U.S. Office Leasing Reaches Strongest Quarter Since 2018

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ARLINGTON, Va.--(BUSINESS WIRE)--Apr. 9, 2026-- U.S. office leasing in 2026 has so far exceeded pre-pandemic levels, according to preliminary Q1 data from CoStar, the leading global provider of online real estate marketplaces, information and analytics in the property markets.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20260408797078/en/

Office tenants signed new leases for an estimated 120 million square feet during Q1 2026 – the highest quarterly total since mid-2018. This represented a 25% increase year over year and the first time this decade that quarterly volume exceeded its average from 2015-2019.

“While the quarterly figure signifies continued momentum for national office recovery, the composition of leasing activity reflects an intensification of patterns that have emerged in the leasing office market since the pandemic began,” said Phil Mobley, national director of office analytics at CoStar Group. “First-quarter volume was driven by an exceptionally large number of transactions rather than a resurgence of large deals. In fact, the number of lease transactions executed during the quarter was the highest observed in a decade.”

At the market level, nearly half of the 20 largest office markets in the U.S. have seen leasing volumes rebound to within 10% of their respective pre-pandemic averages over the last 12 months. Charlotte and New York City lead in recovery, supported by steady demand from banks and other financial institutions that have maintained higher in-office attendance and relatively stable headcounts. NYC’s recovery has also been aided by continued leasing from technology firms tied to artificial intelligence, adding to the sector’s diversified demand base.

The full analysis can be found here.

For more information about the company and its products and services, please visit costargroup.com.

About CoStar Group
CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world’s real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group’s major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia’s leading property marketplaces. CoStar Group’s industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group’s websites attracted over 139 million average monthly unique visitors in the fourth quarter of 2025, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

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