



Yardi[®] Matrix

National Office Report

November 2025



Office Utilization Diverges Across Metros

- Office utilization patterns across major metros have diverged significantly this decade as the landscape continues to shift and competition for tenants grows.
- Americans working from home have declined each year since the peak in 2021; however, they have not reached 2019 levels, according to the U.S. Census' American Community Survey (ACS). Hybrid work is now the standard for most firms in the U.S., and a full return to the office is not expected. Among the top 25 metros, unconventional ones such as Austin had as much as 23.2% working from home last year, while bright spots such as Manhattan had only 11.8%. While office-using jobs account for just under 30% of all jobs in both metros, suburban and tech-heavy Austin is much more suited to remote work than dense, walkable Manhattan, with its legal and finance industry.
- Office utilization has not recovered equally across metros. According to Kastle's 10-city Back to Work Barometer, which tracks access data for 2,600 buildings across the nation, occupancy varied significantly, from a high of 74.6% in Austin to a mid-range of 57.4% in Manhattan and a low of 41.8% in Philadelphia, for the first week of November. Austin's lead in this metric may at first appear incongruous, with the metro also having the highest rate of residents working from home in the ACS, but Kastle's barometer measures physical office occupancy relative to February 2020. While the share of people in the metro working from home increased considerably this decade, so too has the number of office jobs. Total office-using employment in Austin has grown 27.8% since 2020, more than any other top metro.
- Robust employment growth has not been enough for Austin to absorb its supply boom. The metro added 15.6 million square feet of space this decade (16.0% of stock), pushing the current vacancy rate up to 26.9%. As such, price per square foot in Austin fell significantly for the first time this year despite having maintained much of its value over the decade. Manhattan, which had much less growth in office employment than Austin, was able to push its vacancy rate down by adding only 16.6 million square feet of space (3.6% of stock). Though price per square foot in Manhattan dropped over the last two years, investor interest has skyrocketed. Transactions are up considerably, with 59 recorded so far this year. Flexibility will be key to finding a place in an oversaturated market, and we expect an increase in creative solutions such as coworking and conversions to help fill the gap in demand.



Listing Rates and Vacancy: Charlotte's Strong Fundamentals

- The national average full-service equivalent listing rate was \$32.81 per square foot in October, up two cents from the previous month and 0.1% year-over-year. The national vacancy rate was 18.6%—down 90 basis points over last year.
- On the surface, it may appear Charlotte is suffering. The average full-service equivalent listing rate has fallen 1.2% year-over-year, to \$33.44 per square foot, and the vacancy rate increased 240 bps over that span and current-

ly sits at 18.9%. Yet despite these numbers, Charlotte's office market remains well positioned. After delivering 7.1 million square feet of new space since the start of 2021 (9.0% of stock), the metro now has less than 300,000 square feet under construction. As development slows, demand from job formation remains solid. Data from the Bureau of Labor Statistics has been delayed in recent months due to the government shutdown, but for most of this year, Charlotte outpaced all other large markets in office-using employment growth.

Listings by Metro

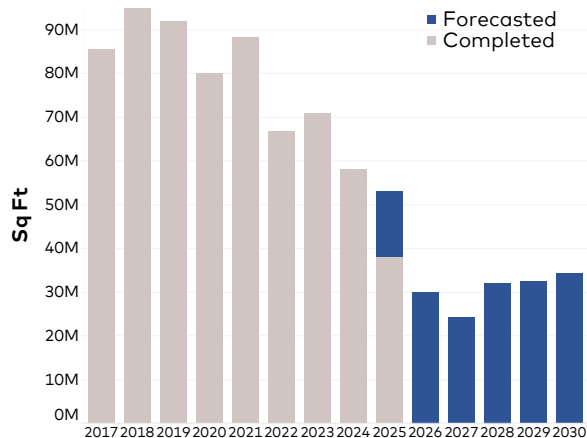
Market	Oct-25 Listing Rates	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Sq. Ft.
National	\$32.81	0.1%	18.6%	-90 bps		
Los Angeles	\$46.62	10.4%	14.6%	-120 bps	Century City Center	\$126.00
Atlanta	\$36.38	9.1%	19.8%	190 bps	1180 Peachtree	\$63.50
Miami	\$56.34	6.6%	13.4%	-110 bps	Offices at The Well, The	\$150.00
Dallas	\$32.39	6.1%	22.0%	-100 bps	23Springs	\$95.28
San Diego	\$45.23	5.7%	22.1%	150 bps	One La Jolla Center	\$73.20
Phoenix	\$29.67	5.1%	17.4%	-100 bps	Watermark, The	\$56.00
San Francisco	\$65.30	4.7%	26.1%	-160 bps	Sand Hill Commons	\$209.42
Twin Cities	\$27.16	4.0%	17.3%	190 bps	International Centre	\$42.39
New Jersey	\$34.82	3.3%	19.2%	-100 bps	Harborside Financial Plaza 10	\$66.08
Chicago	\$28.12	3.3%	18.7%	20 bps	One Magnificent Mile	\$52.87
Nashville	\$31.93	3.1%	18.2%	70 bps	Gulch Union	\$56.62
Boston	\$48.65	2.8%	15.6%	-120 bps	One Canal Park	\$129.71
Tampa	\$29.87	1.4%	14.2%	-30 bps	Harborview Plaza	\$52.87
Portland	\$28.42	0.6%	21.0%	-110 bps	Fox Tower	\$50.53
Detroit	\$21.57	0.5%	24.1%	160 bps	Orchestra Place	\$36.14
Manhattan	\$67.97	-0.7%	13.0%	-370 bps	50 Hudson Yards	\$250.00
Charlotte	\$33.44	-1.2%	18.9%	240 bps	110 East	\$55.00
Austin	\$45.79	-2.1%	26.9%	-70 bps	Indeed Tower	\$82.69
Washington DC	\$40.50	-2.2%	20.2%	250 bps	1700 New York Avenue	\$94.75
Seattle	\$34.70	-2.3%	27.4%	160 bps	City Center Bellevue	\$82.88
Orlando	\$27.47	-2.4%	18.3%	220 bps	CNL Center II	\$54.19
Philadelphia	\$31.69	-3.2%	18.8%	0 bps	Three Logan Square	\$56.07
Bay Area	\$51.59	-4.8%	22.9%	-350 bps	245 Lytton Avenue	\$153.00
Denver	\$29.33	-6.5%	23.5%	-110 bps	Block 162	\$54.38
Houston	\$27.49	-9.0%	20.2%	-420 bps	Kirby Grove	\$54.21

Source: Yardi Matrix. Data as of October 2025. 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: Los Angeles Pipeline Slowdown Continues

- There are 33.4 million square feet of office space currently under construction, according to Yardi Matrix, representing 0.5% of stock.
- Just 12.9 million square feet were started nationally through October, nearly equal to last year's total starts. As the office sector undergoes a prolonged realignment, development has slowed drastically. While there are some signs that the pipeline is beginning to thaw, we anticipate it will be years before there is any significant increase in new office construction.
- Los Angeles' construction pipeline slowed quickly after the onset of the pandemic, a factor in L.A. having one of the lowest vacancy rates among top markets. The pipeline slowdown has continued this year, with no new office starts logged by Yardi Matrix. The buildings that have been started in recent years are highly amenitized assets built to attract top-tier tenants, like the 37-story, 700,000-square-foot tower that broke ground in 2023 and is set to deliver next year. Talent agency CAA, which is moving from its current location a block away at 2000 Avenue of the Stars, will be the anchor tenant.

National New Supply Forecast



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

Supply Pipeline (by metro)

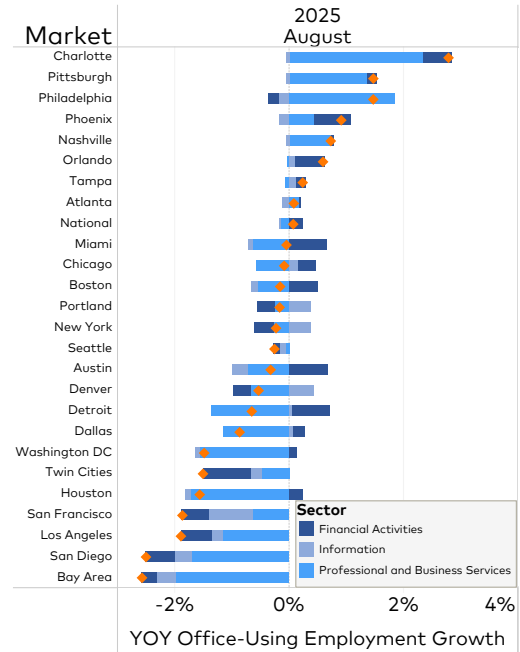
Market	Under Construction	Under Construction % Stock	Plus Planned % Stock
National	33,400,578	0.5%	1.7%
Boston	4,647,384	1.8%	5.3%
Miami	1,225,784	1.7%	3.8%
Austin	1,578,031	1.6%	5.2%
San Diego	1,380,511	1.4%	1.6%
Dallas	2,560,059	0.9%	3.0%
Los Angeles	1,979,014	0.7%	2.2%
Manhattan	2,955,773	0.6%	2.4%
Philadelphia	1,103,404	0.6%	2.0%
Phoenix	849,165	0.6%	1.0%
Orlando	372,568	0.5%	1.4%
Houston	1,309,249	0.5%	1.9%
New Jersey	1,076,091	0.5%	0.7%
Seattle	731,963	0.5%	1.0%
Tampa	343,880	0.4%	1.3%
Nashville	263,699	0.4%	1.8%
Bay Area	789,970	0.4%	2.3%
Atlanta	729,600	0.4%	2.2%
Charlotte	276,379	0.4%	3.0%
San Francisco	529,207	0.3%	3.2%
Denver	510,368	0.3%	1.1%
Twin Cities	230,121	0.2%	0.9%
Chicago	585,901	0.2%	0.6%
Washington DC	687,967	0.2%	1.2%
Detroit	-	-	0.4%

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

Office-Using Jobs: Market Share Increases in Austin

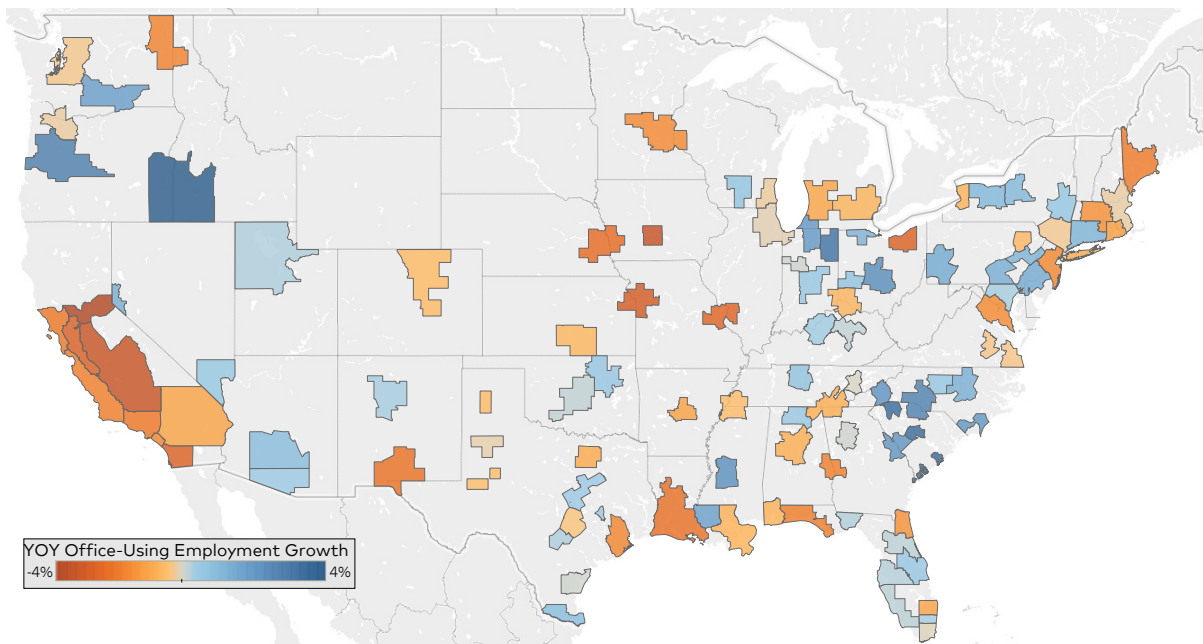
- While the government shutdown has delayed the release of employment data for a second month, private-sector sources are filling the gap. Office-using sectors of the labor market lost a combined 21,000 jobs in the month of September, according to ADP. The information sector led this decline, losing 17,000 jobs. Professional and business services lost 15,000 jobs, while financial activities had a gain of 11,000 jobs. On a year-over-year basis, office-using sectors gained a total of 197,000 jobs, a 0.6% increase.
- Metro data from the Bureau of Labor Statistics shows the percentage of jobs in office-using sectors increased in nine of the top 25 markets from January 2020 through August 2025. Austin led this increase, pushing the share of office-using jobs up 190 bps to 30% of all jobs in the market. Next was Orlando (up 150 bps, 26.1% share), Miami (up 140 bps, 24.7% share), Dallas (up 100 bps, 28.7% share) and Tampa (up 80 bps, 28.2% share).

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

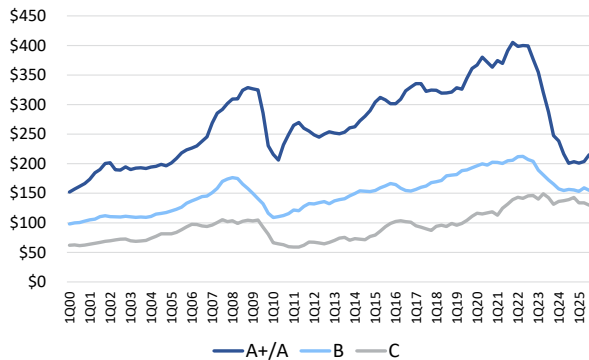
Transactions: Discounts Found in Denver

- Yardi Matrix recorded \$42.6 billion in office sales through the end of October, with properties trading for an average of \$191 per square foot.
- The average sale price of an office property in Denver is \$125 per square foot for 2025, less than half of what properties were trading for at the \$300 peak in 2022. Two office towers at 707 & 717 17th St. in Denver's central business district recently sold at an 86% discount. Minnesota-based Wayzata Investment Partners purchased the buildings from Brookfield Properties for a combined \$58.4 million.

Sales Activity

Market	YTD Sales Price PSF	YTD Sales Volume (Mil, as of 10/31)
National	\$191	\$42,583
Manhattan	\$523	\$6,376
Bay Area	\$386	\$4,369
Washington DC	\$174	\$3,584
Dallas	\$290	\$2,507
Los Angeles	\$251	\$2,173
San Diego	\$287	\$1,234
Atlanta	\$131	\$1,231
San Francisco	\$279	\$1,158
Boston	\$158	\$1,157
New Jersey	\$156	\$1,098
Phoenix	\$188	\$1,053
Houston	\$90	\$996
Chicago	\$64	\$990
Denver	\$125	\$861
Miami	\$360	\$654
Seattle	\$251	\$576
Austin	\$216	\$542
Tampa	\$155	\$535
Charlotte	\$151	\$521
Philadelphia	\$100	\$454
Orlando	\$198	\$439
Twin Cities	\$75	\$379
Detroit	\$179	\$289
Portland	\$92	\$236
Nashville	\$129	\$203

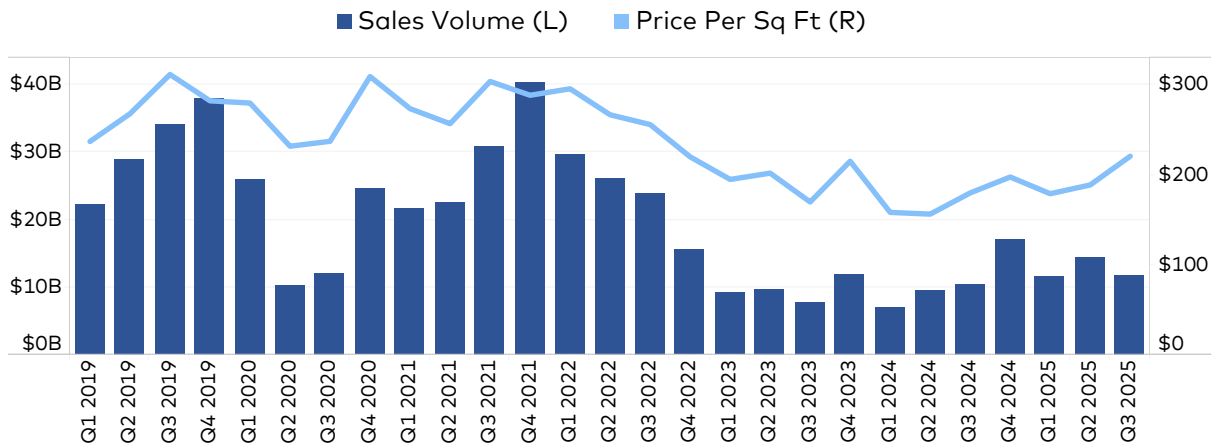
Asset Class (price PSF)



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

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

Quarterly Transactions



Source: Yardi Matrix. Data as of October 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.

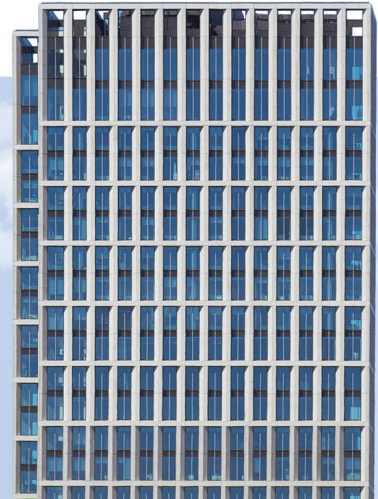
Office-Using Employment is defined by the Bureau of Labor Statistics as including the sectors Information, Financial Activities, and Professional and Business Services. Employment numbers are representative of the Metropolitan Statistical Area and do not necessarily align exactly with Yardi Matrix market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



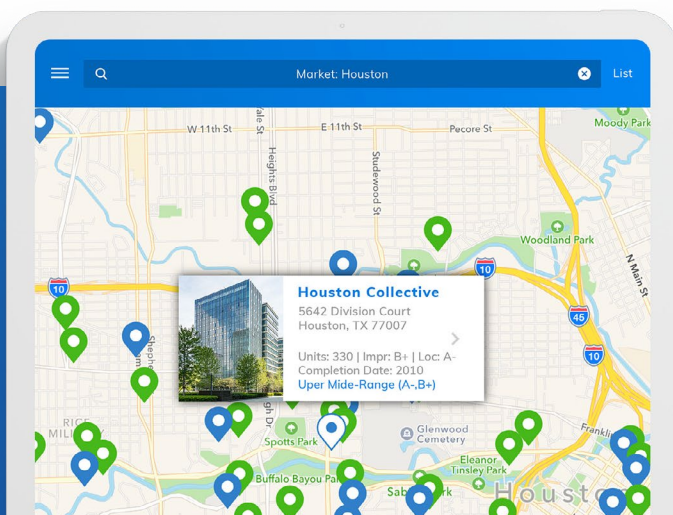
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- Pierce the LLC with true ownership and contact info at the asset and portfolio level
- Gain new supply pipeline information at the asset, competitive set and market level
- Benchmark performance to similar assets



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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