Yardi Matrix

Office National Report

August 2026

Medical Office Well Positioned for Growth

- Medical office space has distinguished itself as a strong segment of the office market. As demand for traditional office space remains weak and drives widespread restructuring and consolidation, the medical office sector has stayed resilient, supported by favorable long-term healthcare trends.

- Demand for medical office has been sustained by demographic trends, immunity to economic downturns and difficulties adopting remote work practices. As the country ages, healthcare services are increasingly in demand. Education and healthcare currently constitute the fastest-growing employment sector, increasing 2.4% year-over-year nationally, compared to just 0.3% for non-farm jobs and a 0.3% decrease for office-using jobs. Traditional office-using sectors are highly vulnerable to a slowing economy, while healthcare is generally protected due to its essential nature. Furthermore, healthcare services require on-site care, while other sectors have widely adopted the hybrid-work model.

- Of the nearly 500 medical office properties sold since 2024 with two sales prices available for comparison, 67% appreciated in value, compared to just 52% for general office. This was particularly true in metros with aging populations. In Tampa, 90% of these sales involved properties that appreciated in value, compared to 71% for general office. Fort Lauderdale (89% medical, 76% general) and Phoenix (89% medical, 65% general) were close behind. In October 2025, Tampa General Hospital acquired the 51,362-square-foot medical office building at 17 Davis Blvd. in Tampa from Healthcare Realty for $22 million, a 177% increase over the property's $7.9 million purchase price in 2014 (9.8% CAGR).

- Medical office properties retained more value, supporting continued development, while general office development declined. In 2025, just over 7 million square feet of medical office space were delivered, comprising just 16.8% of all completions; however, over the past few years, the supply pipeline has seen a shift toward medical office. The share of medical office starts rose from 11.0% in 2020 to 26.2% in 2025, despite comprising only 10.4% of total stock. This is driven primarily by the steep decline in general office starts following Covid. Annual general office starts fell 73.0% over the decade to 11.4 million square feet in 2025, while medical office starts fell only 9.5% to just over 6 million.

- Medical office has not faced the same challenges as the broader office market and appears well positioned for future growth as the population ages and demand for healthcare services increases.

Listing Rates and Vacancy: Dallas Vacancy Rates Sharply Decline

- The national average full-service equivalent listing rate was $33.58 per square foot in July, down nine cents from the previous month and up 2.6% year-over-year. The national vacancy rate was 17.7%, down 130 basis points from a year ago.
- Vacancy rates in Dallas fell 420 basis points over the past year to 18.7% in July. June of this year was the first time average vacancy rates were below 20% since late 2023. Robust office employment has been pushing vacancy rates down since early 2025, when average rates in the metro peaked at 24.2%. Average multifamily rents in the Dallas area were $1,562 in July, far below the national average. Affordable living and business-friendly policies have made Dallas a top destination for corporations in recent years. Companies such as KFC, Geico and Goldman Sachs are investing heavily in the metro, putting Dallas' office sector on track for a sustained recovery into the foreseeable future.

Listings by Metro

Market	Jul-26 Listing Rates	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Sq. Ft.
National	$33.58	2.6%	17.7%	-130 bps		
Los Angeles	$47.79	16.3%	14.5%	0 bps	Century City Center	$126.00
Bay Area	$56.27	9.2%	22.5%	-130 bps	525 University Avenue	$160.87
Houston	$29.45	6.9%	24.1%	330 bps	Marathon Oil Headquarters	$74.20
New Jersey	$35.78	6.5%	18.0%	-60 bps	Harborside Financial Plaza 10	$66.08
Manhattan	$71.95	5.9%	10.2%	-420 bps	413W14 & 412W15	$180.00
Miami	$60.33	5.3%	11.6%	-220 bps	1450 Brickell	$166.85
Philadelphia	$31.78	3.6%	18.4%	-50 bps	Three Logan Square	$56.07
Dallas	$32.99	3.3%	18.7%	-420 bps	McKinney & Olive	$96.81
Atlanta	$36.64	2.7%	18.6%	-130 bps	3344 Peachtree	$67.65
Denver	$30.51	2.6%	19.5%	-140 bps	Block 162	$56.88
Austin	$46.77	2.6%	24.5%	-270 bps	500 West 2nd	$84.22
Nashville	$31.88	2.2%	19.2%	-40 bps	Gulch Union	$56.62
Phoenix	$29.68	2.1%	16.9%	-60 bps	Watermark, The	$56.00
Twin Cities	$27.46	1.9%	18.0%	50 bps	International Centre	$42.39
Chicago	$28.38	1.9%	17.8%	-170 bps	333 North Green	$65.29
Boston	$47.85	1.6%	17.2%	120 bps	One Canal Park	$127.71
Portland	$28.95	0.3%	22.1%	100 bps	Fox Tower	$50.53
Seattle	$35.18	-0.1%	24.9%	-210 bps	City Center Bellevue	$86.19
Tampa	$30.16	-0.8%	14.3%	-140 bps	MetWest International—MetWest Three	$54.00
San Francisco	$63.41	-1.2%	26.0%	-30 bps	Sand Hill Collection—The Quad	$210.00
Washington DC	$40.55	-1.8%	19.4%	-20 bps	2100 L Street NW	$84.09
Detroit	$21.11	-2.8%	18.3%	-630 bps	Michigan Central Station	$40.00
San Diego	$42.94	-5.1%	23.1%	-10 bps	One La Jolla Center	$74.40
Orlando	$25.52	-8.1%	17.4%	-130 bps	CNL Center II	$54.19
Charlotte	$32.18	-9.8%	19.5%	180 bps	110 East	$55.00

Source: Yardi Matrix. Data as of July 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.

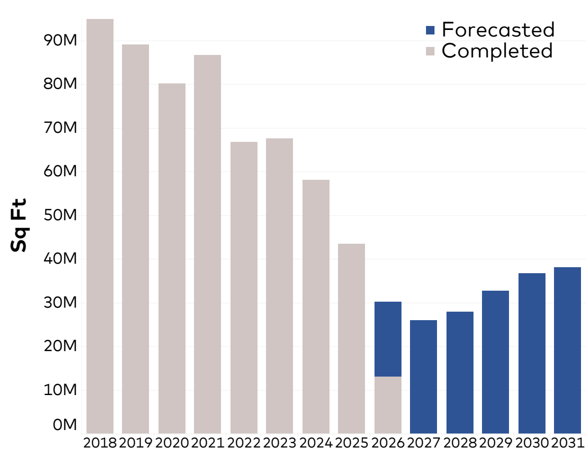
Supply:
Miami Leads in Future Supply Growth

- In all, 13.1 million square feet of office space were delivered this year through July. Another 29.5 million square feet, representing 0.4% of stock, are under construction, according to Yardi Matrix.

- The total square footage of office space currently under construction in Miami is 1.3 million, down 13.6% from a year ago. Despite this drop, the market now leads among top metros in office development as a share of existing inventory, with 1.8% of stock currently under construction and 6.0% when planned projects are included.

- Miami office employment was strong throughout the pandemic; however, this slowed in 2026, reaching 0.3% in June. Despite the slower pace of job growth, it remains above the national average, and demand for office space is strong. Miami has been one of the nation's top-performing metros. The average vacancy rate decreased by 220 basis points over the past year to 11.6%, the lowest among the top 25 metros after Manhattan. As demand increases, investor confidence will remain strong, supporting continued development activity.

National New Supply Forecast



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

Supply Pipeline (by metro)

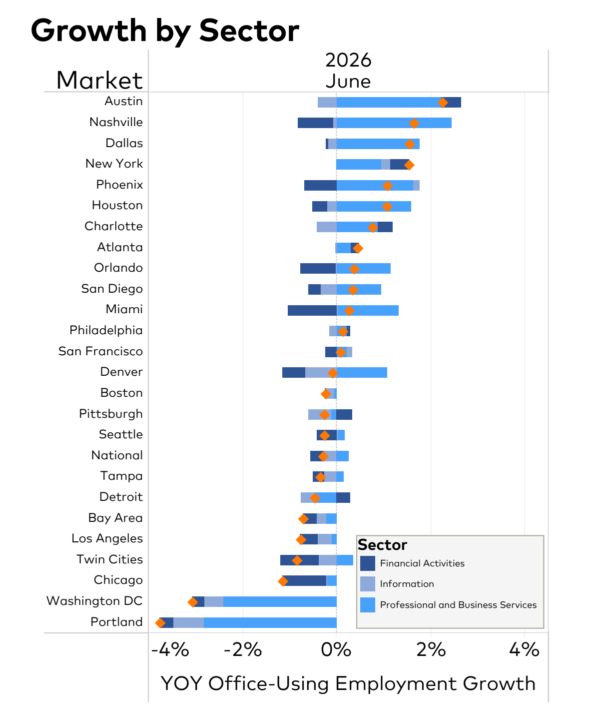
Market	Under Construction	Under Construction % Stock	Plus Planned % Stock
National	29,521,335	0.4%	1.6%
Miami	1,339,680	1.8%	6.0%
Nashville	955,995	1.6%	2.7%
Boston	3,399,257	1.3%	3.7%
San Diego	1,299,387	1.3%	1.7%
Austin	1,225,377	1.2%	2.9%
Dallas	2,820,916	1.0%	3.9%
Charlotte	590,754	0.7%	1.7%
Detroit	865,690	0.7%	0.9%
Manhattan	2,896,406	0.6%	3.2%
Denver	890,683	0.5%	0.9%
Los Angeles	1,330,164	0.5%	1.8%
New Jersey	803,875	0.4%	0.9%
Phoenix	550,456	0.4%	1.7%
San Francisco	594,544	0.4%	3.6%
Houston	823,528	0.3%	0.8%
Tampa	238,000	0.3%	1.7%
Twin Cities	317,000	0.3%	1.4%
Atlanta	380,000	0.2%	1.4%
Orlando	123,946	0.2%	1.0%
Chicago	251,930	0.1%	0.2%
Washington DC	270,000	0.1%	2.3%
Bay Area	145,000	0.1%	1.3%
Seattle	15,910	0.0%	1.0%
Portland	–	–	0.0%
Philadelphia	–	–	1.2%

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

Office-Using Jobs:
Portland Office Job Losses Mount

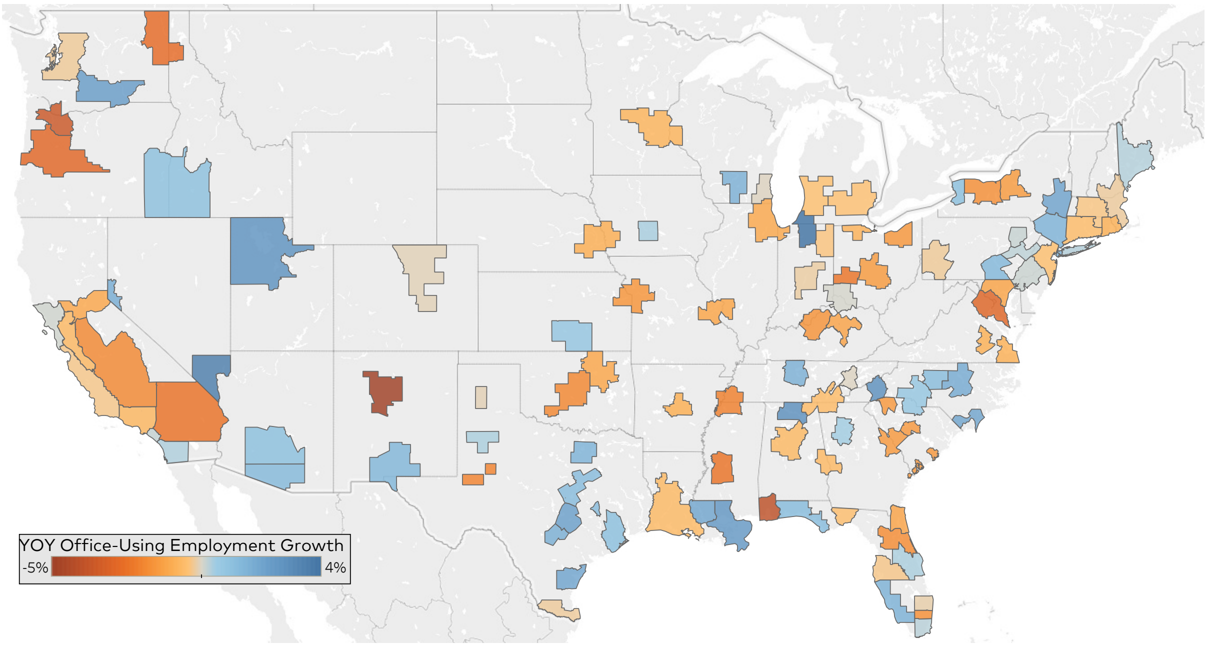
- Office-using sectors of the labor market gained a combined 15,000 jobs in July, according to the Bureau of Labor Statistics. The increase was led by the professional and business services sector, which added 18,000 jobs. The information sector gained another 11,000 jobs, while the financial activities sector lost 14,000. On a year-over-year basis, office-using sectors lost 80,000 jobs nationally, a 0.2% decrease, while total non-farm employment increased 0.2% over the same period.

- Portland office employment declined 3.8% year-over-year in June, the largest decrease among top metros. The market has been in negative territory since mid-2023, pushing average vacancy rates to the current historic high of 22.1% for July. All three office employment sectors have softened; however, the information sector took the biggest hit, falling 7.2% year-over-year. In recent years, the area has experienced an outflow of both businesses and workers amid concerns over public safety and affordability.



Sources: Bureau of Labor Statistics and Moody's Analytics

Office-Using Employment Growth



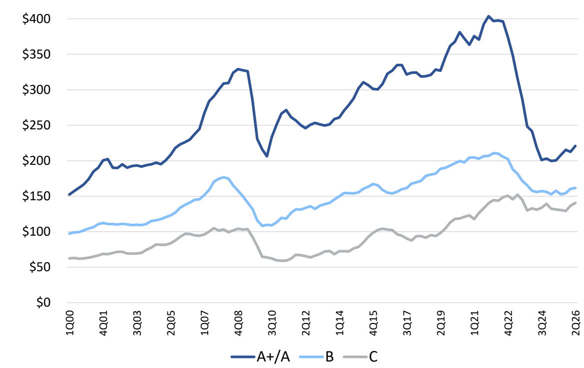
Sources: Bureau of Labor Statistics and Moody's Analytics

Transactions:
San Francisco Price Per Square Foot Rises

- Yardi Matrix has recorded 1,576 transactions so far this year, with office properties trading for $198 per square foot on average, for a total sales volume of $36.4 billion.

- Prices in San Francisco increased in 2026 to $543 per square foot after three years of historically low prices. Despite the metro's recent uptick in prices, the current price per square foot is down 49.8% from the $1,060 peak in 2020. In January, Moran Capital acquired the 40,442-square-foot office building located at 240 Stockton St. in San Francisco from Grosvenor for $44 million, a 45% discount to the property's $80 million sale in 2016.

Asset Class (price PSF)



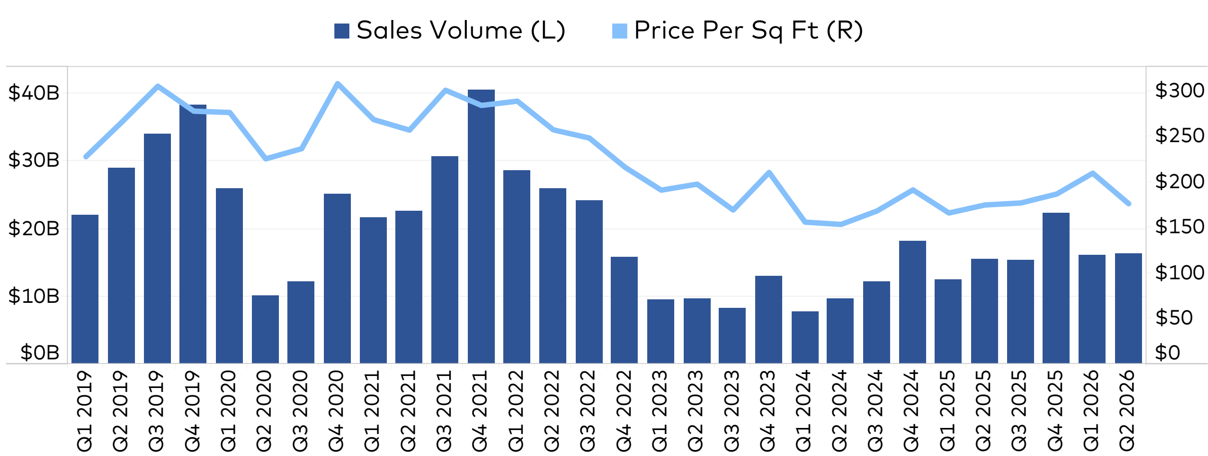
Source: Yardi Matrix; 12-month moving average.
Does not include unpublished and portfolio transactions.

Sales Activity

Market	YTD Sales Price PSF	YTD Sales Volume (Mil, as of 7/31)
National	$197.97	$36,400.54
Manhattan	$575.14	$5,168.08
Dallas	$213.65	$2,869.92
Bay Area	$328.78	$2,615.21
San Francisco	$542.94	$2,596.70
Washington DC	$164.18	$1,740.97
Houston	$158.90	$1,499.67
Austin	$352.39	$1,441.16
Los Angeles	$238.23	$1,338.30
Chicago	$89.37	$1,220.42
Miami	$415.01	$1,027.09
Atlanta	$157.54	$791.72
Phoenix	$189.29	$790.68
San Diego	$208.40	$735.54
Denver	$98.16	$697.08
Boston	$163.28	$692.50
Charlotte	$237.25	$595.24
New Jersey	$107.53	$549.47
Nashville	$465.24	$532.23
Orlando	$177.26	$454.16
Twin Cities	$65.89	$452.01
Seattle	$314.93	$418.69
Philadelphia	$110.32	$306.72
Tampa	$153.94	$188.28
Portland	$113.59	$127.79
Detroit	$42.96	$53.93

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

Quarterly Transactions



Source: Yardi Matrix. Data as of July 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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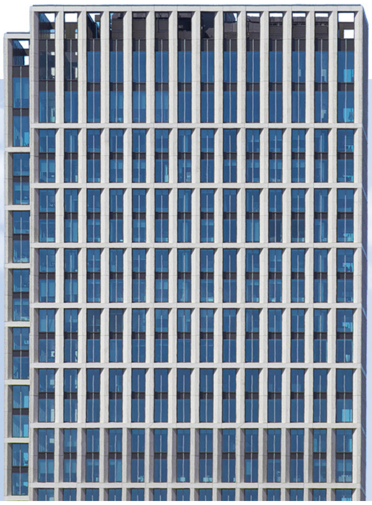
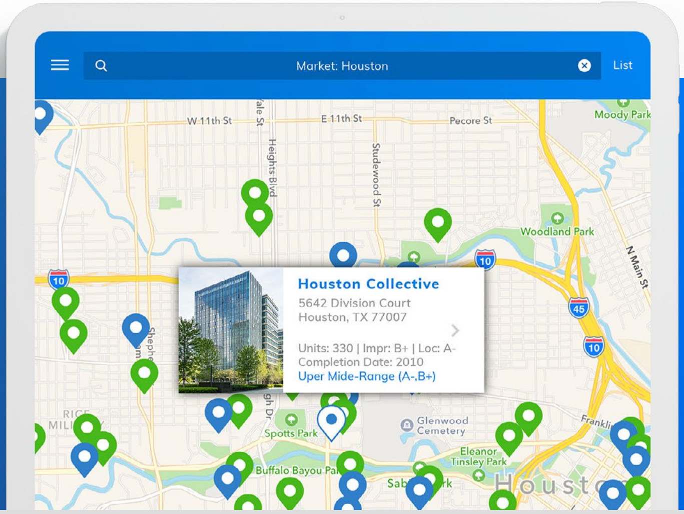


OFFICE KEY FEATURES

- 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 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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