



Yardi[®] Matrix

National Office Report

October 2025



Coworking's Market Presence Grows

- Coworking space is growing rapidly as a solution for hybrid work models that have been adopted by a wide array of U.S. companies. As uncertainty continues to put stress on the economy, flex spaces will be an attractive alternative to costly, long-term office leases.
- The share of office space dedicated to coworking increased by 20 basis points year-over-year, and now accounts for 2.1% of all office space nationally, according to Yardi Matrix. Of the top 25 markets, Chicago saw the biggest jump with a 60 bps market share increase to 2.6%. Next was Atlanta (up 40 bps, 2.5% share), San Diego (up 40 bps, 2.4% share), Orlando (up 40 bps, 2.2% share) and Miami (up 30 bps, 4.1% share).
- The number of coworking spaces continues to grow, as well. As of September 2025, there were 8,420 coworking spaces, up 11.7% year-over-year. Total coworking space has expanded to 152.2 million square feet, marking a 14.0% increase. This growth has outpaced the rise in the number of coworking locations, resulting in a 2.1% year-over-year increase in the average size of a coworking space, now at 18,080 square feet. Of the top 25 markets, 15 saw an increase in the average size of coworking spaces.
- The top operators—Regus, HQ, Vast Coworking, Industrious, Spaces and WeWork—increased their market share by 150 bps over the past year to over a quarter of all flex spaces and more than a third of all square footage. Regus added more spaces over the past year than all other top operators combined, extending its substantial lead over other top operators. Though much of the market is dominated by a few large operators, 39% of spaces are under operators that have only a single location.
- Small operators are finding opportunities to expand their market reach by networking with others. Denver-based operators Creative Density and Thrive Workplace merged earlier this year. The brands will remain separate and target different parts of the market. However, shared resources and the stability of a larger operation will provide advantages as they continue to expand. Larger players are also focused on expanding networks and partnerships. WeWork recently launched an affiliate network, adding more than 1,000 partner locations with which members can book directly. We expect mergers like these to increase as coworking continues to be an attractive option for tenants.



Listing Rates and Vacancy: Vacancy Rate Climbs in Music City

- The national average full-service equivalent listing rate was \$32.79 per square foot in September, up 16 cents from the previous month but down 0.3% year-over-year. The national vacancy rate was 18.6%—down 80 bps over last year.
- Remote work and a supply glut have sent Nashville's vacancy rate upward in recent years, but the market now has a chance to catch its breath. Its vacancy rate in September was 19.5%, a 220 bps increase over

a year ago. While this is the largest vacancy rate increase among top 25 markets in the last 12 months, we don't expect the trend to continue. Nashville delivered 8.7 million square feet this decade (14.2% of stock), including 1.4 million square feet this year. The supply boom is complete, however, as less than 300,000 square feet are under construction currently. There is not much in the planned portion of the pipeline, either, giving the market a chance to absorb excess supply in coming quarters.

Listings by Metro

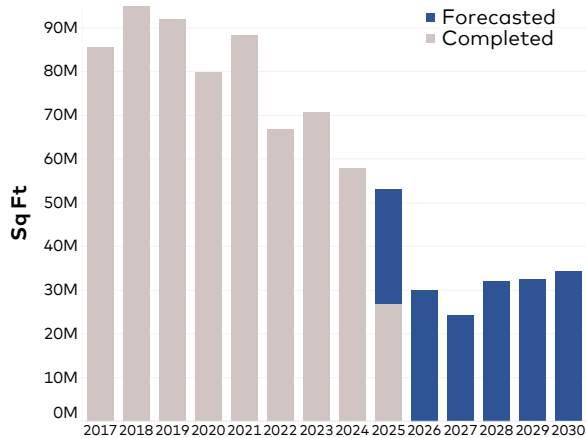
| Market | Sep-25 Listing Rates | 12-Month Change | Total Vacancy | 12-Month Change | Top Listing | Price Per Sq. Ft. |
|---------------|----------------------|-----------------|---------------|-----------------|--------------------------------|-------------------|
| National | \$32.79 | -0.3% | 18.6% | -80 bps | | |
| Atlanta | \$36.32 | 8.0% | 19.9% | 180 bps | 1180 Peachtree | \$63.50 |
| Portland | \$28.85 | 6.9% | 21.3% | 140 bps | Fox Tower | \$48.38 |
| Miami | \$56.45 | 6.8% | 12.8% | -210 bps | 701 Brickell | \$150.00 |
| Dallas | \$32.40 | 5.8% | 22.2% | -60 bps | McKinney & Olive | \$92.84 |
| Charlotte | \$35.57 | 5.2% | 19.3% | 100 bps | Carnegie Point | \$46.00 |
| San Diego | \$45.23 | 5.1% | 21.1% | 120 bps | One La Jolla Center | \$70.20 |
| Phoenix | \$29.41 | 4.4% | 17.6% | -40 bps | 24th at Camelback II | \$55.00 |
| Chicago | \$28.15 | 4.1% | 18.9% | -20 bps | One Magnificent Mile | \$52.87 |
| Nashville | \$31.68 | 3.9% | 19.5% | 220 bps | 1200 Broadway | \$44.88 |
| San Francisco | \$64.17 | 3.5% | 26.7% | -90 bps | Sand Hill Collection–The Ranch | \$209.40 |
| New Jersey | \$34.54 | 2.0% | 19.1% | -110 bps | 10 Exchange Place | \$55.30 |
| Twin Cities | \$26.96 | 1.8% | 17.8% | 190 bps | Fifty South Sixth | \$36.85 |
| Tampa | \$30.13 | 1.4% | 15.0% | -30 bps | Bayshore Place | \$52.00 |
| Detroit | \$21.71 | 0.4% | 23.8% | 50 bps | Orchestra Place | \$36.14 |
| Seattle | \$34.97 | -0.6% | 27.0% | 90 bps | Lincoln Square South | \$67.24 |
| Austin | \$45.46 | -1.2% | 27.0% | -80 bps | Indeed Tower | \$82.69 |
| Washington DC | \$40.83 | -1.6% | 20.0% | 230 bps | 1001 Pennsylvania Avenue | \$79.80 |
| Orlando | \$27.54 | -1.9% | 17.8% | 60 bps | Wells Fargo Tower | \$31.00 |
| Manhattan | \$66.27 | -2.4% | 12.8% | -400 bps | 540 Madison Avenue | \$130.00 |
| Denver | \$29.92 | -2.8% | 23.5% | -120 bps | Block 162 | \$53.11 |
| Los Angeles | \$41.11 | -4.5% | 15.0% | -130 bps | Century City Center | \$126.00 |
| Philadelphia | \$31.22 | -4.9% | 18.5% | 60 bps | Three Logan Square | \$54.07 |
| Bay Area | \$51.77 | -5.4% | 23.8% | -150 bps | 245 Lytton Avenue | \$153.00 |
| Boston | \$43.67 | -7.9% | 15.4% | -100 bps | Genesis 55 Summer | \$108.83 |
| Houston | \$27.12 | -10.0% | 20.2% | -500 bps | Five Houston Center | \$47.04 |

Source: Yardi Matrix. Data as of September 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: Dallas Developments Break Ground Despite Vacancies

- There are 38.5 million square feet of office space currently under construction, according to Yardi Matrix, representing 0.6% of stock.
- 2024 marked a 10-year low for office completions, but the bottom has not yet been reached. Yardi Matrix has logged 19.1 million square feet of new office deliveries nationally year-to-date, and coming years will see even lower levels of new supply coming to market. In 2024, there were only 12.1 million square feet of starts. Last year may have been the nadir, however, because 2025 saw 11.9 million square feet of starts through September.
- Dallas recently became the third market to eclipse 1 million square feet of starts for the year, with the groundbreaking of the eight-story, mixed-use Van Zandt building in west Fort Worth. The building will include slightly more than 100,000 square feet of high-end office space alongside retail and apartments. While the vacancy rate in the market was 22.2% in September, developments like the Van Zandt signal that there is still unmet demand for high-end, amenitized space in the Dallas-Fort Worth area.

National New Supply Forecast



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

Supply Pipeline (by metro)

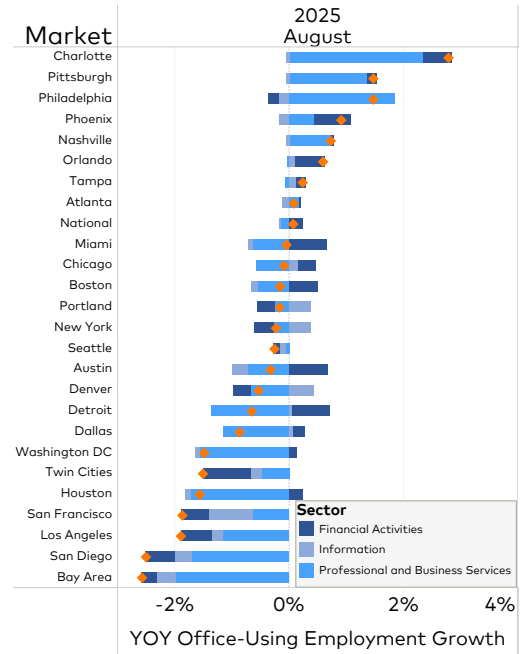
| Market | Under Construction | Under Construction % Stock | Plus Planned % Stock |
|---------------|--------------------|----------------------------|----------------------|
| National | 38,540,978 | 0.6% | 1.8% |
| Austin | 2,381,033 | 2.5% | 6.1% |
| Miami | 1,591,172 | 2.2% | 4.7% |
| San Diego | 1,781,395 | 1.8% | 2.1% |
| Boston | 4,446,284 | 1.7% | 5.4% |
| Dallas | 2,615,362 | 0.9% | 3.0% |
| San Francisco | 1,479,607 | 0.9% | 3.8% |
| Phoenix | 1,137,370 | 0.8% | 1.2% |
| Los Angeles | 2,079,010 | 0.7% | 2.8% |
| Houston | 1,659,855 | 0.7% | 2.1% |
| Manhattan | 2,955,773 | 0.6% | 2.6% |
| Philadelphia | 1,103,404 | 0.6% | 2.0% |
| New Jersey | 1,176,091 | 0.6% | 0.8% |
| Orlando | 376,826 | 0.5% | 1.5% |
| Charlotte | 396,379 | 0.5% | 3.2% |
| Seattle | 731,963 | 0.5% | 1.4% |
| Twin Cities | 595,121 | 0.5% | 1.4% |
| Tampa | 343,880 | 0.4% | 1.6% |
| Nashville | 263,699 | 0.4% | 0.7% |
| Bay Area | 785,373 | 0.4% | 2.3% |
| Denver | 614,225 | 0.4% | 1.2% |
| Atlanta | 709,600 | 0.3% | 2.0% |
| Washington DC | 687,967 | 0.2% | 1.2% |
| Chicago | 505,983 | 0.2% | 0.7% |
| Detroit | 115,000 | 0.1% | 0.5% |

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

Office-Using Jobs: Philadelphia Keeps Up

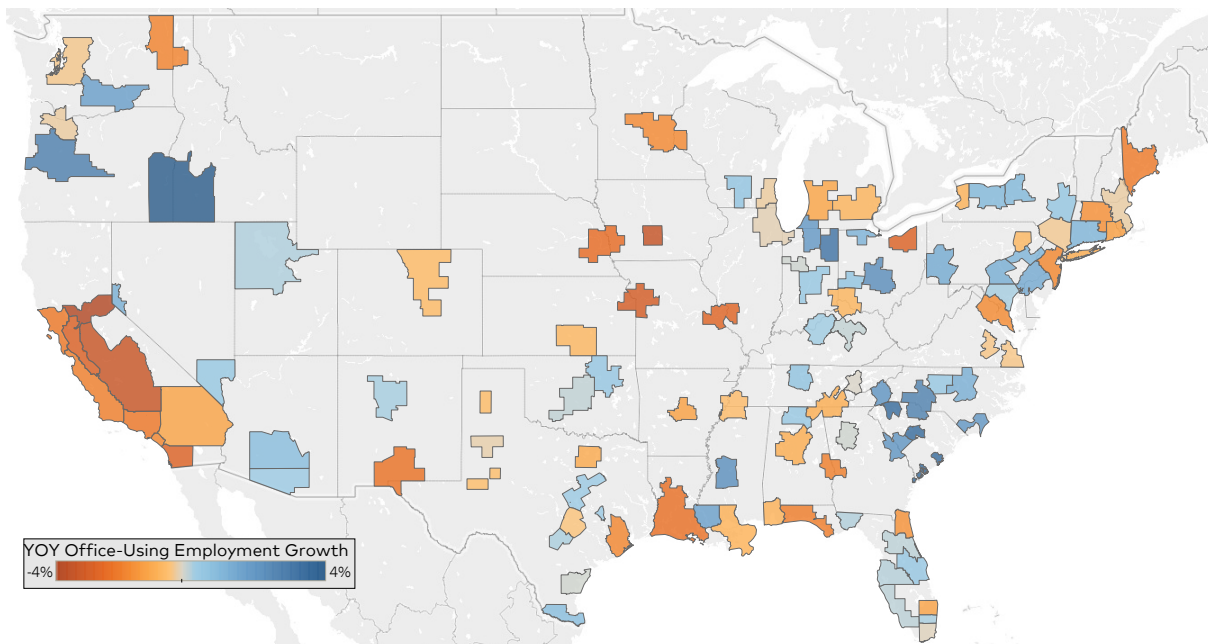
- While the government shutdown delayed the release of September employment data, private-sector sources can help fill the gap. Office-using sectors of the labor market lost a combined 19,000 jobs in the month of September, according to ADP. The decline was led by the professional and business services sector, which lost 13,000 jobs. Financial activities lost 9,000 jobs, while information gained 3,000 jobs. On a year-over-year basis, office-using sectors gained 254,000 jobs, a 0.7% increase.
- Metro data from the Bureau of Labor Statistics shows 17 of the top 25 markets having negative year-over-year growth as of August. Philadelphia grew 1.5%, surpassed only by Charlotte among top markets. Professional and business services was the sole source of added office jobs. According to Campus Philly, the city of Philadelphia had the largest increase in bachelor's degree holders among major U.S. cities at 155% from 2000-2021, giving firms a large pool of professional talent to tap into.

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

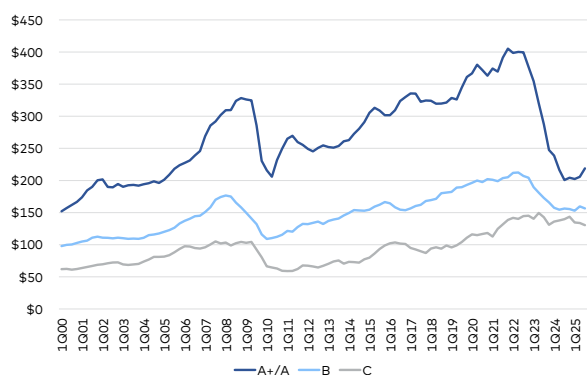
Transactions: Transaction Totals Tick Up

- Yardi Matrix recorded \$38 billion in sales through September, with properties trading for an average of \$195 per square foot. This consisted of just under 2,000 total transactions, the largest year-to-date total through September since 2022.
- The average sale price of an office property in Seattle was \$258 per square foot in 2025. 3Q25 was the most expensive quarter since early 2022. One Esterra Park, a 231,000-square-foot office property, was purchased by Preylock Real Estate Holdings from Capstone Partners for \$225 million, making it the highest-selling property in Seattle since 2022.

Sales Activity

| Market | YTD Sales Price PSF | YTD Sales Volume (Mil, as of 09/30) |
|---------------|---------------------|-------------------------------------|
| National | \$195 | \$37,723 |
| Manhattan | \$530 | \$5,505 |
| Bay Area | \$392 | \$4,267 |
| Washington DC | \$182 | \$3,182 |
| Dallas | \$296 | \$2,227 |
| Los Angeles | \$295 | \$2,040 |
| Atlanta | \$147 | \$1,117 |
| Boston | \$153 | \$1,083 |
| San Francisco | \$309 | \$1,076 |
| New Jersey | \$165 | \$1,041 |
| San Diego | \$304 | \$1,001 |
| Houston | \$95 | \$996 |
| Chicago | \$61 | \$860 |
| Phoenix | \$178 | \$850 |
| Denver | \$124 | \$790 |
| Seattle | \$258 | \$506 |
| Tampa | \$157 | \$475 |
| Austin | \$216 | \$462 |
| Orlando | \$198 | \$439 |
| Charlotte | \$141 | \$431 |
| Philadelphia | \$97 | \$420 |
| Miami | \$291 | \$411 |
| Twin Cities | \$86 | \$390 |
| Detroit | \$191 | \$283 |
| Portland | \$94 | \$188 |
| Nashville | \$135 | \$168 |

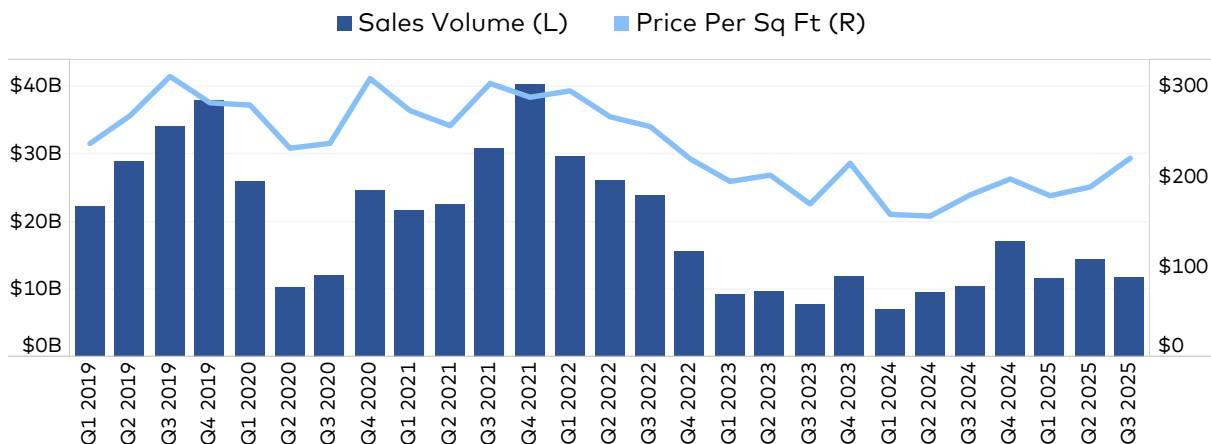
Asset Class (price PSF)



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

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

Quarterly Transactions



Source: Yardi Matrix. Data as of September 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.

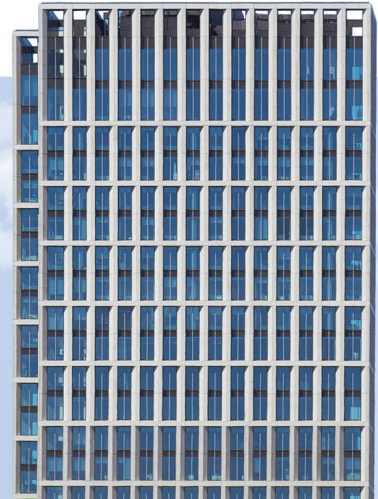
Office-Using Employment is defined by the Bureau of Labor Statistics as including the sectors Information, Financial Activities, and Professional and Business Services. Employment numbers are representative of the Metropolitan Statistical Area and do not necessarily align exactly with Yardi Matrix market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



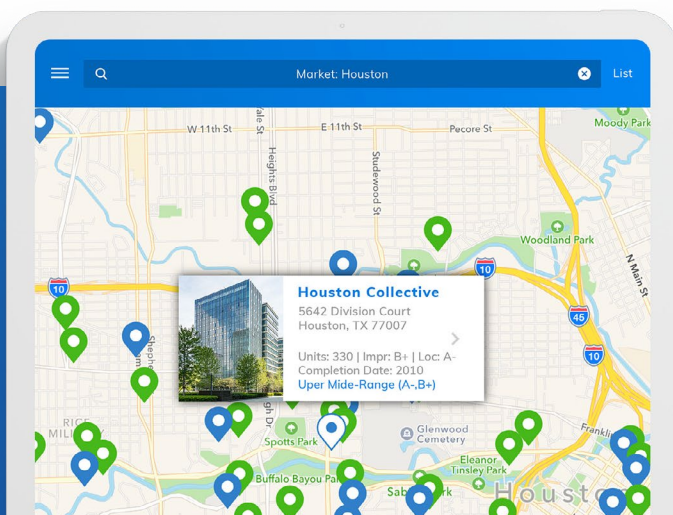
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OFFICE KEY FEATURES

- 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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