



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.

