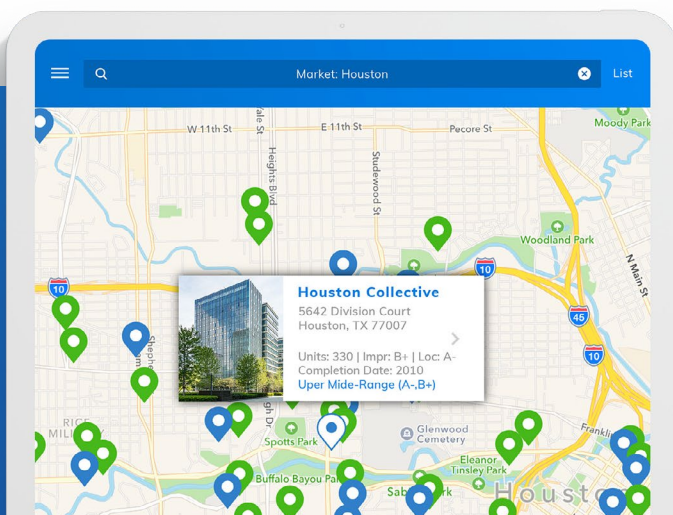
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OFFICE KEY FEATURES

- 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 level
- Gain new supply pipeline information at the asset, competitive set and market level
- 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 level.



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