CRESA OFFICE INDEX

As the North American office real estate sector steadies, occupiers have leverage in markets with diversified industries and strong demographic fundamentals.

By Craig Van Pelt | Fall 2026

The Cresa Office Index is a semi-annual release that examines the Top 100 North American Office markets in terms of total square footage of office inventory through the lens of being either tenant or landlord favorable.

Five Biggest Findings

Occupiers Gaining Leverage

The San Francisco and San Jose office markets have shown significant improvement since the last report from the fourth quarter of 2025. This improvement is largely due to job growth and the removal of sublease spaces. In contrast, occupiers in Phoenix and Philadelphia have gained leverage as asking rents have decreased, and the number of employed knowledge workers has declined.

Canadian Market Continues to Outperform

The office markets in Toronto, Montreal, and Vancouver have outperformed many U.S. markets. Although demand has not been significantly stronger in these Canadian cities, they have managed to avoid the issues that have weakened many major U.S. markets, such as excessive speculative construction, large-scale tech downsizing, and high levels of sublease inventory.

Recovery Is Becoming Increasingly Uneven

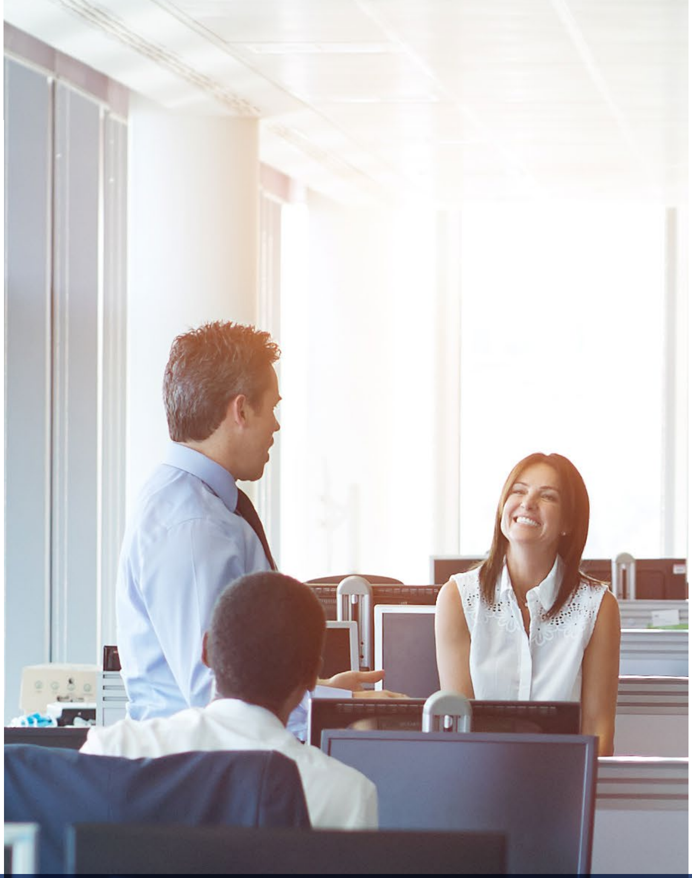
The recovery of North American offices is now influenced more by industry composition, development cycles, and the balance of supply and demand than by geography. For instance, while both Charlotte and Seattle are dynamic cities, their industry compositions play a crucial role in their recovery. Charlotte benefits from a concentration of financial services and a stronger return-to-office culture, which have supported healthy leasing fundamentals. In contrast, Seattle's technology-driven economy and greater acceptance of hybrid work have weighed on occupancy rates and tenant demand.

Recovery Depends on Existing Inventory

The construction of new office buildings has slowed to historically low levels across North America, which has reduced the future competitive supply in the market. While this slowdown has helped stabilize markets by preventing further increases in vacancy rates, areas that already have excess inventory must focus on leasing activity and office conversions, rather than new developments, to achieve a better balance.

Office Markets Are No Longer Moving in Lockstep

The office market has entered a new phase where local fundamentals matter more than national trends. Markets with balanced supply and resilient demand continue to strengthen, while others with elevated vacancy and slower leasing activity remain firmly tenant-favorable. This growing divergence reinforces the importance of evaluating each market on its own merits rather than rely on broad economic narratives.



Healthy markets aren't booming – they're balanced.

Highlights

Most Under Construction SF (12-Mo)

3.33M Boston, MA

Highest Vacancy Percentage

28.1% East Bay, CA

Highest Asking Rate Increase (Y-o-Y)

7.7% Tucson, AZ

Sources: CoStar and Cresa

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Local Fundamentals Replace Geography as the Primary Driver of Office Performance

The Cresa Office Index is a semi-annual report that analyzes the top 100 North American office markets based on total 4- and 5-star institutional-quality office inventory square footage. While effective rents and concession packages are important indicators of tenant leverage, consistent and comparable data is not readily available across all 100 markets, so the index relies on asking rents and broader supply-and-demand metrics that can be measured uniformly across North America. The Index assesses whether market conditions are favorable for tenants or landlords.

Cresa Office Index

In each market, several metrics were evaluated and ranked based on whether they were considered favorable to tenants or landlords compared to other markets of similar size. A total of 11 metrics were analyzed, and an aggregate score was calculated to determine the ranking of each market. The index scores range from 1 (most favorable to landlords) to 100 (most favorable to tenants). A detailed explanation and breakdown of the metrics and rankings for each market can be found at the end of this report. The purpose of the Cresa Office Index is to provide a snapshot of overall market conditions and to compare these conditions across different markets.

Efforts were made to normalize the components of the Cresa Office Index to facilitate better comparisons among markets of varying sizes. This included evaluating changes in market criteria as a percentage of total current inventory.

The metrics were further divided into four main categories:

1) Leasing Momentum Metrics
2) Market Rent Metrics
3) Occupancy Metrics
4) Construction Metrics

The markets were classified into three size categories:

“Large” markets (those with over 50 million square feet of inventory), “Medium” markets (those between 20 million and 50 million square feet of inventory), and “Small” markets (those with less than 20 million square feet of inventory). Finally, scores were weighted based on influence on tenants’ negotiating power.

Metrics Weighted

After comparing the markets, a weighting was applied to each category reflecting its relative influence on a tenant’s negotiating leverage.

Leasing Momentum
(Measures demand direction)

30%

Market Rent
(Measures pricing power)

20%

Occupancy
(Measures landlord competition)

35%

Construction
(Measures future competitive supply)

15%

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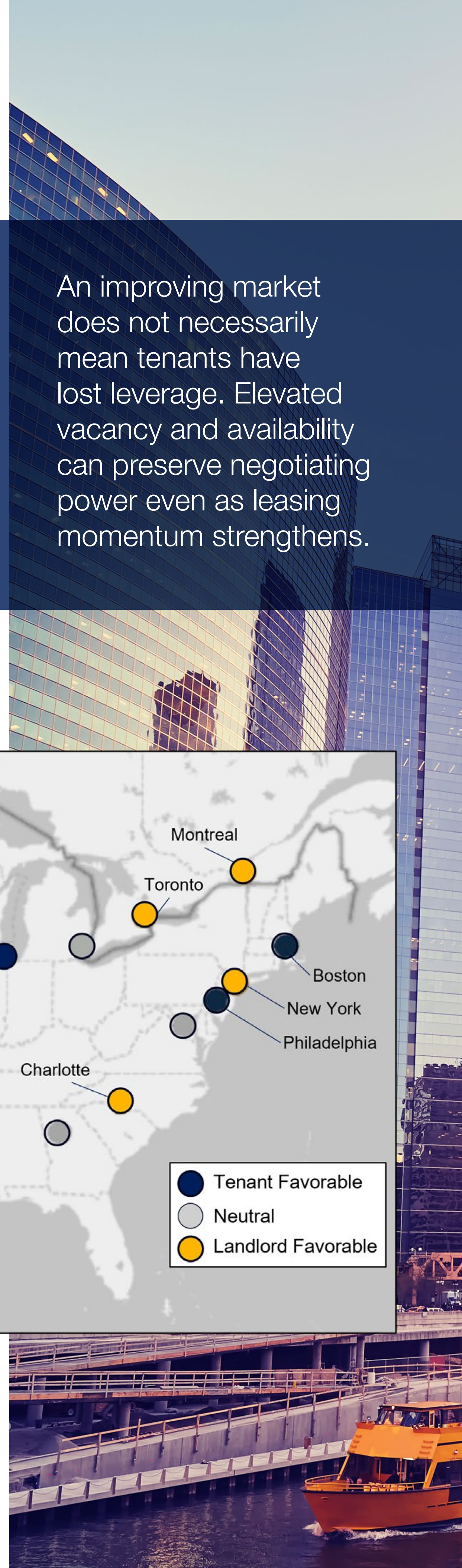
Large Markets

Over 50M SF of Inventory

Large Market Trends

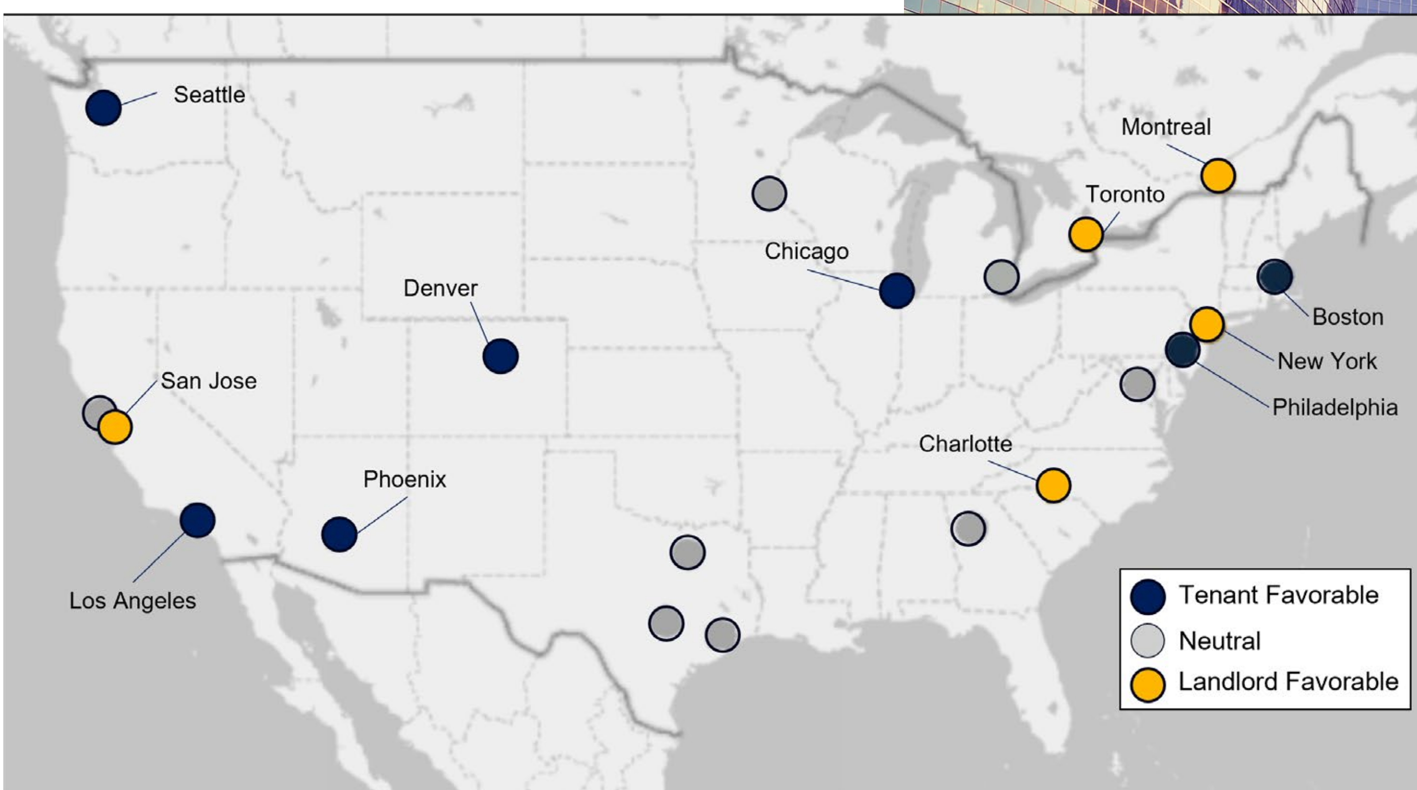
In the post-pandemic era, office markets have not performed uniformly. Their performance has varied significantly due to structural, economic, and behavioral factors. Large markets that have rebounded effectively are typically diverse in terms of industry, especially those sectors that value in-person collaboration, such as finance, legal services, and insurance.

On the other hand, major West Coast markets like Los Angeles and Seattle are currently more favorable to tenants. These tech-heavy markets, which have suffered job losses and are more conducive to remote work, continue to lag other areas. In contrast, Montreal, which has not seen high levels of new development and has maintained consistent demand, is classified as the most landlord-friendly. New York has recently shown solid improvement, while Charlotte and San Jose are also rated as more landlord-favorable.



An improving market does not necessarily mean tenants have lost leverage. Elevated vacancy and availability can preserve negotiating power even as leasing momentum strengthens.

LARGE MARKET FAVORABILITY MAP



Large Markets

Over 50M SF of Inventory

20 Markets

Representing **2.47 B Sq. Ft.** of 4- and 5-Star Inventory

What Changed

Large office markets have become increasingly polarized. Strong leasing activity has led to improvements in markets like New York and San Francisco. Meanwhile, higher vacancy rates and softer pricing are giving tenants more leverage in markets such as Denver, Seattle, and Los Angeles.

Why It Changed

Industry composition and supply-demand balance are distinguishing successful markets from struggling ones. Markets with strong financial and legal services and high office attendance have performed better, while many tech-heavy markets are still facing higher vacancy rates and excess space.

Occupier Takeaway

Large-market office conditions are not generalized by geography or market size. Occupiers should evaluate leverage market by market, recognizing that even as leasing activity improves, elevated availability can preserve favorable negotiating conditions well into a market's recovery.

Visit cresa.com for more information.

Key Drivers of Performance

Relative influence on tenant leverage

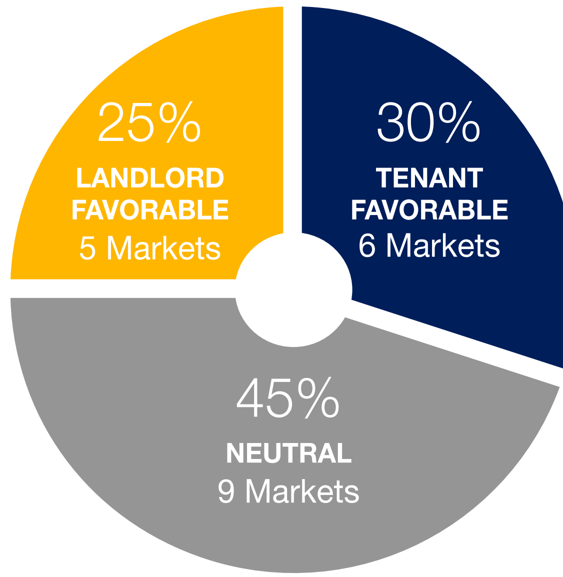
High Influence	Industry Mix & Demand Diversity
High Influence	Vacancy & Availability
Medium Influence	New Construction Pipeline
Medium Influence	Rent Growth

Market Polarization

By Cresa Office Index

Biggest Improver
San Jose, CA
+9 spots
Rank Change (Past 2 Qtrs)

Biggest Decliner
Phoenix, AZ
-7 spots
Rank Change (Past 2 Qtrs)



Top & Bottom Tenant Favorable Markets by Categories

Scores reflect performance relative to other large markets
(1=Best for landlords, 100=Best for tenants)

Leasing Momentum

(30% Weight)

Most Tenant Favorable

Market	Index
Chicago, IL	85.0
Minneapolis, MN	82.5
Los Angeles, CA	81.3

Least Tenant Favorable

Market	Index
Austin, TX	15.0
Toronto, CAN	22.5
Charlotte, NC	22.5

Market Rent

(20% Weight)

Most Tenant Favorable

Market	Index
Denver, CO	85.0
Los Angeles, CA	85.0
Boston, MA	85.0

Least Tenant Favorable

Market	Index
Charlotte, NC	10.0
New York, NY	12.5
San Jose, CA	15.0

Occupancy

(35% Weight)

Most Tenant Favorable

Market	Index
Denver, CO	96.7
Seattle, WA	85.0
Phoenix, AZ	83.3
Los Angeles, CA	83.3

Least Tenant Favorable

Market	Index
Montreal, CAN	8.3
Toronto, CAN	10.0
Detroit, MI	20.0

Construction

(15% Weight)

Most Tenant Favorable

Market	Index
Detroit, MI	97.5
Boston, MA	95.0
San Jose, CA	85.0

Least Tenant Favorable

Market	Index
Chicago, IL	15.0
Washington, DC	15.0
Atlanta, GA	22.5

Source: CoStar, Cresa; Cresa Office Index

Large Markets

Over 50M SF of Inventory

The list below highlights the favorability of tenants or landlords within large office markets. Out of the top 100 largest office markets in North America, 20 are categorized as “large” because they contain more than 50 million square feet of total inventory. Scores of the Cresa Office Index (far-right column) above 60 are considered more tenant-favorable, while scores below 40 are more landlord-favorable. Markets with a score between 40 and 60 may be regarded as neutral.

Favorable
Tenant ↔ Landlord

								Weighted Metrics				
								30%	20%	35%	15%	
	Tenant Favorability Rank Q2 2026	Rank Change from Q4 2025	Office Market Leverage Change From Q4 2025 to Q2 2026	Market	State	Asking Lease Rates ($/SF/Yr)	Inventory SF	Leasing Momentum Index	Market Rent Index	Occupancy Index	Construction Index	Cresa Office Index
Tenant Favorable	1	(-4)	Weakened	Denver	CO	$36.95	64.7 M	63.8	85.0	96.7	47.5	77.1
	2	0	Unchanged	Seattle	WA	$42.67	87.6 M	71.3	75.0	85.0	70.0	76.6
	3	+2	Strengthened	Los Angeles	CA	$47.76	145.8 M	81.3	85.0	83.3	37.5	76.2
	4	+0	Strengthened	Boston	MA	$59.38	147.3 M	67.5	85.0	68.3	95.0	75.4
	5	(-1)	Weakened	Chicago	IL	$38.38	155.2 M	85.0	57.5	73.3	15.0	64.9
	6	(-7)	Weakened	Phoenix	AZ	$36.12	68.3 M	46.3	75.0	83.3	30.0	62.5
Neutral	7	(-5)	Weakened	Philadelphia	PA	$34.18	100.2 M	68.8	72.5	40.0	70.0	59.6
	8	+1	Strengthened	Detroit	MI	$24.30	52.8 M	71.3	77.5	20.0	97.5	58.5
	9	0	Unchanged	Washington, DC		$47.92	246.8 M	72.5	70.0	45.0	15.0	53.8
	10	+7	Strengthened	San Francisco	CA	$64.95	91.6 M	37.5	20.0	80.0	52.5	51.1
	11	+1	Strengthened	Austin	TX	$51.27	53.0 M	15.0	65.0	58.3	82.5	50.3
	12	(-3)	Weakened	Houston	TX	$37.01	147.2 M	41.3	55.0	58.3	40.0	49.8
	13	(-1)	Weakened	Minneapolis	MN	$30.46	69.6 M	82.5	37.5	30.0	40.0	48.8
	14	+4	Strengthened	Atlanta	GA	$38.75	132.8 M	45.0	32.5	68.3	22.5	47.3
	15	(-2)	Weakened	Dallas	TX	$39.87	183.6 M	32.5	27.5	51.7	60.0	42.3
Landlord Favorable	16	+9	Strengthened	San Jose	CA	$67.60	58.7 M	30.0	15.0	33.3	85.0	36.4
	17	+2	Strengthened	New York	NY	$81.29	431.9 M	47.5	12.5	26.7	67.5	36.2
	18	(-2)	Weakened	Montréal	CAN	$25.10	50.0 M	46.3	50.0	8.3	37.5	32.4
	19	+2	Strengthened	Toronto	CAN	$35.64	125.6 M	22.5	42.5	10.0	60.0	27.8
	20	+1	Strengthened	Charlotte	NC	$44.02	54.1 M	22.5	10.0	30.0	25.0	23.0

Note: The Cresa Office Index ranges from 1 to 100 (far-right column), with a lower score indicating more landlord-favorable conditions and a higher score indicating more tenant-favorable conditions. A total of 20 large markets, each with more than 50 million square feet of inventory, are included among the top 100 North American office markets. The Index evaluates 11 metrics organized into four categories: 1) Leasing Momentum; 2) Market Rent; 3) Occupancy; and 4) Construction. Each category is weighted according to its relative influence on a tenant’s negotiating leverage. To help visualize market favorability, category scores are color-coded to indicate whether conditions are more favorable to tenants or landlords. The Cresa Office Index is calculated by applying the respective weight to each of the four category scores and combining the results to produce an overall score on a 100-point scale. See Notes at the end of the report for a detailed explanation of the 11 metrics and Index methodology.

Source: CoStar, Cresa

The Cresa Office Index evaluates various metrics to provide insights into the leverage available to both tenants and landlords. Markets that receive a tenant-favorable index score above 60 may typically indicate a combination of slow demographic growth, lower rent increases, low occupancy levels, and active construction. These conditions give tenants more options and enhance their ability to negotiate favorable lease terms. In contrast, markets marked by rapid population growth, higher rent increases, limited available space, and decreased construction activity create a landlord-favorable environment. This scenario is reflected by scores below 40, which limit tenants' choices.

HIGHLIGHTS

TENANT-FAVORABLE

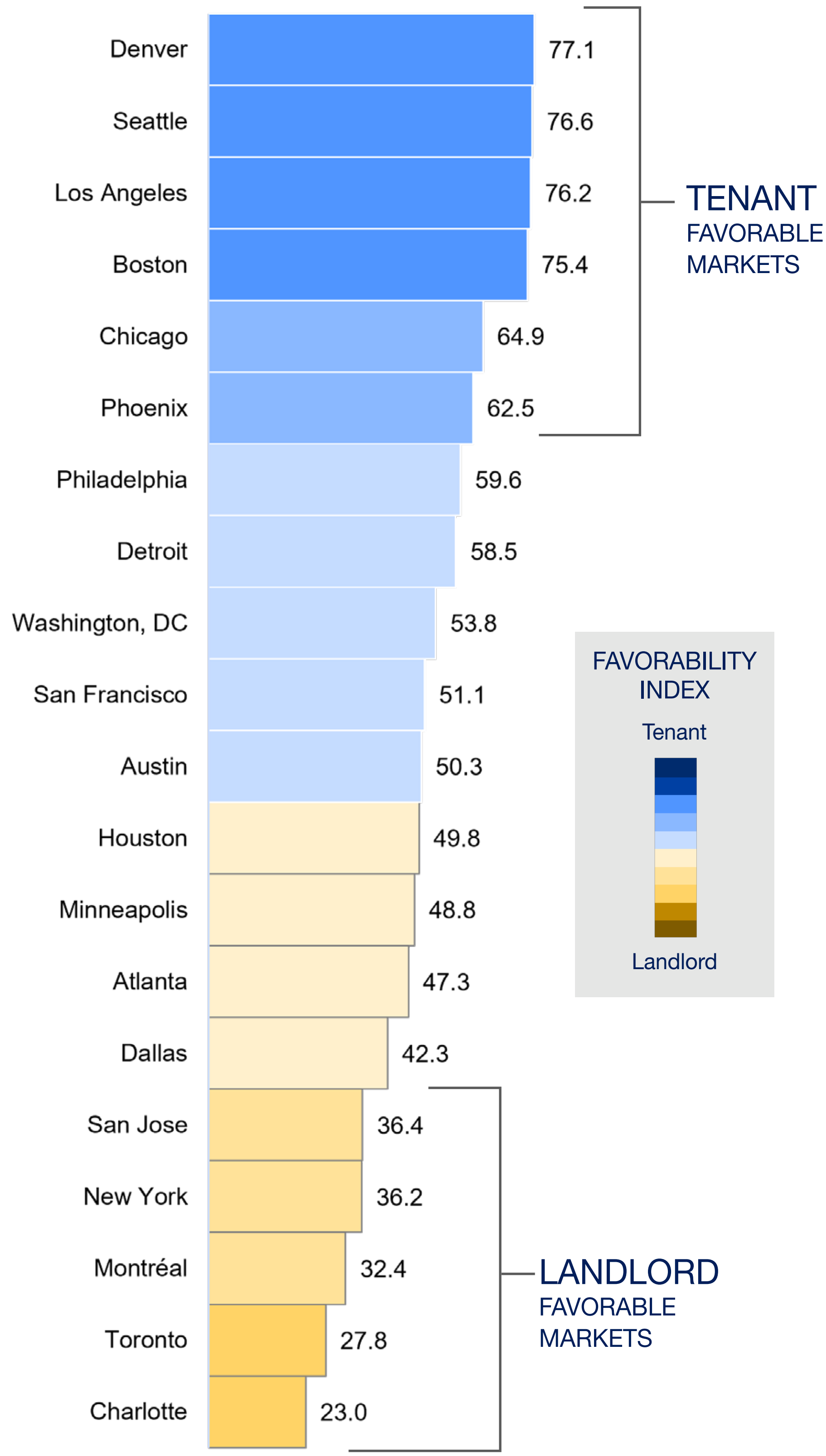
Denver, CO
Seattle, WA
Los Angeles, CA
Boston, MA
Chicago, IL
Phoenix, AZ

LANDLORD-FAVORABLE

Charlotte, NC
Toronto, CAN
Montreal, CAN
New York, NY
San Jose, CA

Large Markets (Over 50M SF of Inventory)

Tenant Favorability by Market



Source: CoStar, Cresa

Medium Markets

Between 20M & 50M SF of Inventory

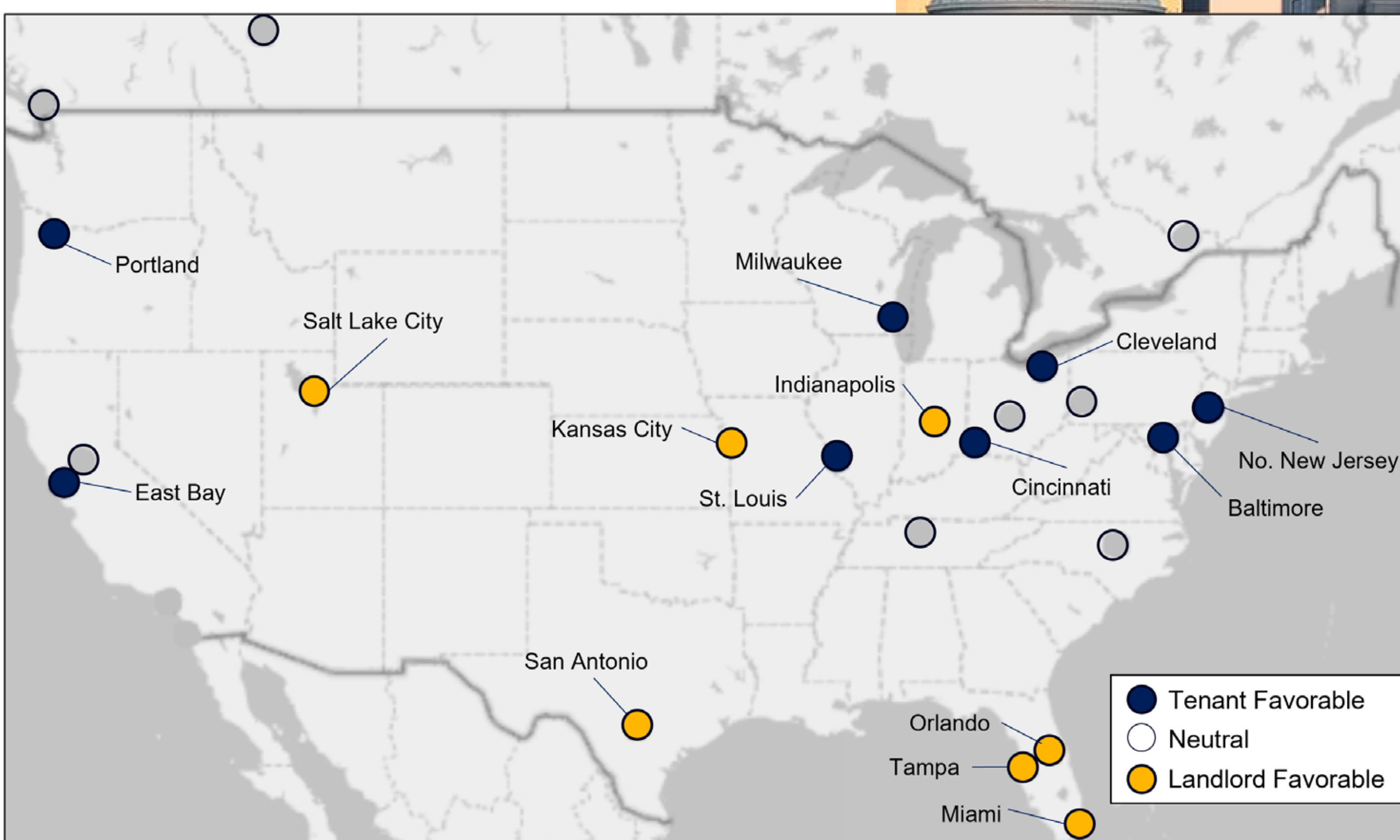
Medium Market Trends

The health of mid-sized office markets in North America is characterized by significant structural differences rather than a uniform cyclical trend. While some secondary hubs are driving the national recovery, others are experiencing high vacancy rates due to an oversupply of outdated buildings and a lack of economic diversification.

Flat or declining office-occupying jobs have hindered recovery in select markets, particularly those with a heavy reliance on narrow industry types. Entrenched remote work cultures within markets with higher concentrations of industries that remain flexible, such as certain tech clusters, have struggled with physical office occupancy compared to markets with more aggressive return-to-office mandates. Larger construction pipelines in high-growth cities like Nashville and Vancouver have created an opportunity for tenants to negotiate more favorable terms.

> Some of the fastest-growing medium markets still provide occupiers with meaningful leverage when new supply and existing availability outpace demand.

MEDIUM MARKET FAVORABILITY MAP



Medium Markets

Between 20M & 50M SF of Inventory

25 Markets

Representing **789.8M Sq. Ft.** of 4- and 5-Star Inventory

What Changed

Performance became increasingly polarized, with several Sun Belt markets maintaining strong fundamentals, while markets such as the East Bay, Portland, and Baltimore continue to offer significant tenant leverage.

Why It Changed

Population and employment growth supported demand in many faster-growing markets, while elevated vacancy, slower leasing, and excess supply continue to weigh on others. Limited construction is reinforcing landlord leverage in markets with balanced supply and demand.

Occupier Takeaway

Medium markets offer some of the sharpest contrasts in negotiating leverage. Occupiers should look beyond regional growth stories. Strong economic growth does not necessarily mean limited tenant leverage when existing availability or recent development has created ample options.

Visit cresa.com for more information.

Key Drivers of Performance

Relative influence on tenant leverage

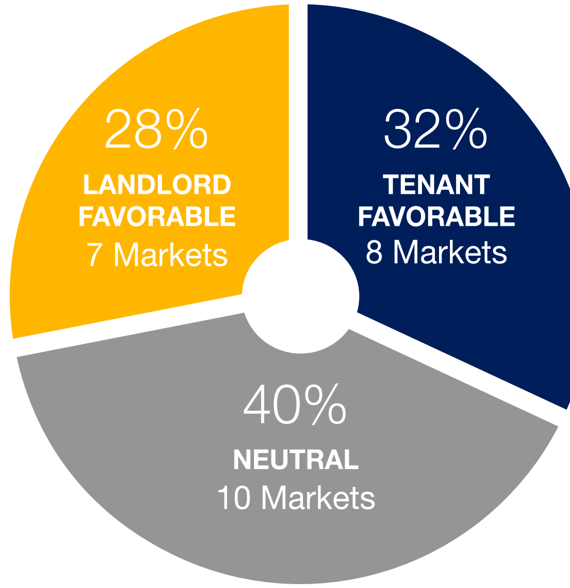
High Influence	Industry Mix & Demand Diversity
High Influence	Vacancy & Availability
Medium Influence	New Construction Pipeline
Medium Influence	Rent Growth

Market Polarization

By Cresa Office Index

Biggest Improvers
San Diego, CA
Orlando, FL
+8 spots
Rank Change (Past 2 Qtrs)

Biggest Decliners
St. Louis, MO
Calgary, CAN
-7 spots
Rank Change (Past 2 Qtrs)



Top & Bottom Tenant Favorable Markets by Categories

Scores reflect performance relative to other large markets
(1=Best for landlords, 100=Best for tenants)

Leasing Momentum
(30% Weight)

Most Tenant Favorable

Market	Index
East Bay, CA	90.0
Milwaukee, WI	89.0
St. Louis, MO	81.0

Least Tenant Favorable

Market	Index
Raleigh, NC	15.0
Orlando, FL	16.0
Nashville, TN	25.0

Market Rent
(20% Weight)

Most Tenant Favorable

Market	Index
St. Louis, MO	98.0
Sacramento, CA	88.0
Portland, OR	88.0

Least Tenant Favorable

Market	Index
Salt Lake City, UT	8.0
Indianapolis, IN	8.0
Orange Co., CA	18.0
Orlando, FL	18.0

Occupancy
(35% Weight)

Most Tenant Favorable

Market	Index
East Bay, CA	100.0
No. New Jersey	93.3
Raleigh, NC	81.3

Least Tenant Favorable

Market	Index
Kansas City, MO	12.0
Vancouver, CAN	17.3
San Antonio, TX	22.7

Construction
(15% Weight)

Most Tenant Favorable

Market	Index
Indianapolis, IN	90.0
Nashville, TN	90.0
Cleveland, OH	86.0
Vancouver, CAN	86.0

Least Tenant Favorable

Market	Index
Calgary, CAN	14.0
Columbus, OH	20.0
Portland, OR	26.0

Source: CoStar, Cresa; Cresa Office Index

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Medium Markets

Between 20M & 50M SF of Inventory

Tenant-Favorable Markets: The list below highlights markets that are more favorable to tenants within medium-sized markets. Out of the top 100 largest office markets in North America, 25 are categorized as “medium” because they contain between 20 million and 50 million square feet of total inventory. Markets with a score between 40 and 60 may be regarded as neutral.

Favorable
Tenant ↔ Landlord

								Weighted Metrics				
								30%	20%	35%	15%	
	Tenant Favorability Rank Q4 2025 to Q2 2026	Rank Change from Q4 2025	Office Market Leverage Change From Q4 2025 to Q2 2026	Market	State	Asking Lease Rates ($/SF/Yr)	Inventory SF	Leasing Momentum Index	Market Rent Index	Occupancy Index	Construction Index	Cresa Office Index
Tenant Favorable	1	0	Unchanged	East Bay	CA	$46.80	27.90 M	90.0	42.0	100.0	60.0	79.4
	2	(-3)	Weakened	Portland	OR	$37.43	28.13 M	71.0	88.0	80.0	26.0	70.8
	3	(-1)	Weakened	Baltimore	MD	$27.72	37.76 M	74.0	82.0	76.0	32.0	70.0
	4	(-2)	Weakened	No. New Jersey	NJ	$38.02	36.87 M	71.0	56.0	93.3	30.0	69.7
	5	+2	Strengthened	Milwaukee	WI	$26.75	19.26 M	89.0	52.0	77.3	30.0	68.7
	6	(-7)	Weakened	St. Louis	MO	$28.66	30.66 M	81.0	98.0	32.0	56.0	63.5
	7	(-4)	Weakened	Cleveland	OH	$25.41	25.43 M	64.0	74.0	45.3	86.0	62.8
	8	(-1)	Weakened	Cincinnati	OH	$22.42	24.20 M	63.0	78.0	50.7	66.0	62.1
Neutral	9	+2	Strengthened	Pittsburgh	PA	$32.41	44.12 M	64.0	66.0	48.0	50.0	56.7
	10	+8	Strengthened	San Diego	CA	$48.35	39.38 M	52.0	44.0	65.3	56.0	55.7
	11	(-7)	Weakened	Calgary	CAN	$25.82	48.40 M	37.0	68.0	70.7	14.0	51.5
	12	+2	Strengthened	Sacramento	CA	$34.85	21.75 M	68.0	88.0	24.0	34.0	51.5
	13	(-4)	Weakened	Ottawa-Gatineau	CAN	$26.65	24.06 M	61.0	86.0	24.0	50.0	51.4
	14	+2	Strengthened	Nashville	TN	$39.90	33.51 M	25.0	48.0	58.7	90.0	51.1
	15	+7	Strengthened	Orange County	CA	$40.13	49.30 M	47.0	18.0	69.3	42.0	48.3
	16	+2	Strengthened	Raleigh	NC	$38.47	26.01 M	15.0	20.0	81.3	62.0	46.3
	17	+1	Strengthened	Columbus	OH	$23.09	33.80 M	47.0	42.0	50.7	20.0	43.2
	18	0	Unchanged	Vancouver	CAN	$39.46	42.78 M	34.0	62.0	17.3	86.0	41.6
	19	(-5)	Weakened	Miami	FL	$74.01	41.70 M	43.0	26.0	29.3	70.0	38.9
	20	(-3)	Weakened	Kansas City	MO	$28.48	29.36 M	51.0	50.0	12.0	60.0	38.5
Landlord Favorable	21	(-1)	Weakened	San Antonio	TX	$34.40	24.33 M	34.0	52.0	22.7	64.0	38.1
	22	(-3)	Weakened	Tampa	FL	$40.54	31.21 M	41.0	26.0	45.3	28.0	37.6
	23	+8	Strengthened	Orlando	FL	$34.15	26.45 M	16.0	18.0	60.0	50.0	36.9
	24	+6	Strengthened	Indianapolis	IN	$27.34	20.85 M	34.0	8.0	26.7	90.0	34.6
	25	+4	Strengthened	Salt Lake City	UT	$32.63	22.56 M	28.0	8.0	40.0	42.0	30.3

Note: The Cresa Office Index ranges from 1 to 100 (far-right column), with a lower score indicating more landlord-favorable conditions and a higher score indicating more tenant-favorable conditions. A total of 25 medium markets, each with between approximately 20 million square feet and 50 million square feet of inventory, are included among the top 100 North American office markets. The Index evaluates 11 metrics organized into four categories: 1) Leasing Momentum; 2) Market Rent; 3) Occupancy; and 4) Construction. Each category is weighted according to its relative influence on a tenant’s negotiating leverage. To help visualize market favorability, category scores are color-coded to indicate whether conditions are more favorable to tenants or landlords. The Cresa Office Index is calculated by applying the respective weight to each of the four category scores and combining the results to produce an overall score on a 100-point scale. See Notes at the end of the report for a detailed explanation of the 11 metrics and Index methodology.

Source: CoStar, Cresa

Medium Markets (Between 20M & 50M SF of Inventory)

Tenant Favorability by Market

The Cresa Office Index evaluates various metrics to provide insights into the leverage available to both tenants and landlords. Markets that receive a tenant-favorable index score above 60 may typically indicate a combination of slow demographic growth, lower rent increases, low occupancy levels, and active construction. These conditions give tenants more options and enhance their ability to negotiate favorable lease terms. In contrast, markets marked by rapid population growth, higher rent increases, limited available space, and decreased construction activity create a landlord-favorable environment. This scenario is reflected by scores below 40, which limit tenants' choices.

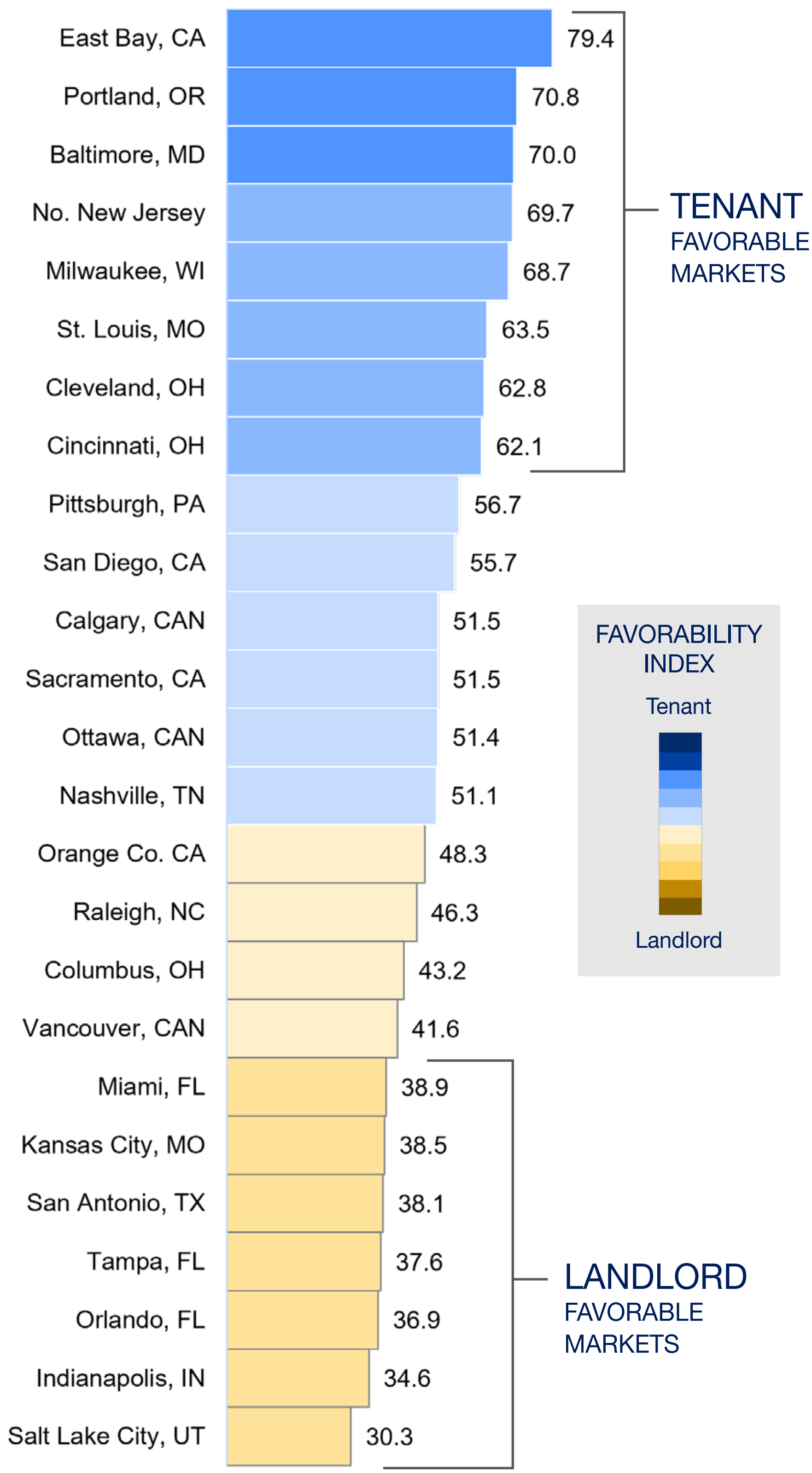
HIGHLIGHTS

TENANT-FAVORABLE

East Bay, CA
Portland, OR
Baltimore, MD
Northern New Jersey, NJ
Milwaukee, WI
St. Louis, MO
Cleveland, OH
Cincinnati, OH

LANDLORD-FAVORABLE

Salt Lake City, UT
Indianapolis, IN
Orlando, FL
Tampa, FL
San Antonio, TX
Kansas City, MO
Miami, FL



Source: CoStar, Cresa

Visit cresa.com for more information.

Small Markets

Less than 20M SF of Inventory

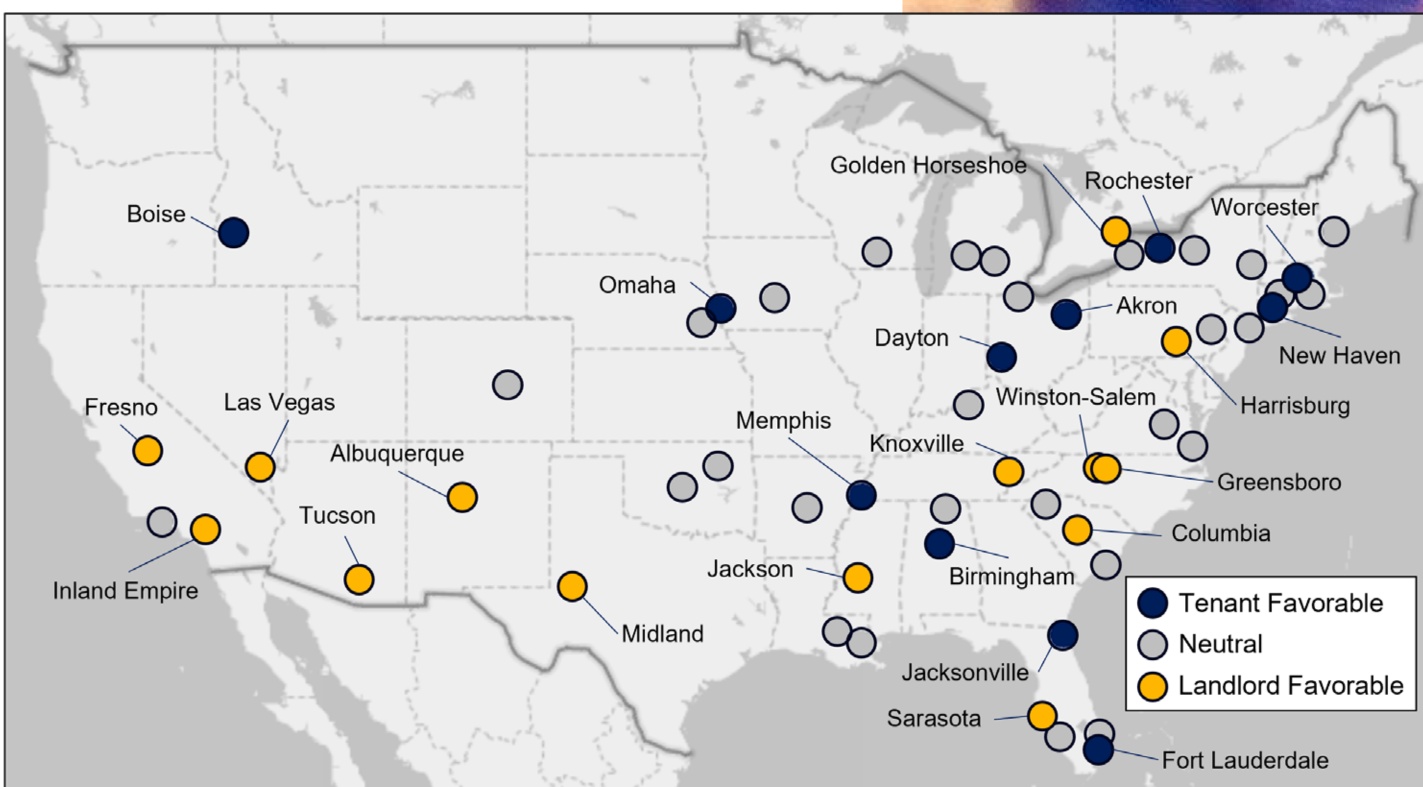
Small Market Trends

Small to mid-sized professional firms are the main contributors to leasing activity in small office markets. The lower rents and cost of doing business make these small markets appealing to regional firms, startups, and smaller professional services that are not based in major cities. Additionally, smaller metropolitan areas with strong population growth tend to maintain steady office demand, even if remote or hybrid work reduces the overall need for office space. Still, all office markets have not responded in the same way.

Speculative office projects are less common in smaller markets compared to larger ones, which helps to curb demand. Recently, a few smaller markets, such as Boise, Idaho; Huntsville, Alabama; and Palm Beach, Florida, have seen significant construction projects, leading to higher vacancy rates. In contrast, other markets like Columbia, South Carolina, and Knoxville, Tennessee, have limited new construction and healthy occupancy levels, making them more favorable for landlords.

In smaller office markets, a handful of major leases or new developments can quickly reshape vacancy and tenant leverage, making current market conditions especially important to occupier decisions.

SMALL MARKET FAVORABILITY MAP



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Small Markets
Less than 20M SF of Inventory

55 Markets

Representing **388.5M Sq. Ft.** of 4- and 5-Star Inventory

What Changed

Small office markets are showing broader signs of stabilization: 30 of the 55 markets reduced vacancy, while 35 recorded positive net absorption totaling 7.84 M square feet over the past year. This marks a notable but uneven recovery across markets.

Why It Changed

Steadier leasing demand and limited new construction are helping many smaller markets gradually rebalance. However, because these markets have relatively small inventories, a handful of major leases or new developments can quickly alter vacancy, absorption, and negotiating conditions.

Occupier Takeaway

Small-market-averages can be deceptive. Occupiers should focus closely on current availability and upcoming supply, as negotiating leverage can shift much more quickly following a major lease, delivery, or removal of space than it does in larger markets.

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Key Drivers of Performance
Relative influence on tenant leverage

Influence	Driver
High Influence	Industry Mix & Demand Diversity
High Influence	Vacancy & Availability
Medium Influence	New Construction Pipeline
Medium Influence	Rent Growth

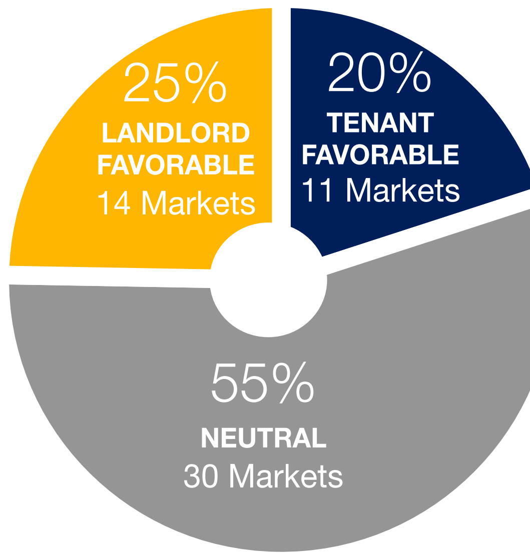
Market Polarization
By Cresa Office Index

Biggest Improver

Greater Golden Horseshoe, CAN
+30 spots
Rank Change (Past 2 Qtrs)

Biggest Decliner

Fort Myers, FL
-36 spots
Rank Change (Past 2 Qtrs)



Top & Bottom Tenant Favorable Markets by Categories
Scores reflect performance relative to other large markets
(1=Best for landlords, 100=Best for tenants)

Leasing Momentum
(30% Weight)

Most Tenant Favorable

Market	Index
Toledo, OH	82.7
Lincoln, NE	78.6
Dayton, OH	75.9

Least Tenant Favorable

Market	Index
Las Vegas, NV	14.1
Edmonton, CAN	17.7
Huntsville, AL	19.1

Market Rent
(20% Weight)

Most Tenant Favorable

Market	Index
Memphis, TN	99.1
Louisville, KY	90.0
Long Island, NY	80.9

Least Tenant Favorable

Market	Index
Tucson, AZ	1.8
Sarasota, FL	3.6
Palm Beach, FL	7.3

Occupancy
(35% Weight)

Most Tenant Favorable

Market	Index
Akron, OH	95.2
Fort Lauderdale, FL	93.3
Rochester, NY	85.5
Worcester, MA	85.5

Least Tenant Favorable

Market	Index
Knoxville, TN	4.8
Inland Empire, CA	5.5
Harrisburg, PA	12.1

Construction
(15% Weight)

Most Tenant Favorable

Market	Index
Las Vegas, NV	89.1
Huntsville, AL	89.1
Omaha, NE	85.5

Least Tenant Favorable

Market	Index
Harrisburg, PA	1.8
10 markets tied	4.5

Source: CoStar, Cresa; Cresa Office Index

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Small Markets

Less than 20M SF of Inventory

Tenant-Favorable Markets: The list below highlights markets that are more tenant-favorable within smaller-sized markets. Out of the top 100 largest office markets in North America, 55 are categorized as “small” because they contain less than 20 million square feet of total inventory. Of these, 11 are considered more tenant-favorable. Markets with a score between 40 and 60 may be regarded as neutral.

Favorable
Tenant ↔ Landlord

								Weighted Metrics				
								30%	20%	35%	15%	
	Tenant Favorability Rank Q4 2025 to Q2 2026	Rank Change from Q4 2025	Office Market Leverage Change From Q4 2025 to Q2 2026	Market	State	Asking Lease Rates ($/SF/Yr)	Inventory SF	Leasing Momentum Index	Market Rent Index	Occupancy Index	Construction Index	Cresa Office Index
Tenant Favorable	1	(-19)	Weakened	Dayton	OH	$23.48	4.11 M	75.9	69.1	79.4	47.3	71.5
	2	0	Unchanged	Memphis	TN	$25.65	9.45 M	68.2	99.1	75.8	29.1	71.2
	3	(-3)	Weakened	Worcester	MA	$24.45	3.28 M	67.7	64.5	85.5	49.1	70.5
	4	+1	Strengthened	Akron	OH	$22.34	4.91 M	68.2	63.6	95.2	20.9	69.6
	5	(-16)	Weakened	Jacksonville	FL	$28.04	18.63 M	49.5	68.2	83.6	65.5	67.6
	6	(-8)	Weakened	Boise	ID	$29.63	4.76 M	44.1	70.0	78.2	82.7	67.0
	7	(-1)	Weakened	Rochester	NY	$24.47	6.29 M	61.8	53.6	85.5	40.0	65.2
	8	+3	Strengthened	Birmingham	AL	$28.57	10.79 M	45.9	68.2	77.6	62.7	64.0
	9	(-7)	Weakened	Fort Lauderdale	FL	$45.05	18.09 M	59.1	24.5	93.3	43.6	61.8
	10	(-2)	Weakened	Omaha	NE	$30.36	12.36 M	49.5	78.2	49.1	85.5	60.5
	11	+4	Strengthened	New Haven	CT	$29.24	4.28 M	69.5	42.7	66.7	50.0	60.2
Neutral	12	+11	Strengthened	New Orleans	LA	$22.16	10.58 M	68.6	48.2	70.3	30.9	59.5
	13	0	Unchanged	Ventura	CA	$35.91	3.23 M	58.2	52.7	76.4	30.0	59.2
	14	+10	Strengthened	Oklahoma City	OK	$25.16	11.09 M	50.0	62.7	58.8	70.0	58.6
	15	(-3)	Weakened	Hartford	CT	$24.40	15.38 M	66.4	56.4	76.4	4.5	58.6
	16	(-36)	Weakened	Fort Myers	FL	$32.38	2.59 M	40.5	73.6	56.4	78.2	58.3
	17	(-24)	Weakened	Tulsa	OK	$21.80	13.94 M	51.8	50.0	67.3	55.5	57.4
	18	(-12)	Weakened	Providence	RI	$35.33	7.15 M	60.0	78.2	47.9	46.4	57.3
	19	+4	Strengthened	Baton Rouge	LA	$26.72	3.22 M	55.9	30.9	83.0	31.8	56.8
	20	(-21)	Weakened	Long Island	NY	$36.11	16.36 M	39.1	80.9	60.0	50.0	56.4
	21	(-2)	Weakened	Louisville	KY	$25.36	7.92 M	45.0	90.0	62.4	4.5	54.0
	22	(-22)	Weakened	Norfolk	VA	$28.36	8.68 M	71.8	68.2	42.4	23.6	53.6
	23	(-9)	Weakened	Colorado Springs	CO	$28.25	3.28 M	53.6	65.5	64.2	4.5	52.3
	24	+15	Strengthened	Richmond	VA	$25.35	15.71 M	33.2	59.1	51.5	82.7	52.2
	25	(-3)	Weakened	Albany	NY	$25.37	6.83 M	57.3	60.0	32.1	75.5	51.7
	26	+16	Strengthened	Edmonton	CAN	$26.03	12.09 M	17.7	65.5	64.8	66.4	51.1
	27	(-6)	Weakened	Madison	WI	$26.24	9.25 M	56.4	73.6	32.1	51.8	50.7

Note: The Cresa Office Index ranges from 1 to 100 (far-right column), with a lower score indicating more landlord-favorable conditions and a higher score indicating more tenant-favorable conditions. A total of 55 small markets, each with less than 20 million square feet of inventory, are included among the top 100 North American office markets. The Index evaluates 11 metrics organized into four categories: 1) Leasing Momentum; 2) Market Rent; 3) Occupancy; and 4) Construction. Each category is weighted according to its relative influence on a tenant’s negotiating leverage. To help visualize market favorability, category scores are color-coded to indicate whether conditions are more favorable to tenants or landlords. The Cresa Office Index is calculated by applying the respective weight to each of the four category scores and combining the results to produce an overall score on a 100-point scale. See Notes at the end of the report for a detailed explanation of the 11 metrics and Index methodology.

Source: CoStar, Cresa

Small Markets

Less than 20M SF of Inventory

Landlord-Favorable Markets: The list below highlights markets that are more favorable to tenants within small-sized markets. Out of the top 100 largest office markets in North America, 55 are categorized as "small" because they contain less than 20 million square feet of total inventory. Of these, 14 are considered more landlord-favorable. Markets with a score between 40 and 60 may be regarded as neutral.

Favorable
Tenant ↔ Landlord

	Tenant Favorability Rank Q4 2025 to Q2 2026	Rank Change from Q4 2025	Office Market Leverage Change From Q4 2025 to Q2 2026	Market	State	Asking Lease Rates ($/SF/Yr)	Inventory SF	Weighted Metrics 30% Leasing Momentum Index	Weighted Metrics 20% Market Rent Index	Weighted Metrics 35% Occupancy Index	Weighted Metrics 15% Construction Index	Cresa Office Index
Neutral	28	+6	Strengthened	Lansing	MI	$25.40	2.66 M	73.2	75.5	33.9	4.5	49.6
Neutral	29	+1	Strengthened	Lincoln	NE	$23.15	2.43 M	78.6	64.5	26.7	24.5	49.5
Neutral	30	(-17)	Weakened	Lehigh Valley	PA	$25.15	4.34 M	42.3	54.5	40.6	71.8	48.6
Neutral	31	(-4)	Weakened	Greenville	SC	$36.42	5.29 M	37.3	10.0	62.4	79.1	46.9
Neutral	32	+7	Strengthened	Little Rock	AR	$21.67	4.26 M	42.7	22.7	70.3	32.7	46.9
Neutral	33	+14	Strengthened	Palm Beach	FL	$65.94	13.78 M	31.8	7.3	67.9	79.1	46.6
Neutral	34	(-12)	Weakened	Charleston	SC	$40.73	4.39 M	29.5	10.0	63.0	83.6	45.5
Neutral	35	+9	Strengthened	Portland	ME	$23.51	2.81 M	61.4	63.6	26.7	30.9	45.1
Neutral	36	+5	Strengthened	Toledo	OH	$19.86	4.94 M	82.7	71.8	14.5	4.5	45.0
Neutral	37	(-2)	Weakened	Buffalo	NY	$25.73	9.14 M	60.5	51.8	44.8	4.5	44.9
Neutral	38	+1	Strengthened	Syracuse	NY	$20.87	2.24 M	49.1	66.4	32.1	34.5	44.4
Neutral	39	(-6)	Weakened	Huntsville	AL	$27.73	4.73 M	19.1	21.8	53.9	89.1	42.3
Neutral	40	+23	Strengthened	Des Moines	IA	$23.07	11.88 M	41.4	70.0	42.4	4.5	41.9
Neutral	41	+30	Strengthened	Golden Horseshoe	CAN	$18.77	9.59 M	41.8	20.0	50.3	42.7	40.6
Landlord Favorable	42	+4	Strengthened	Midland	TX	$30.43	2.39 M	38.6	63.6	33.3	23.6	39.5
Landlord Favorable	43	+7	Strengthened	Fresno	CA	$32.81	2.20 M	49.5	60.0	17.6	40.9	39.2
Landlord Favorable	44	+4	Strengthened	Tucson	AZ	$27.53	4.03 M	41.4	1.8	55.2	45.5	38.9
Landlord Favorable	45	(-3)	Weakened	Winston-Salem	NC	$28.46	2.54 M	49.5	19.1	33.9	51.8	38.3
Landlord Favorable	46	(-5)	Weakened	Albuquerque	NM	$25.15	4.55 M	68.2	51.8	18.8	4.5	38.1
Landlord Favorable	47	+13	Strengthened	Grand Rapids	MI	$27.46	4.67 M	56.4	64.5	21.2	4.5	37.9
Landlord Favorable	48	+5	Strengthened	Greensboro	NC	$26.62	4.53 M	38.6	28.2	37.0	47.3	37.3
Landlord Favorable	49	(-5)	Weakened	Harrisburg	PA	$21.18	5.57 M	59.5	64.5	12.1	1.8	35.3
Landlord Favorable	50	+1	Strengthened	Las Vegas	NV	$40.72	10.18 M	14.1	18.2	29.7	89.1	31.6
Landlord Favorable	51	+1	Strengthened	Jackson	MS	$28.88	3.60 M	51.4	22.7	15.8	38.2	31.2
Landlord Favorable	52	+25	Strengthened	Sarasota	FL	$39.57	3.28 M	24.5	3.6	26.7	76.4	28.9
Landlord Favorable	53	+29	Strengthened	Inland Empire	CA	$36.17	6.88 M	52.3	27.3	5.5	37.3	28.6
Landlord Favorable	54	+1	Strengthened	Columbia	SC	$26.31	4.72 M	32.3	12.7	21.2	46.4	26.6
Landlord Favorable	55	0	Unchanged	Knoxville	TN	$25.98	2.64 M	47.3	29.1	4.8	4.5	22.4

Note: The Cresa Office Index ranges from 1 to 100 (far-right column), with a lower score indicating more landlord-favorable conditions and a higher score indicating more tenant-favorable conditions. A total of 55 small markets, each with less than 20 million square feet of inventory, are included among the top 100 North American office markets. The Index evaluates 11 metrics organized into four categories: 1) Leasing Momentum; 2) Market Rent; 3) Occupancy; and 4) Construction. Each category is weighted according to its relative influence on a tenant's negotiating leverage. To help visualize market favorability, category scores are color-coded to indicate whether conditions are more favorable to tenants or landlords. The Cresa Office Index is calculated by applying the respective weight to each of the four category scores and combining the results to produce an overall score on a 100-point scale. See Notes at the end of the report for a detailed explanation of the 11 metrics and Index methodology.

Source: CoStar, Cresa

The Cresa Office Index evaluates various metrics to provide insights into the leverage available to both tenants and landlords. Markets that receive a tenant-favorable index score above 60 may typically indicate a combination of slow demographic growth, lower rent increases, low occupancy levels, and active construction. These conditions give tenants more options and enhance their ability to negotiate favorable lease terms. In contrast, markets marked by rapid population growth, higher rent increases, limited available space, and decreased construction activity create a landlord-favorable environment. This scenario is reflected by scores below 40, which limit tenants' choices.

HIGHLIGHTS

TENANT-FAVORABLE

Dayton, OH
Memphis, TN
Worcester, MA
Akron, OH
Jacksonville, FL
Boise, ID
Rochester, NY
Birmingham, AL
Fort Lauderdale, FL
Omaha, NE
New Haven, CT

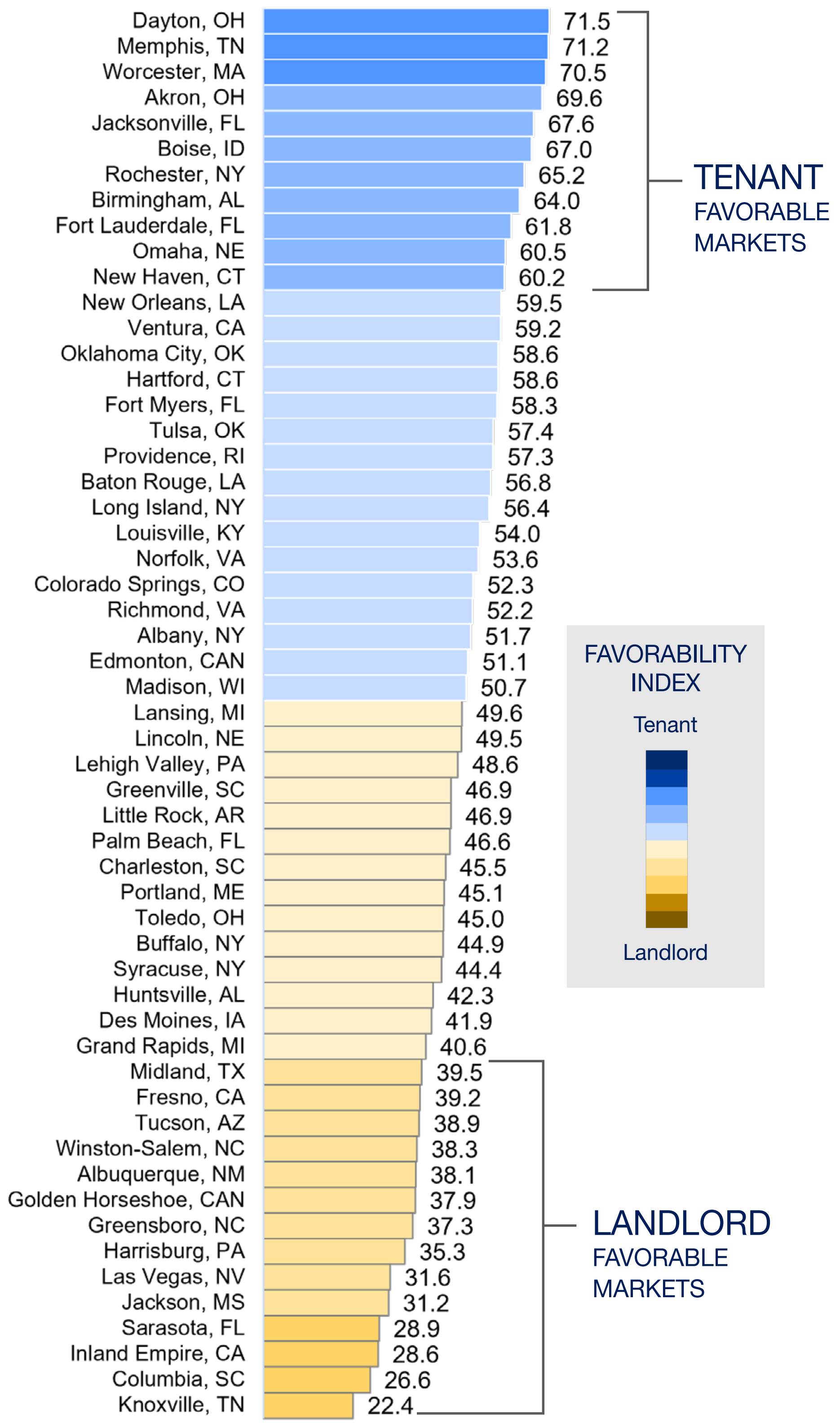
LANDLORD-FAVORABLE

Knoxville, TN
Columbia, SC
Inland Empire, CA
Sarasota, FL
Jackson, MS
Las Vegas, NV
Harrisburg, PA
Greensboro, NC
Golden Horseshoe, CAN
Albuquerque, NM
Winston-Salem, NC
Tucson, AZ
Fresno, CA
Midland, TX

Visit cresa.com for more information.

Small Markets (Less than 20M SF of Inventory)

Tenant Favorability by Market



Source: CoStar, Cresa

Looking Ahead

The North American office market is entering a more mature phase of recovery, but progress will be uneven. As new construction slows significantly, market conditions will increasingly depend on the ability of existing demand to absorb available space, and over time, on the repositioning or removal of outdated inventory. Markets with robust demand and limited supply should continue to tighten, while those with high vacancy rates may give tenants more negotiating power for an extended period.

For tenants, the near term presents both opportunities and reasons for selectivity. Improving market conditions do not necessarily mean that the opportunity for negotiation has disappeared, especially where availability remains high; however, the best options may diminish first in markets where supply is already constrained. Occupiers should continue to watch sublease levels, net absorption, and the pace of deliveries and conversions. It will be increasingly important to understand local fundamental trends—not just current vacancy rates or broad national patterns—when deciding when and where to act.

What This Means for Occupiers

Large Markets

Use the recovery window. Improving leasing activity does not mean tenant leverage has disappeared. In markets with substantial availability, occupiers may still have an opportunity to secure favorable economics and high-quality space before conditions tighten further.

Medium Markets

Challenge the growth narrative. Strong population or employment growth does not necessarily translate into landlord leverage. Occupiers should evaluate existing availability and future supply alongside demand before determining how aggressively —or how early—to enter the market.

Small Markets

Start with the specific opportunity, not the market average. A single large lease, delivery, or withdrawal of space can materially change negotiating conditions, making real-time availability and the competitive set especially important.

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Craig serves as the Head of Research for Cresa, the leading commercial real estate tenant advisory in the world. The research role provides insight, thought leadership, and trends impacting occupiers of real estate, and supports existing client relationships and business development.

Appendix
Notes & Definitions

The data included within the report includes the following selected criteria and methodology:

- The North American markets analyzed are comprised of office properties, classified as four- and five-star buildings, that are not owner-occupied. The index includes the top 100 markets based on total square footage of office inventory. Data points for this analysis were collected from CoStar and Cresa. While effective rents and concession packages are important indicators of tenant leverage, consistent and comparable data is not readily available across all 100 markets, so the index relies on asking rents and broader supply-and-demand metrics that can be measured uniformly across North America.
- Data points measured are comprised of 11 metrics: 1) Population percentage change (5-year); 2) Office employment percentage change (1-year); 3) Total leasing square footage as a percentage of inventory (current); 4) Net absorption square footage (1-year) as a percentage of total inventory (current) 5) Market rent percentage change (quarter-over-quarter; 6) Market rent percentage change (1-year), 7) Total vacancy rate (current), 8) Availability rate (current); 9) Sublease square footage as a percentage of inventory (current), 10) Net delivered square footage as a percentage of inventory (1-year); and 11) Under construction as a percentage of inventory (current).
- The ranking system for the 11 metrics compares how each market performs relative to others within that category. Markets that perform well are considered landlord-favorable, while those that perform poorly are deemed tenant-favorable. For instance, if a market is ranked “1” for quarter-over-quarter rent growth, it indicates that it had the highest growth percentage among all the markets. Conversely, a market ranked “100” had the lowest quarterly rent growth. Similarly, a market with the lowest vacancy rate is ranked “1”, while a market with the highest vacancy rate is ranked “100.” Please note that the construction categories, which include net deliveries and under-construction metrics, were considered more tenant-favorable if there was a higher percentage of new construction, and landlord-favorable if there had been limited construction. Each metric within each category is measured in this manner, allowing for a clear comparison of each market’s performance. Markets that excel compared to others are labeled as landlord-favorable, and vice versa for those that are tenant-favorable.
- The Index separates these 11 metrics into four categories: 1) Leasing Momentum; 2) Market Rent; 3) Occupancy; and 4) Construction. Each category is weighted according to its relative influence on a tenant’s negotiating leverage. The weighting was applied as follows: Leasing Momentum (30%), Market Rent (20%), Occupancy (35%), and Construction (15%).
- The Cresa Office Index separates markets into three size groups: “Large” markets with more than 50 million square feet of inventory, “Medium” markets with between 20 and 50 million square feet of inventory, and “Small” markets with less than 20 million square feet. There are 20 markets classified as “Large”, 25 as “Medium”, and 55 as “Small”. The Index was determined by ranking each market within its category, with rankings from 1 to 20 for “Large” markets, 1 to 25 for “Medium” markets, and 1 to 55 for “Small” markets, based on whether they were more favorable to tenants or landlords. The 11 metrics are ranked within similarly sized markets, combine those metrics into four categories, normalize each category to a 100-point scale, and weight those categories based on their influence on tenant negotiating leverage. The resulting score tells us whether conditions are more tenant- or landlord-favorable.

Understanding the Cresa Office Index Metrics

Leasing Momentum

Landlord-friendly markets have undergone substantial population and employment growth, robust leasing activity, and positive net absorption rates. These markets have demonstrated steady growth over the past year, despite an influx of new supply. In contrast, tenant-favorable markets are experiencing slow or declining population growth and rank lower in leasing activity and net absorption rates.

Market Rent

Tenant-favorable markets have experienced lower lease rate growth over the past quarter and the past year. This situation provides tenants with more options and makes landlords more inclined to negotiate. In contrast, landlord-favorable markets have seen higher lease rate growth both quarter-over-quarter and annually, leading to fewer opportunities for negotiation.

Occupancy

Tenant-friendly markets feature a higher percentage of available space options, characterized by high vacancy rates, elevated availability (which includes both currently available spaces and those expected to become available in the future), and a significant amount of sublease space. Consequently, landlords are often more willing to negotiate to secure tenants. In contrast, landlord-friendly markets have fewer available space options due to a more balanced supply-and-demand ratio, resulting in less leverage for tenants.

Construction

Tenant-favorable markets have an abundance of newly delivered space and an active construction pipeline, offering more options for tenants in the market and/or existing occupiers looking to right-size their space. These markets provide more options and encourage landlords to compete for tenants more aggressively. On the other hand, in landlord-favorable markets, there is a limited supply of new spaces, resulting in fewer options for tenants, which gives landlords greater leverage.