



Yardi<sup>®</sup> Matrix

# Office National Report

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March 2026





# Life Science Development Slows

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- The hype that life sciences experienced over the past decade from the advancement of new biotechnologies led to a rise in investment and a glut of new property development. This has since calmed down, and new development has significantly dropped off in the past couple of years.
- There have been 47.3 million square feet of life science space delivered since 2020. Annual deliveries peaked at 13.9 million square feet in 2024 before falling to 11.2 million the next year. The pipeline consists of only 11.3 million square feet currently under construction, so yearly deliveries are on track to fall again in 2026. New supply continues to be concentrated in the Big Three life science markets. San Francisco delivered 3.3 million square feet in 2025 (28.9% of deliveries), while Boston delivered 2.3 million (20.3%) and San Diego 1.5 million (12.8%). New starts are also on the decline, falling from a peak of 15.4 million square feet in 2022 to 2.4 million in 2025.
- Investor interest in life science properties increased slightly after two years of declining sales from the peak in 2022. In 2025, there were 37 transactions with an average price of \$324 per square foot and a total of \$1.7 billion in sales. This is up from 14 transactions with an average price of \$426 per square foot and a total of \$600 million in sales in 2024. Despite the recent uptick in sales, investor activity is still low for the decade, and the price per square foot in 2025 was down 23.9% from the previous year.
- Uncertainty has plagued life sciences after changes were made to public funding of the National Institutes of Health. Last year, the Trump administration proposed cuts, citing the end of the pandemic as a justification; however, Congress rejected these and instead increased the budget for fiscal year 2026. Despite the increase, grant approvals have been falling and competition has grown due to a new policy from the Office of Management and Budget designating 50% of funds to fully funded multi-year research grants rather than approving research projects on an annual basis.
- The possibility of funding cuts as well as a winner-take-all approach to research grant approvals may cause issues in segments of life sciences more reliant on public funding, though it remains to be seen how that will play out. While overdevelopment continues to be an issue, the significant drop in construction starts over the past two years shows that the current glut of supply will be absorbed in time, and we expect life sciences to be a strong subset of the office market for the foreseeable future.



# Listing Rates and Vacancy: Denver Office Removals Ease High Vacancy

- The national average full-service equivalent listing rate was \$32.79 per square foot in February, up 24 cents from the previous month and down 1.9% year-over-year. The national vacancy rate was 17.6%, down 200 basis points from a year ago.
- Despite Denver's difficulties in the downtown area, vacancy has been looking better in the suburbs. Overall rates fell to 19.8% in February, leaving only eight of the top 25 metros with vacancy above 20%. Denver's supply

pipeline has been decreasing every year since 2021, reducing the impact of new properties on existing stock. In addition to a shrinking pipeline, several office buildings are in the process of being removed to make way for multifamily housing. A 13-story, 140,000-square-foot office building in the Denver Tech Center is currently in the approval process for removal to make room for 660 multifamily rental units. Projects like these are mitigating the effects of new development and helping improve vacancy in the area.

## Listings by Metro

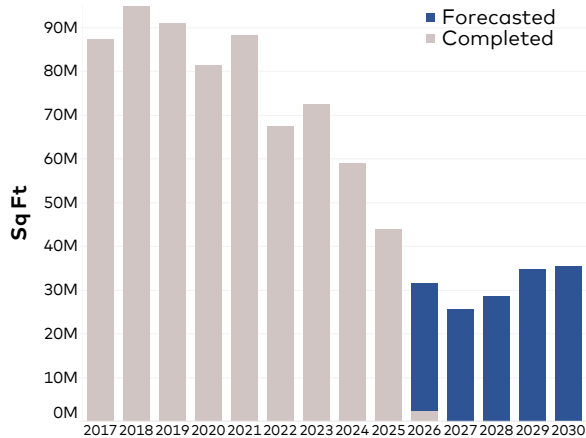
Market	Feb-26 Listing Rates	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Sq. Ft.
National	\$32.79	-1.9%	17.6%	-200 bps		
Atlanta	\$36.64	10.6%	17.9%	-130 bps	3344 Peachtree	\$73.15
Manhattan	\$73.45	6.6%	13.1%	-330 bps	50 Hudson Yards	\$250.00
Chicago	\$28.71	5.7%	18.4%	-40 bps	333 North Green	\$65.29
San Diego	\$45.18	4.9%	21.9%	120 bps	2100 Kettner	\$69.00
Phoenix	\$29.83	4.5%	17.0%	-170 bps	Watermark, The	\$56.00
New Jersey	\$34.87	3.5%	17.0%	-180 bps	Harborside Financial Plaza 10	\$66.08
Twin Cities	\$26.99	2.9%	16.8%	10 bps	International Centre	\$42.39
Dallas	\$31.98	2.2%	21.0%	-280 bps	23Springs	\$95.09
Tampa	\$30.86	2.1%	14.3%	-160 bps	MetWest International—MetWest Three	\$54.00
Detroit	\$21.78	1.5%	23.3%	-130 bps	Michigan Central Station	\$40.00
Portland	\$28.47	1.3%	20.7%	-110 bps	Fox Tower	\$50.53
Austin	\$46.37	1.0%	24.6%	-290 bps	Indeed Tower	\$84.39
Philadelphia	\$31.09	0.7%	18.2%	-180 bps	Three Logan Square	\$56.07
Washington DC	\$40.67	0.5%	19.5%	50 bps	1155 F Street	\$83.61
Los Angeles	\$42.68	0.1%	14.5%	-180 bps	Century City Center	\$126.00
Nashville	\$31.57	-0.2%	18.9%	120 bps	615 Third	\$51.70
Miami	\$54.84	-1.0%	12.8%	-300 bps	830 Brickell	\$180.00
Seattle	\$35.75	-1.5%	25.1%	-80 bps	City Center Bellevue	\$83.19
San Francisco	\$62.54	-1.7%	24.2%	-360 bps	Sand Hill Collection—The Grove	\$196.80
Boston	\$46.11	-1.9%	14.4%	-270 bps	One Canal Park	\$129.71
Bay Area	\$52.67	-2.6%	22.1%	-420 bps	400 Hamilton Avenue	\$152.88
Denver	\$30.13	-2.7%	19.8%	-520 bps	Block 162	\$54.38
Charlotte	\$32.62	-4.2%	17.8%	230 bps	110 East	\$55.00
Houston	\$28.37	-6.4%	19.2%	-390 bps	Kirby Grove	\$54.21
Orlando	\$26.31	-6.9%	18.8%	180 bps	CNL Center II	\$54.19

Source: Yardi Matrix. Data as of February 2026. 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: Manhattan Leads in Office Construction Starts

- There have been 2.3 million square feet of office space completed so far this year, and 28.2 million square feet are currently under construction, according to Yardi Matrix, representing 0.4% of stock. Though the supply pipeline remains at a historical low, the decline in the number of office starts has slowed over the past two years and the pipeline has leveled off. Over the past 12 months, just over 13 million square feet of office broke ground, which is around the starts level since late in 2024.
- In 2019, there were 20 markets with at least 1 million square feet of office space starting construction; however, this fell to only three markets in 2025. Manhattan led in office starts with 2.3 million square feet, representing 16.0% of all starts last year. This was followed by West Palm Beach with 1.4 million (9.8% share) and Boston with 1.2 million (8.5% share). So far in 2026, Manhattan remains the leader in office starts, with a new development by Slate Property Group of a 13-story, 150,000-square-foot medical office building in a neighborhood of East Harlem having started construction in January.

## National New Supply Forecast



Source: Yardi Matrix. Data as of February 2026. Data in this chart includes owner-occupied properties.

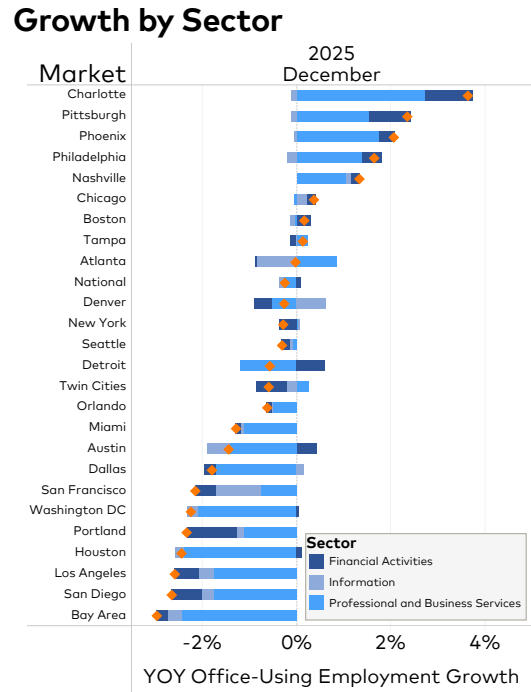
## Supply Pipeline (by metro)

Market	Under Construction	Under Construction % Stock	Plus Planned % Stock
National	28,240,181	0.4%	1.5%
Boston	3,869,750	1.5%	5.3%
San Diego	1,212,511	1.2%	1.8%
Miami	795,776	1.1%	3.8%
Austin	976,979	1.0%	2.9%
Dallas	2,360,133	0.8%	2.7%
Los Angeles	2,046,909	0.7%	2.1%
Nashville	426,248	0.7%	1.9%
Manhattan	2,746,208	0.6%	2.4%
Orlando	397,408	0.6%	1.4%
New Jersey	1,095,344	0.5%	0.8%
Houston	1,125,437	0.5%	1.8%
Denver	604,628	0.4%	1.3%
San Francisco	533,315	0.3%	2.6%
Tampa	246,900	0.3%	1.2%
Phoenix	432,258	0.3%	1.1%
Philadelphia	547,665	0.3%	1.7%
Charlotte	204,544	0.3%	1.4%
Twin Cities	248,774	0.2%	1.0%
Atlanta	406,000	0.2%	2.4%
Washington DC	654,847	0.2%	0.9%
Bay Area	145,000	0.1%	1.2%
Chicago	202,568	0.1%	0.6%
Seattle	19,982	0.0%	0.0%
Portland	-	-	0.0%
Detroit	-	-	0.2%

Source: Yardi Matrix. Data as of February 2026. Table does not include owner-occupied properties.

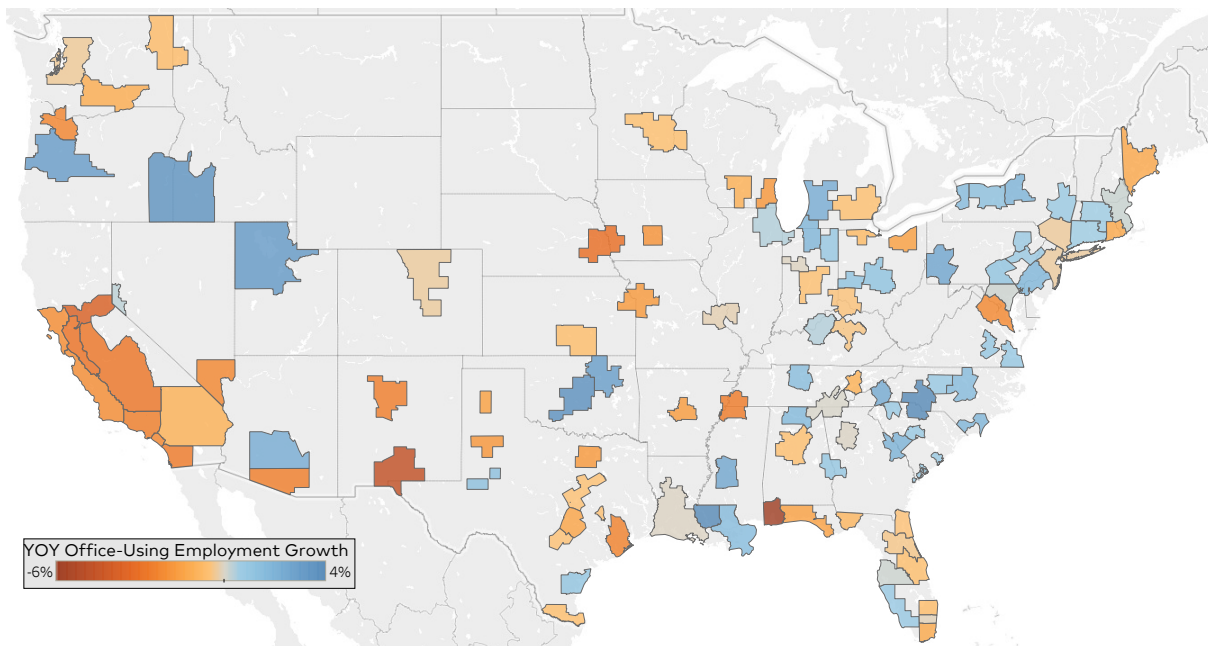
# Office-Using Jobs: Nashville Office Employment Shows Signs of Recovery

- Office-using sectors of the labor market lost a combined 6,000 jobs in the month of February, according to the Bureau of Labor Statistics. The decline was led by the information sector, which lost 11,000 jobs, while the professional and business services sector lost only 5,000 jobs and the financial sector gained 10,000. On a year-over-year basis, office-using sectors lost 185,000 jobs nationally, a 0.5% decrease, while total non-farm employment increased 0.1% over the same period.
- Nashville office employment has started to turn around, with year-over-year growth increasing from a low of -2.3% in January 2025 to 1.3% by the end of the year. Among the top 25 metros, Nashville is currently fifth overall and one of only seven metros with positive year-over-year office employment growth. The metro has recently welcomed several major corporations—with the arrival of Oracle, In-N-Out Burger, Sennheiser and Starbucks contributing to employment growth.



Sources: Bureau of Labor Statistics and Moody's Analytics

## Office-Using Employment Growth



Sources: Bureau of Labor Statistics and Moody's Analytics

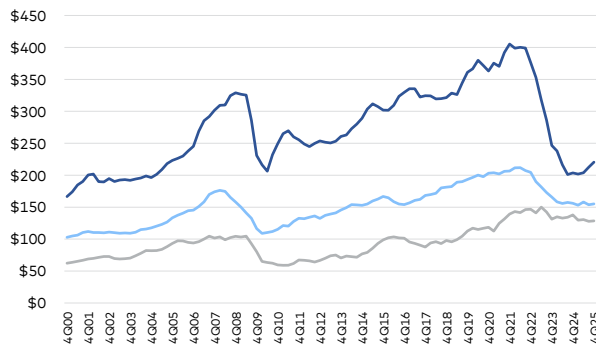
# Transactions: Strong Sales Volume in Miami

- Yardi Matrix has recorded 316 transactions so far this year, with office properties trading for \$218 per square foot on average, for a total sales volume of \$7.8 billion.
- Miami maintained its property values through most of Covid, with 2025 prices averaging \$356 per square foot, a 20% increase over prices in 2019. So far in 2026, the metro is on track to have the highest quarterly sales volume since 2020, with \$666 million in sales so far this quarter. In January, a 324,935-square-foot urban property at 545 NW 26th St. in Miami was purchased by Goldman Properties from Sterling Bay for \$180 million.

## Sales Activity

Market	YTD Sales Price PSF	YTD Sales Volume (Mil, as of 2/28)
National	\$218	\$7,832
Manhattan	\$740	\$1,604
Bay Area	\$302	\$680
Miami	\$475	\$666
San Diego	\$206	\$347
Charlotte	\$477	\$322
Chicago	\$86	\$309
Houston	\$102	\$295
Washington DC	\$190	\$290
Twin Cities	\$249	\$289
Dallas	\$288	\$266
Phoenix	\$160	\$260
Orlando	\$169	\$206
Boston	\$162	\$201
Seattle	\$287	\$164
Denver	\$55	\$102
Atlanta	\$211	\$85
Philadelphia	\$154	\$74
Los Angeles	\$427	\$63
Tampa	\$160	\$63
New Jersey	\$103	\$59
San Francisco	\$1,088	\$50
Portland	\$53	\$32
Austin	\$24	\$17
Nashville	\$162	\$8
Detroit	-	\$-

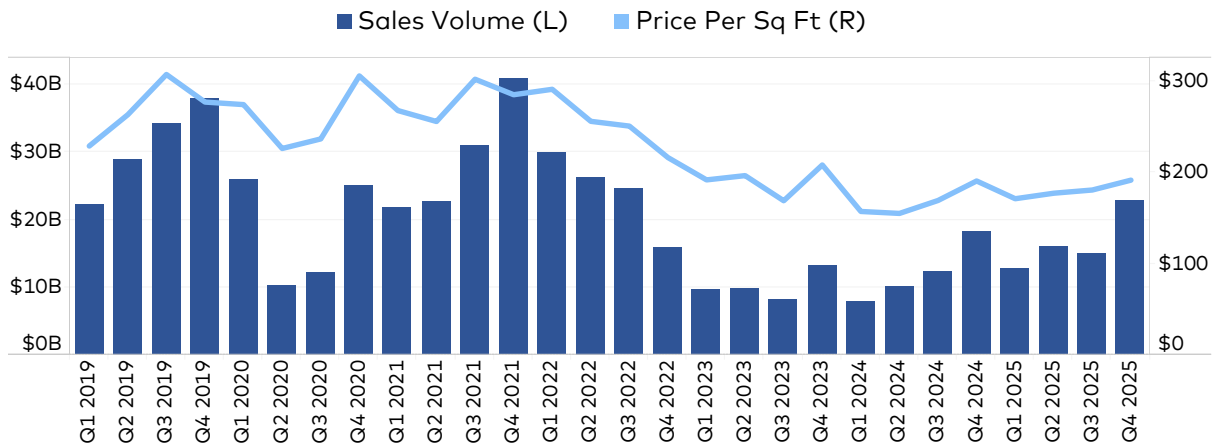
## Asset Class (price PSF)



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

Source: Yardi Matrix. Data as of February 2026. Sales data for unpublished and portfolio transactions is estimated using sales comps.

## Quarterly Transactions



Source: Yardi Matrix. Data as of February 2026.



# Definitions

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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.

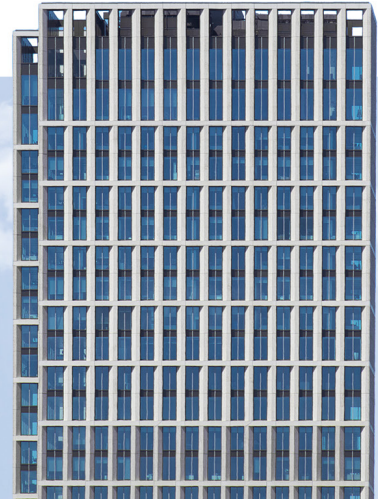
Office-Using Employment is defined by the Bureau of Labor Statistics as including the sectors Information, Financial Activities, and Professional and Business Services. Employment numbers are representative of the Metropolitan Statistical Area and do not necessarily align exactly with Yardi Matrix market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



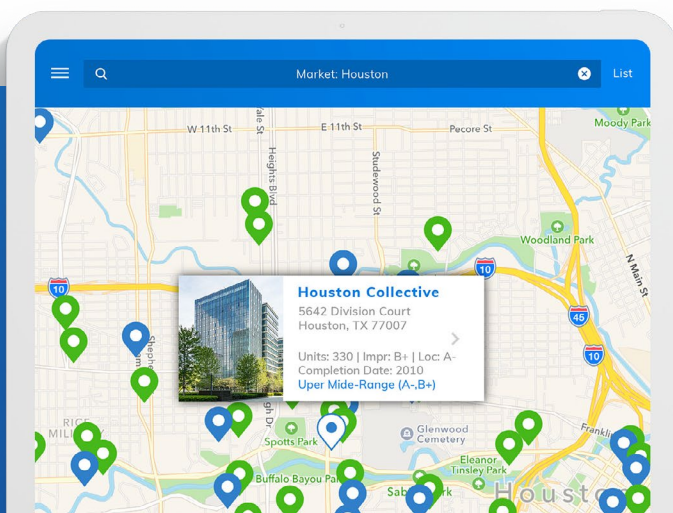
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- Gain new supply pipeline information at the asset, competitive set and market levels
- Benchmark performance to similar assets



Yardi Matrix Office delivers detailed property-level information, allowing you to analyze current market conditions at the micro and macro levels.



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