

NAR REAL ESTATE FORECAST SUMMIT

MARCH 21ST, 2025



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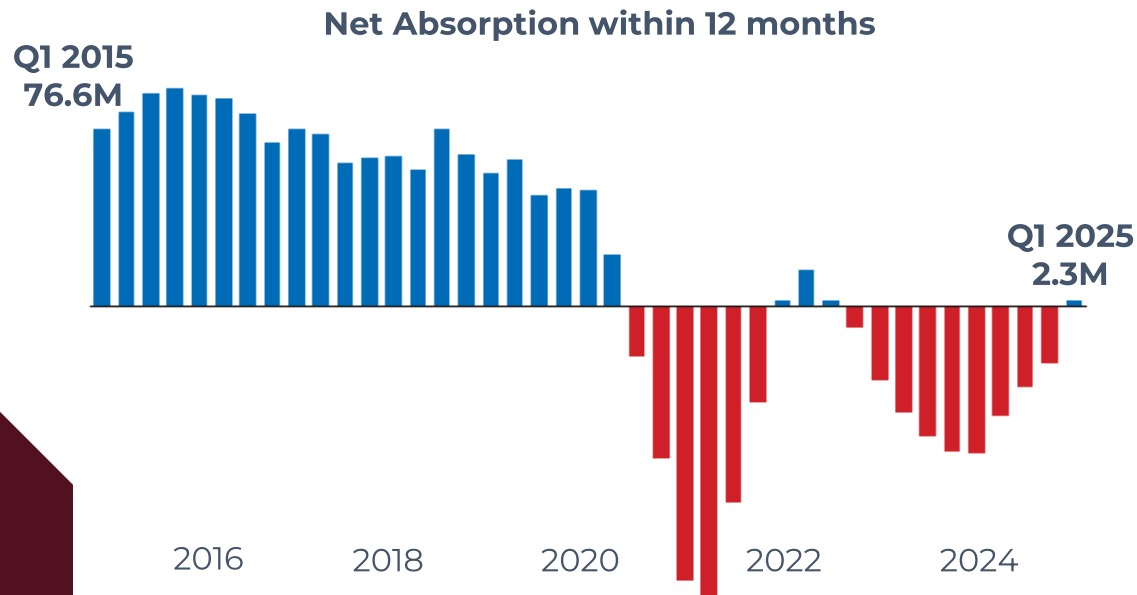
NADIA EVANGELOU

**SENIOR ECONOMIST, DIRECTOR OF REAL
ESTATE RESEARCH**

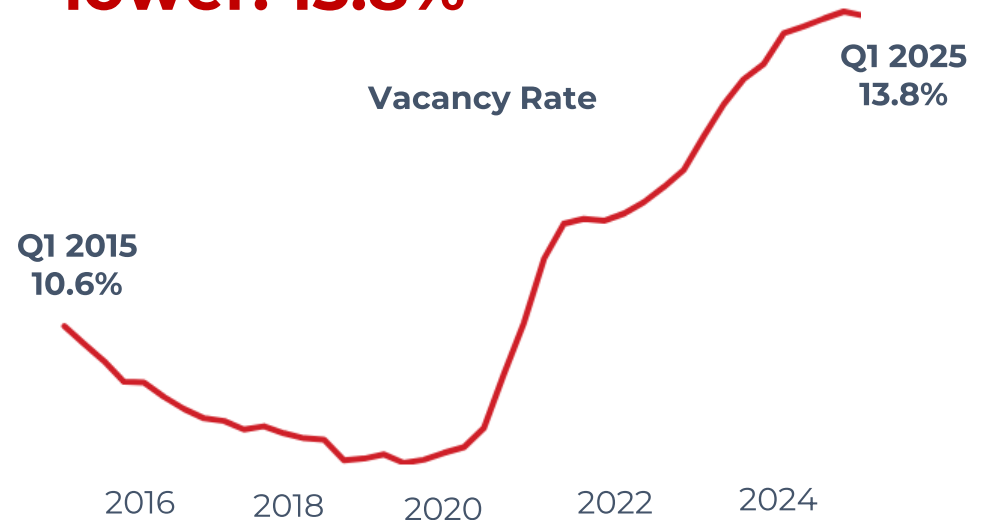
WASHINGTON, DC

Office Sector: Back to Positive Absorption

**Net absorption positive:
2.3M square feet**



**Vacancy rate slightly
lower: 13.8%**



Source: NAR Calculations of CoStar data

Office Sector: A Market of Three

Different Speeds

1 BETTER THAN PRE-PANDEMIC

25% of metro areas **larger net absorption**

2 BETTER THAN A YEAR AGO

52% of metro areas **larger net absorption**

26% of metro areas turned absorption to **positive**

3 STILL NEGATIVE ABSORPTION

46% of metro areas **negative net absorption**

1. Better Than Pre-Pandemic

- New York, NY

Pre-pandemic: **3.0M sq.ft.**

Now: **6.5M sq.ft.**

- New Haven, CT

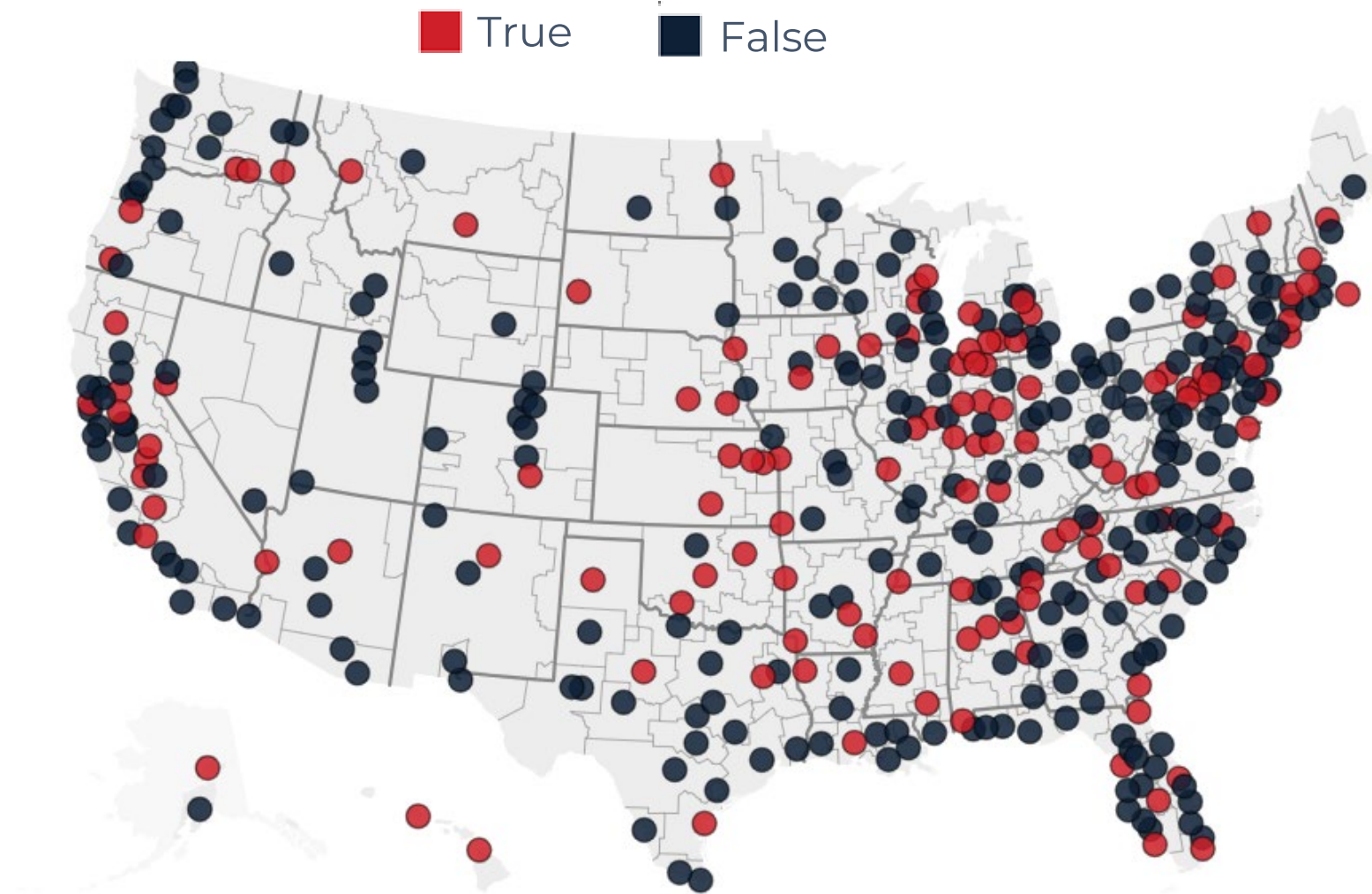
Pre-pandemic: **317,000 sq.ft.**

Now: **885,310 sq.ft.**

- Columbia, SC

Pre-pandemic: **237,380 sq.ft.**

Now: **847,500 sq.ft.**



Source: NAR Calculations of CoStar data

2. Better Than A Year Ago

- Dallas-Fort Worth, TX

A year ago: -991,540 sq.ft.

Now: +1.4M sq.ft.

- Philadelphia, PA

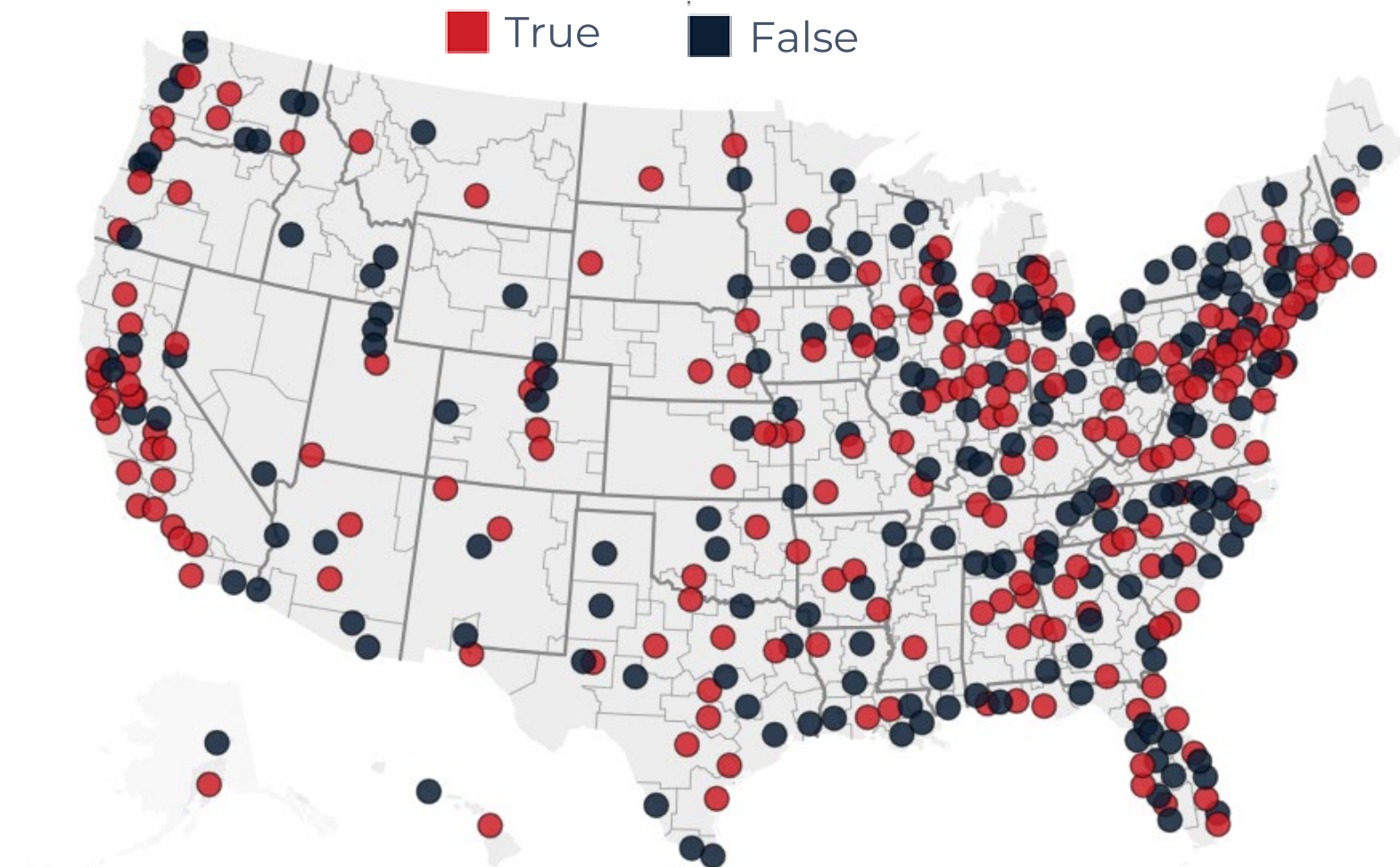
A year ago: -713,520 sq.ft.

Now: +1.2M sq.ft.

- Sacramento, CA

A year ago: -638,190 sq.ft.

Now: +1.1M sq.ft.



Source: NAR Calculations of CoStar data

3. Still Negative Absorption

Net Absorption within 12 months

Q1 2025

(as of March 15, 2025)

- **Boston, MA**

Now: **-6.1M sq.ft.**

Pre-pandemic: **+3.8M sq.ft.**

- **Washington, DC**

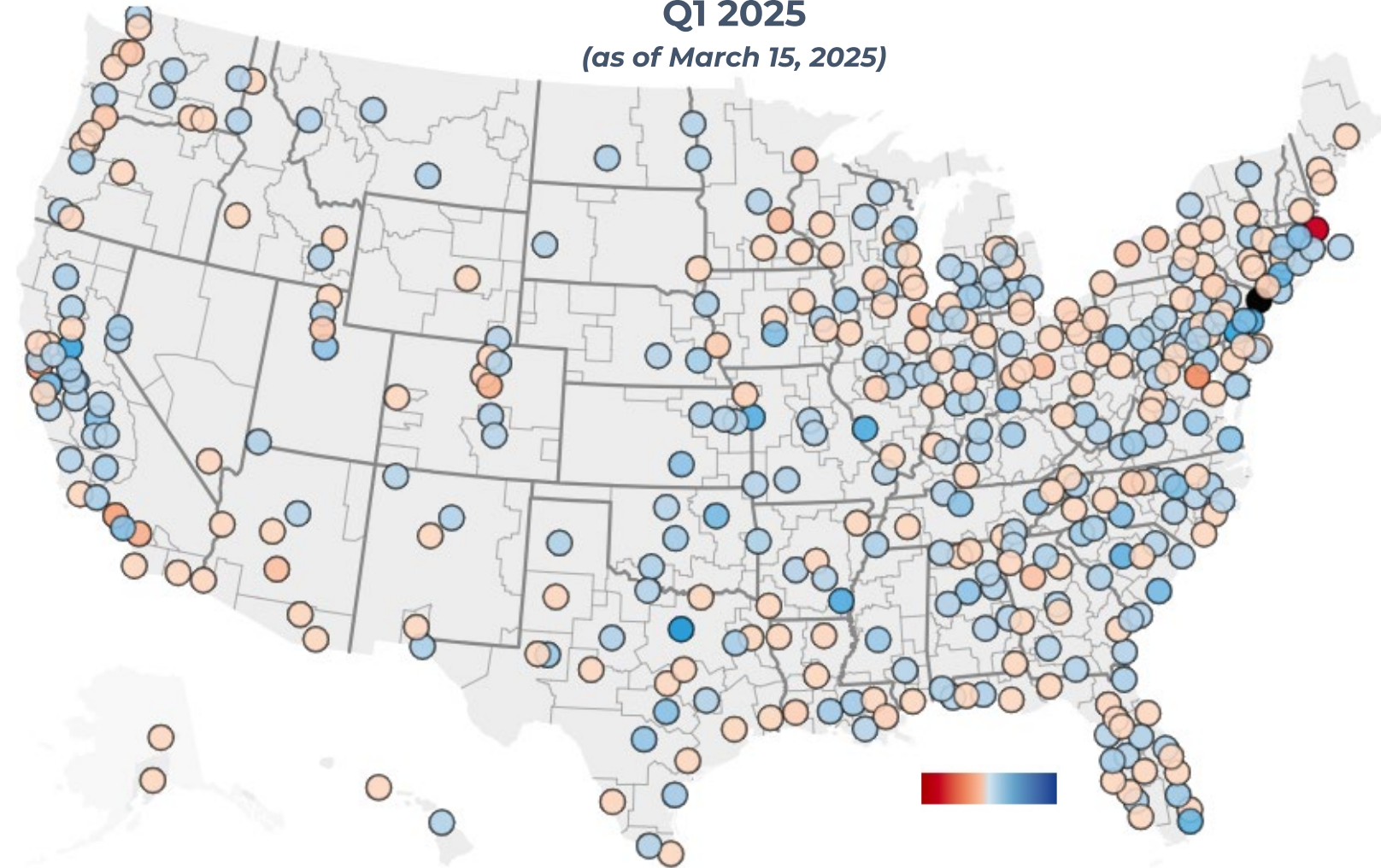
Now: **-3.3M sq.ft.**

Pre-pandemic: **+2.1M sq.ft.**

- **San Francisco, CA**

Now: **-2.8M sq.ft.**

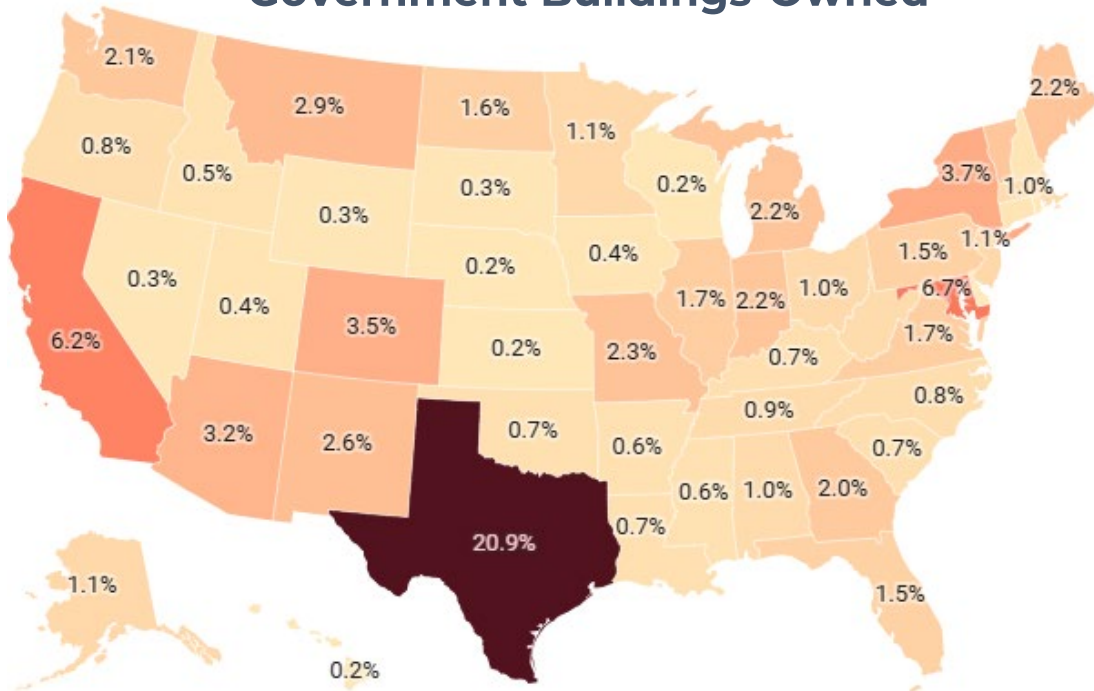
Pre-pandemic: **+2.8M sq.ft.**



Source: NAR Calculations of CoStar data

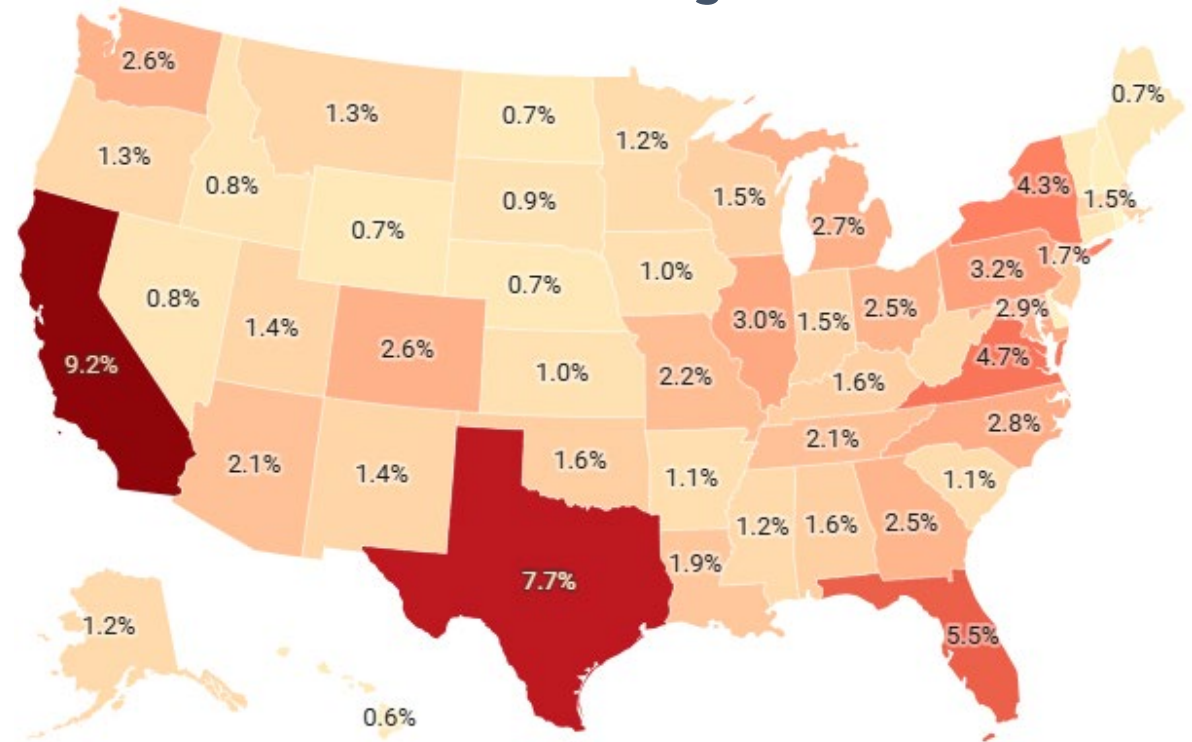
Most of Government Buildings: National Capital Region

Government Buildings-Owned



DC, MD, VA: 18.1%

Government Buildings-Leased



DC, MD, VA: 9.2%

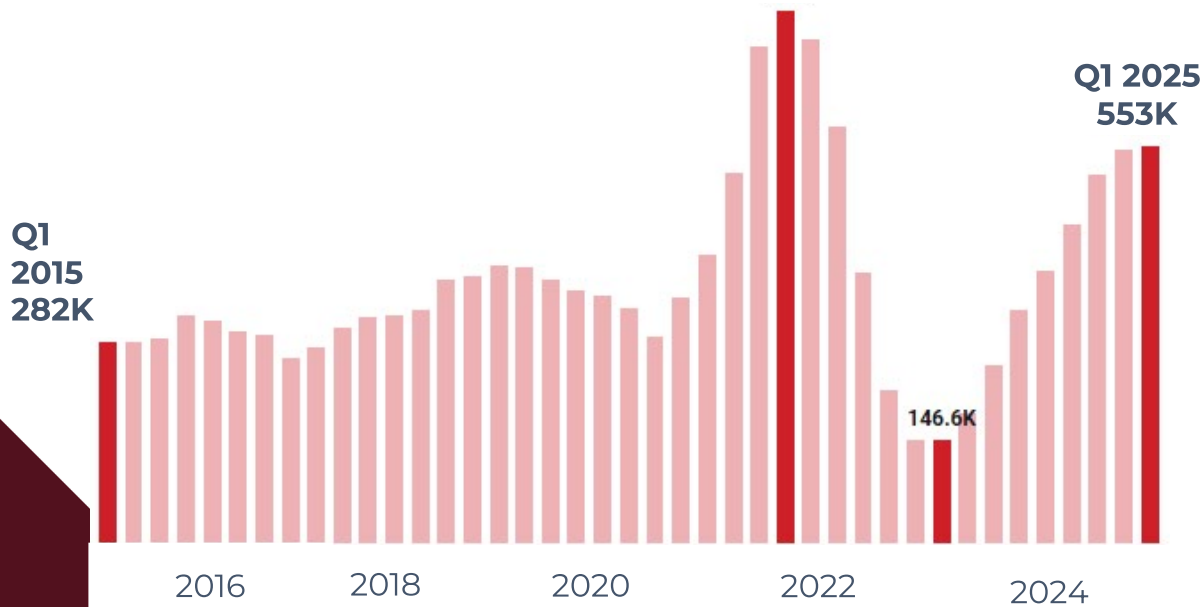
Source: NAR Calculations of GSA data

Multifamily Sector: Strong Demand

Net Absorption:

553,010 units (within 12 months)

Net Absorption within 12 months



Vacancy rate:

8.1%

Vacancy Rate

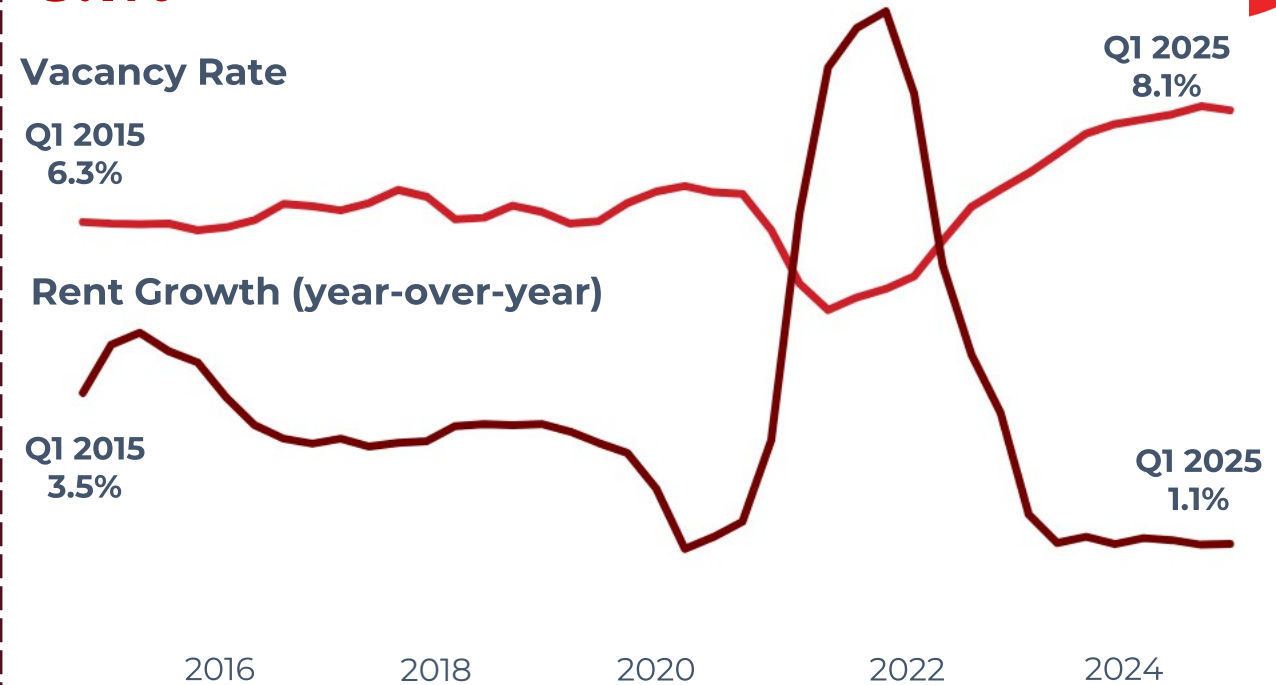
Q1 2015 6.3%

Rent Growth (year-over-year)

Q1 2015 3.5%

Q1 2025 8.1%

Q1 2025 1.1%



Source: NAR Calculations of CoStar data

Multifamily Sector: A market of Two Different Speeds

1 BETTER THAN PRE-PANDEMIC

28% of metro areas had **higher rent growth** and **lower vacancy rate**

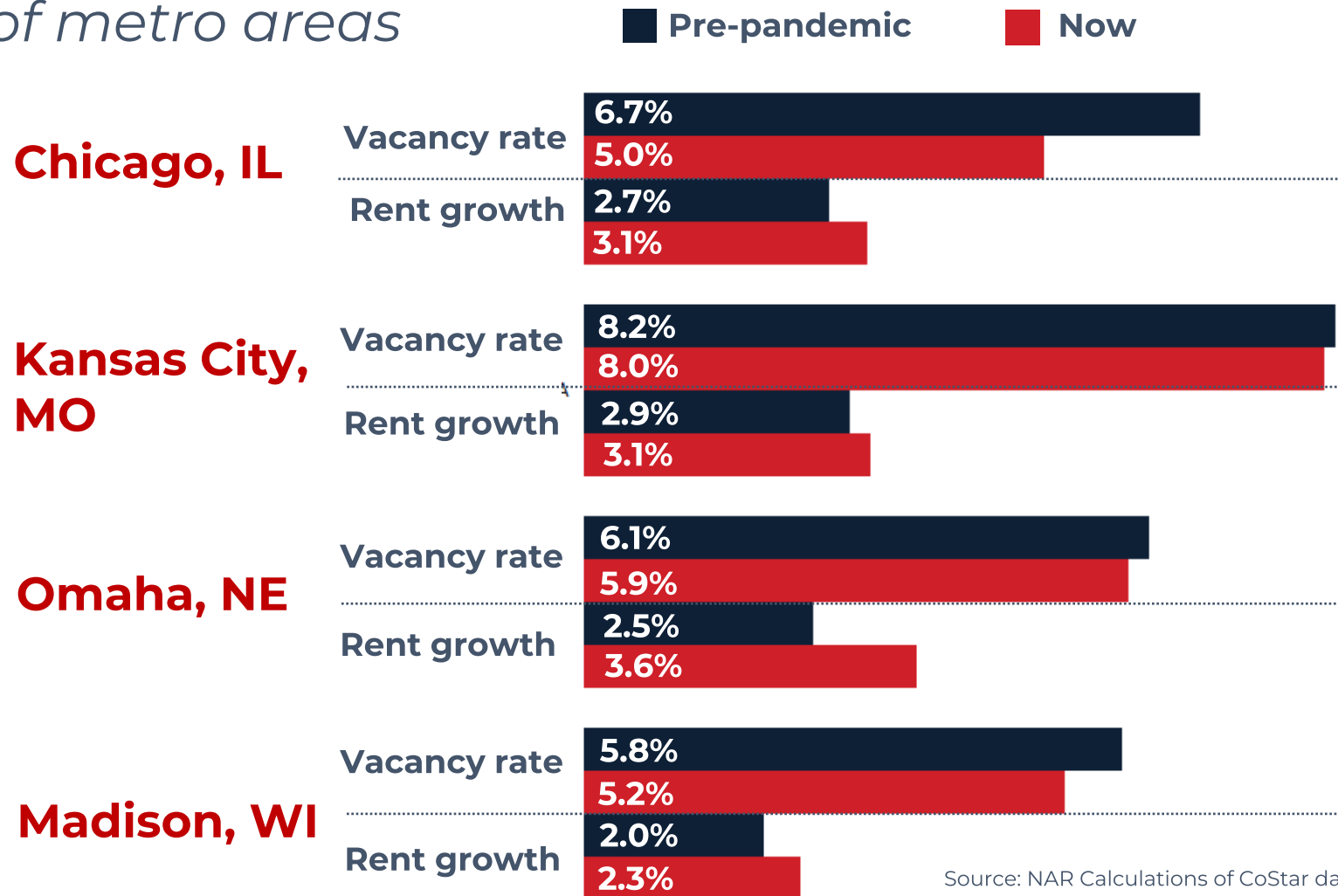
2 DECLINING RENT PRICES

15% of metro areas

1. Better Than Pre-Pandemic

Higher rent growth and lower vacancy rate than pre-pandemic

28% of metro areas

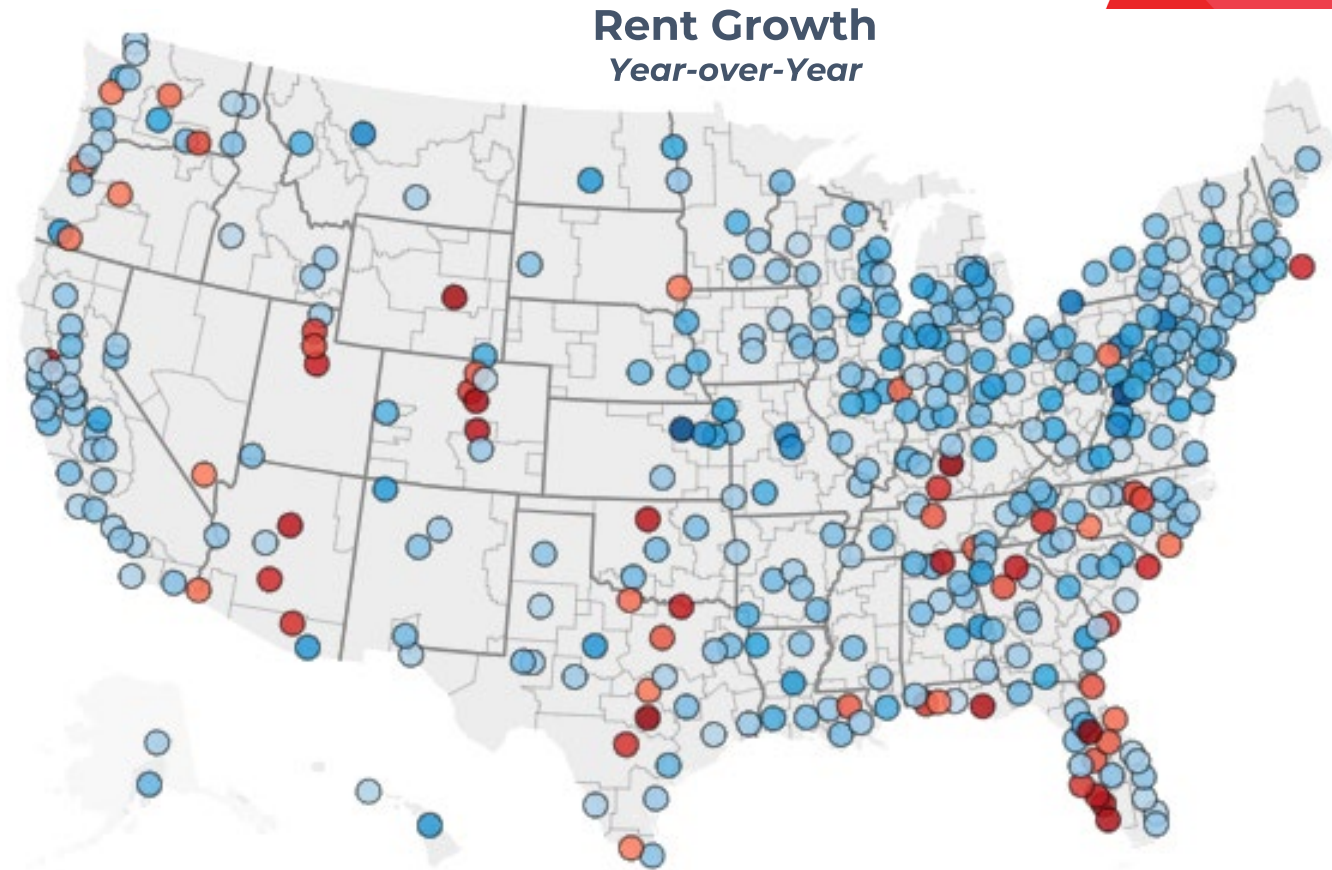


Source: NAR Calculations of CoStar data

2. Declining Rent Prices

15% of metro areas

Area	Rent Growth		Vacancy Rate	
	Now	Pre-pandemic average	Now	Pre-pandemic average
Austin, TX	-4.3%	3.2%	15.0%	8.2%
Denver, CO	-3.2%	3.9%	11.0%	6.9%
Naples, FL	-3.1%	3.9%	12.8%	5.9%
Phoenix, AZ	-1.8%	5.0%	11.7%	7.0%



Source: NAR Calculations of CoStar data

THANK YOU.

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