



Yardi® Matrix

Office National Report

May 2026



AI Adds to Uncertainty for Offices

- The debate over AI's impact on employment has intensified, with predictions ranging from widespread job losses to the emergence of new industries that will spur job creation. Regardless of the outcome, the proliferation of AI is expected to have significant implications for office demand.
- Three primary scenarios could emerge for workers as AI adoption accelerates. In the first, AI successfully replaces large portions of the workforce, leading to a substantial decline in office employment. In the second, the technology boosts worker productivity and efficiency as firms eliminate some positions but retain much of their workforces. In the third, the costs of implementing AI outweigh its benefits, resulting in a bubble. Unfruitful investments and premature layoffs will lead to a period of economic decline and prolonged unemployment.
- The tech sector has been leading the way with AI implementation in addition to investing in related infrastructure. Many companies, including Cloudflare, Block, Meta and PayPal, have announced significant workforce reductions as they free up capital for AI investment and begin to automate rudimentary tasks. Pandemic-era overhiring may be the real reason for some of these layoffs, and AI serves as a convenient explanation; however, tech companies are committed to the technology and layoffs will continue as AI adoption is solidified and spreads into other sectors.
- Research from the Dallas Fed and Stanford University shows rising wages alongside falling employment for younger workers in some AI-exposed fields. This suggests AI is augmenting production for experienced workers, while younger workers with codified knowledge but little experience are facing declining employment rates. Office would fare much better in this scenario than in the alternatives; however, the way office space is used would change. Experienced workers overseeing teams of AI agents rather than teams of humans would require less time in an office. As a result, large office spaces with rigid lease agreements will increasingly become obsolete.
- Coworking has proven to be a resilient asset, offering the flexibility needed to handle the ebb and flow of business operations during uncertain times. As AI adoption accelerates, flexibility will become even more crucial while questions surrounding office demand remain unanswered. As a result, we expect coworking to grow in relevance as workers' relationship with the office continues to change.



Listing Rates and Vacancy: Miami Vacancy Lowest Among Top 25 Metros

- The national average full-service equivalent listing rate was \$32.91 per square foot in April, up 11 cents from the previous month and down 1.3% year-over-year. The national vacancy rate was 17.6%, down 210 basis points from a year ago.
- Miami's vacancy rate declined from a peak of 15.7% in early 2025 to 12.5% in April 2026, the lowest among the top 25 metros. While other markets continue to struggle, Miami vacancy has benefited from robust growth

in office-using employment. The financial activities sector has performed particularly well, helping sustain office demand as tech layoffs followed the pandemic's hiring boom. In recent years, a wave of corporations have moved to Miami to take advantage of Florida's business-friendly environment. Data firm Palantir recently announced that it is relocating its headquarters from Denver, while companies such as JPMorgan, Amazon, and Citadel have all expanded their operations in the area.

Listings by Metro

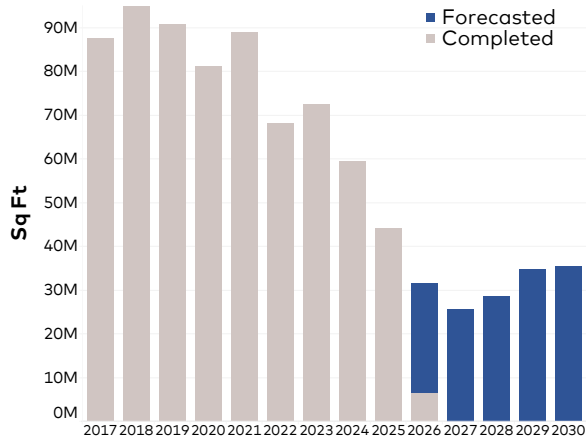
Market	Apr-26 Listing Rates	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Sq. Ft.
National	\$32.91	-1.3%	17.6%	-210 bps		
Atlanta	\$36.64	7.2%	18.6%	-170 bps	3344 Peachtree	\$75.15
Nashville	\$32.99	6.3%	16.6%	-130 bps	Gulch Union	\$56.62
Twin Cities	\$27.66	5.6%	17.7%	160 bps	International Centre	\$42.39
New Jersey	\$34.58	3.4%	16.1%	-280 bps	Harborside Financial Plaza 10	\$66.08
Miami	\$58.41	3.3%	12.5%	-300 bps	1450 Brickell	\$160.00
Phoenix	\$29.65	3.1%	16.3%	-200 bps	Watermark, The	\$56.00
Bay Area	\$55.05	3.1%	21.6%	-390 bps	525 University Avenue	\$160.87
Dallas	\$32.15	2.2%	20.7%	-310 bps	23Springs	\$106.59
Austin	\$46.81	2.0%	24.9%	-390 bps	Indeed Tower	\$84.39
Manhattan	\$69.29	1.4%	13.1%	-300 bps	50 Hudson Yards	\$250.00
Portland	\$28.64	1.4%	21.5%	-20 bps	Fox Tower	\$50.53
Seattle	\$36.01	1.2%	25.2%	-180 bps	City Center Bellevue	\$83.19
Chicago	\$28.02	1.0%	18.2%	-90 bps	333 North Green	\$65.29
Tampa	\$30.30	0.6%	14.5%	-200 bps	Halcyon at The Central	\$65.00
Washington DC	\$40.28	0.3%	19.5%	30 bps	2100 L Street NW	\$84.09
Houston	\$28.68	0.0%	19.9%	-290 bps	Marathon Oil Headquarters	\$74.20
Philadelphia	\$30.76	-0.3%	18.4%	-80 bps	Three Logan Square	\$56.07
Los Angeles	\$41.73	-0.6%	13.8%	-220 bps	Century City Center	\$126.00
Denver	\$30.17	-2.4%	19.9%	-470 bps	Block 162	\$54.38
San Diego	\$42.90	-3.1%	22.8%	20 bps	2100 Kettner	\$69.00
San Francisco	\$62.03	-3.4%	23.3%	-570 bps	Sand Hill Collection-The Quad	\$210.00
Detroit	\$20.81	-3.7%	23.3%	-210 bps	Michigan Central Station	\$40.00
Boston	\$43.00	-6.6%	14.7%	-240 bps	One Canal Park	\$127.71
Orlando	\$25.99	-6.8%	18.1%	130 bps	CNL Center II	\$54.19
Charlotte	\$31.65	-10.5%	18.0%	100 bps	110 East	\$55.00

Source: Yardi Matrix. Data as of April 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: Class A Properties Comprise Majority of Pipeline

- Year-to-date through March, 6.6 million square feet of office space have been delivered. Another 29 million square feet, representing 0.4% of stock, are under construction, according to Yardi Matrix.
- New supply is forecast to bottom out next year at just under 30 million square feet of completions, followed by small increases each year through 2030. With the mass adoption of AI and the likelihood of prolonged unemployment, new projects will become difficult to justify, and increases in new supply will be limited. Flight to quality will continue, and demand will be concentrated in amenity-laden jewel box properties.
- Most office completions will be Class A space in urban areas. Class A and Class A+ space account for 25.2 million square feet under construction (86% of the pipeline), compared to just 4.1 million (14%) for Class B space. By location, the breakdown is considerably more balanced. Urban space under construction totals 15.2 million square feet (52%), followed by suburban at 9.8 million (33%) and CBD at 4.4 million (15%).

National New Supply Forecast



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

Supply Pipeline (by metro)

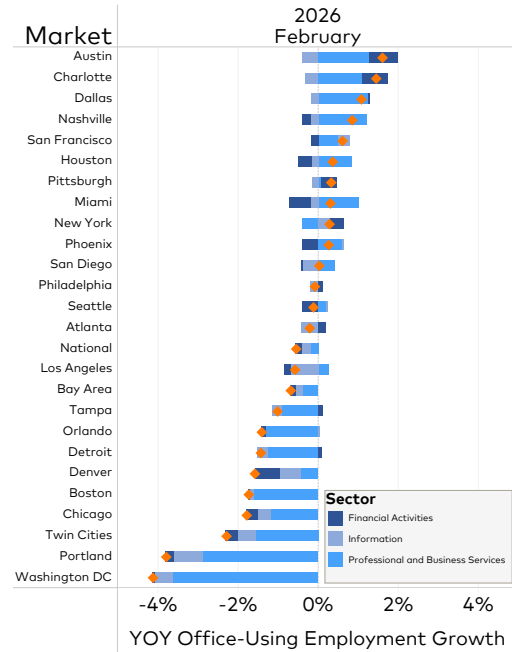
Market	Under Construction	Under Construction % Stock	Plus Planned % Stock
National	29,385,727	0.4%	1.5%
San Diego	1,712,922	1.7%	2.2%
Boston	3,871,241	1.5%	4.2%
Miami	868,776	1.2%	3.8%
Austin	980,123	1.0%	3.1%
Dallas	2,666,005	0.9%	2.7%
Charlotte	560,544	0.7%	1.0%
Nashville	426,248	0.7%	1.9%
Manhattan	2,944,288	0.6%	2.4%
Los Angeles	1,620,624	0.6%	1.8%
New Jersey	1,117,793	0.5%	0.8%
Tampa	346,000	0.4%	1.2%
Phoenix	622,156	0.4%	1.9%
Denver	669,478	0.4%	0.9%
Houston	847,424	0.3%	1.1%
San Francisco	571,374	0.3%	2.3%
Detroit	410,690	0.3%	0.5%
Philadelphia	547,665	0.3%	1.4%
Orlando	196,925	0.3%	1.1%
Twin Cities	248,774	0.2%	1.1%
Atlanta	374,000	0.2%	2.4%
Washington DC	654,847	0.2%	2.3%
Bay Area	145,000	0.1%	1.1%
Chicago	202,568	0.1%	0.2%
Portland	-	-	0.0%
Seattle	-	-	0.0%

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

Office-Using Jobs: Austin Financial Industry Growth Bucks National Trend

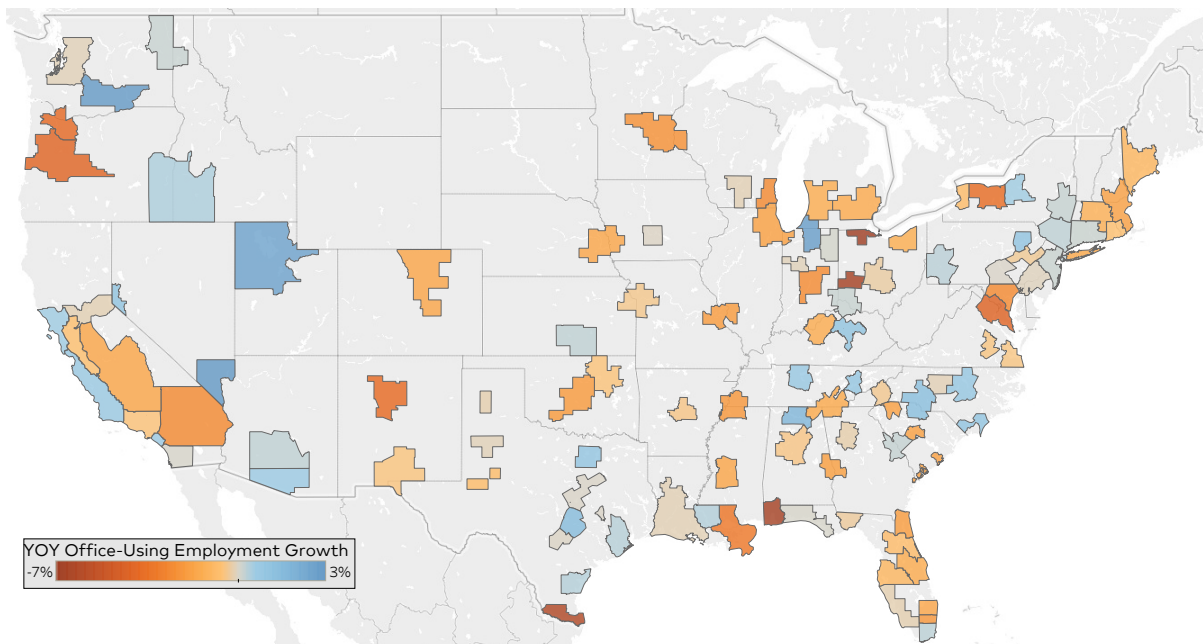
- Office-using sectors of the labor market lost a combined 17,000 jobs in April, according to the Bureau of Labor Statistics. The decline was led by the information sector, which lost 13,000 jobs, while the financial activities sector lost 11,000 jobs and the professional and business services sector gained 7,000. On a year-over-year basis, office-using sectors lost 203,000 jobs nationally, a 0.6% decrease, while total non-farm employment increased 0.2% over the same period.
- Austin currently leads all top metros in office employment growth, posting a 1.6% year-over-year increase as of February. The market has produced consistent job gains in the financial activities sector since the start of the pandemic, softening the large swings of the other two office-using sectors. Fintech firms such as Peak6 and Togetherwork have relocated their headquarters to the area, tapping into the existing tech scene and helping put Austin on the map as an emerging financial hub.

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

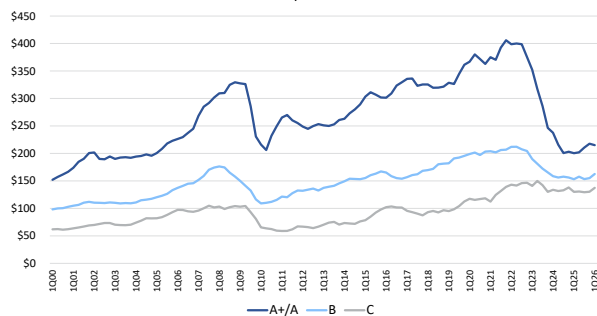
Transactions: Discounts Up in Washington DC

- Yardi Matrix has recorded 798 transactions so far this year, with office properties trading for \$214 per square foot on average, for a total sales volume of \$18.1 billion.
- In 2025, 65% of office transactions in Washington, D.C., sold at a discount to their previous sale price. The 2025 average sale price of \$158 per square foot was nearly half of 2020 peak values. Example: In April, Douglas Development acquired 1233 20th St. NW from MRP Realty for \$12.4 million, a steep discount from the property's \$65 million price in 2018. Douglas had previously bought the loan on the 155,000-square-foot building.

Sales Activity

Market	YTD Sales Price PSF	YTD Sales Volume (Mil, as of 4/30)
National	\$214	\$18,081
Manhattan	\$712	\$2,855
San Francisco	\$686	\$1,575
Dallas	\$170	\$1,067
Bay Area	\$308	\$999
Miami	\$444	\$902
Washington DC	\$191	\$810
Houston	\$159	\$752
Chicago	\$107	\$714
Los Angeles	\$375	\$617
San Diego	\$206	\$454
Charlotte	\$267	\$442
Austin	\$188	\$401
Twin Cities	\$177	\$377
Phoenix	\$168	\$372
Atlanta	\$152	\$350
Denver	\$86	\$333
Orlando	\$186	\$325
New Jersey	\$125	\$283
Boston	\$183	\$281
Seattle	\$281	\$255
Philadelphia	\$134	\$174
Tampa	\$139	\$108
Portland	\$129	\$90
Nashville	\$313	\$62
Detroit	-	-

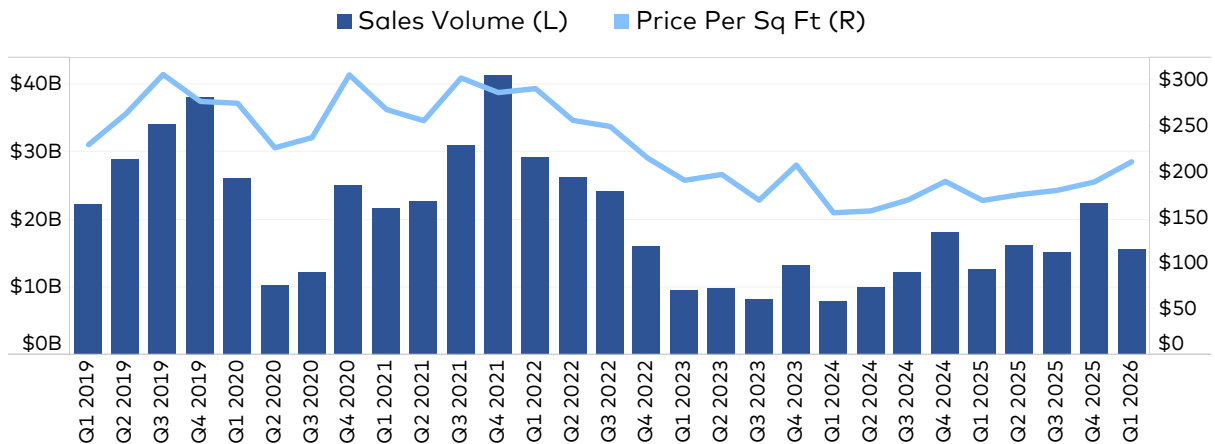
Asset Class (price PSF)



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

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

Quarterly Transactions



Source: Yardi Matrix. Data as of April 2026.

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.

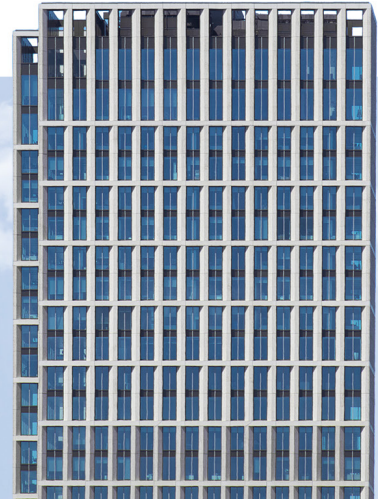
Office-Using Employment is defined by the Bureau of Labor Statistics as including the sectors Information, Financial Activities, and Professional and Business Services. Employment numbers are representative of the Metropolitan Statistical Area and do not necessarily align exactly with Yardi Matrix market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



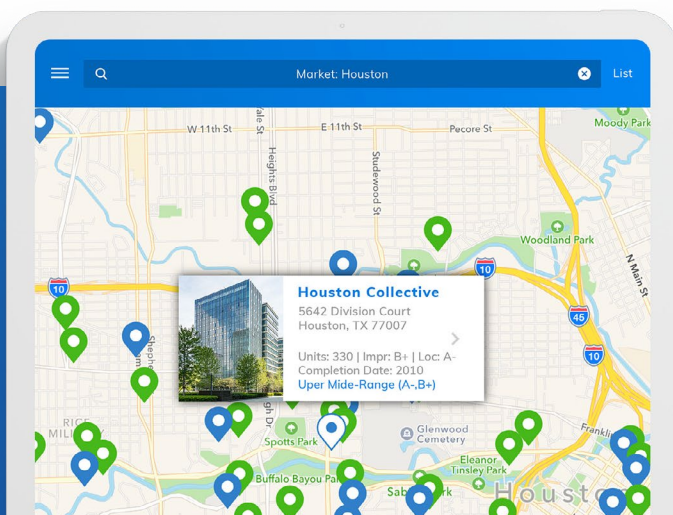
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- Active in 120 markets across the U.S. covering 81,000+ properties
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Pierce the LLC with true ownership and contact info at the asset and portfolio levels
- 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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