Office Real Estate Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Commercial Real Estate & Property (Real Estate & Construction)
> **Source:** https://www.mordorintelligence.com/industry-reports/office-real-estate-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 1.71 trillion
Projected Forecast (2031)	USD 1.71 trillion
Growth Rate (CAGR)	4.53 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

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![Major players in Office Real Estate industry](images/chart_2.png)

![Office Real Estate Market Size](images/chart_3.png)

![Office Real Estate Market Share by Building Grade, 2025](images/chart_4.png)

![Office Real Estate Market Share by End User, 2025](images/chart_5.png)

![Office Real Estate Market Growth Rate by Region](images/chart_6.png)

![Office Real Estate Market Concentration](images/chart_7.png)

![Icon](images/chart_8.png)

![footer background image](images/chart_10.png)

![Mordor Intelligence on Facebook](images/chart_12.svg)

![Mordor Intelligence on Pinterest](images/chart_14.svg)

![Mordor Intelligence on Instagram](images/chart_15.svg)

![ESOMAR](images/chart_17.png)

![GPTW](images/chart_19.png)
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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market OverviewStudy Period | 2020 - 2031 |
Market Size (2026) | USD 1.71 Trillion |
Market Size (2031) | USD 2.14 Trillion |
Growth Rate (2026 - 2031) | 4.53 % |
Fastest Growing Market | Asia-Pacific |
Largest Market | North America |
Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Office Real Estate Market Analysis by Mordor IntelligenceThe Office Real Estate Market size is expected to increase from USD 1.64 trillion in 2025 to USD 1.71 trillion in 2026 and reach USD 2.14 trillion by 2031, growing at a CAGR of 4.53% over 2026-2031.

A widening performance gap defines today’s cycle: ESG-certified towers located in AI-centric corridors and in regions with government headquarters mandates are attracting both capital and tenants, while secondary stock faces double-digit vacancy and refinancing stress. Return-to-office rules have stabilized weekday occupancy at roughly three days per employee, yet occupiers now insist on healthier air systems, superior amenities, and green credentials that satisfy Scope-3 reporting. Institutional investors that marked down holdings in 2023 are selectively re-entering, favoring prime assets in gateway cities where LEED or BREEAM labels deliver rent premiums and regulatory headroom. A record-low construction pipeline since 2024 further tightens prime vacancy, giving landlords pricing power for the first time since 2019. At the same time, a USD 929 billion CMBS maturity wall through 2027 is pushing leveraged owners of Class B and C towers toward distressed sales rather than retrofits, deepening the bifurcation.

Key Report Takeaways* By building grade, Grade A properties captured 56.94% of the office real estate market share in 2025 and are projected to expand at a 5.27% CAGR through 2031.
* By transaction type, rentals represented 78.64% of 2025 activity in the office real estate industry, while sales transactions are forecast to log a 5.43% CAGR through 2031.
* By end use, IT & ITES tenants accounted for 25.14% of demand in 2025 and are expected to post a 5.54% CAGR through 2031.
* By geography, North America held 26.84% of the 2025 office real estate market, whereas Asia-Pacific is projected to grow at a 5.95% CAGR through 2031.

Key Market Trends

Market Trends and InsightsDrivers Impact Analysis of Office Real Estate Market*

Drivers	(~) % IMPACT ON CAGR FORECAST	Geographic Relevance	Impact Timeline
Flight-to-quality and mandated returns lift demand for ESG-prime assets	+1.2%	Global gateway cities in North America, Europe, and Asia-Pacific	Medium term (2-4 years)
Record-low new construction tightens prime vacancies	+0.9%	North America and core European & Asia-Pacific markets	Short term (≤ 2 years)
Easing rates and repricing draw institutions back to core offices	+0.8%	North America and Europe	Medium term (2-4 years)
AI and semiconductor corridors spur large-block leasing	+0.7%	Silicon Valley, Austin, Phoenix, Bengaluru, Shenzhen	Long term (≥ 4 years)
Scope-3 deadlines accelerate green retrofits	+0.6%	EU, United States, Canada	Long term (≥ 4 years)
GCC headquarters mandates add Middle-East trophy demand	+0.5%	Riyadh, Dubai, Abu Dhabi	Short term (≤ 2 years)

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

Office real estate market competition remains moderately fragmented: the top-10 global landlords control about 18% of investable stock, leaving the balance with regional REITs, pension funds, and private owners. Strategic consolidation targ ets quality; Rithm Capital’s USD 1.6 billion buyout of Paramount Group and BlackRock’s USD 7.3 billion ElmTree acquisition capture stabilized downtown icons with long-dated leases. Distressed portfolios change hands at deep discounts, creating scale opportunities for capital-rich buyers who can fund energy retrofits and tenant improvements.

PropTech now underpins competitive advantage in the office real estate market. REITs and private vehicles deploy IoT sensors, predictive maintenance, and analytics platforms such as CBRE’s Adaptive Spaces and JLL’s Building Engines to lower operating costs by 12–18% and provide real-time energy dashboards that satisfy ESG reporting demands. Smaller owners harness flexible-leasing technology to compete on speed and customization, winning start-ups and project-based occupiers seeking 6–24-month terms.

Regulation favors the well-capitalized. The EU’s CSRD and potential SEC climate disclosures increase reporting complexity and retrofit spend, pressuring thinly capitalized landlords to divest non-compliant stock. Meanwhile, sovereign wealth funds and Canadian pensions allocate fresh capital to net-zero-ready towers, pushing up land values in core precincts. Investors able to combine balance-sheet heft with technology integration stand best placed to capture out-sized returns over the next cycle.

Office Real Estate Industry Leaders* CBRE

* Jones Lang LaSalle IP, Inc.

* Cushman & Wakefield

* Colliers

* Knight Frank

* *Disclaimer: Major Players sorted in no particular order

Scope Methodology P Space

Our study defines the office real estate market as the total dollar value of newly built or substantially refurbished multi-tenant buildings and single-tenant offices that are offered for lease or sale across Grade A, B, and C categories. Transactions analyzed include shell-and-core disposals as well as stabilized income-producing assets that change hands during the base year.

Scope exclusions include owner-occupied headquarters, co-working service revenue streams, and stand-alone property-management or brokerage fees, which lie outside our market boundary.

Segmentation Container

* By Building Grade* Grade A
* Grade B
* Grade C

* By Transaction Type* Rental
* Sales

* By End User* Information Technology (IT & ITES)
* BFSI (Banking, Financial Services and Insurance)
* Business Consulting & Professional Services
* Other Services (Retail, Lifescience, Energy, Legal)

* By Geography* North America* United States

* Canada
* Mexico

* South America* Brazil
* Argentina
* Chile
* Rest of South America

* Europe* United Kingdom
* Germany
* France
* Italy
* Spain
* Netherlands
* Rest of Europe

* Middle East and Africa* Saudi Arabia
* United Arab Emirates
* South Africa
* Nigeria
* Rest of Middle East and Africa

* Asia-Pacific* China
* India
* Japan
* South Korea
* Australia
* Indonesia
* Rest of Asia-Pacific

Frequently Asked Questions

How large is the office real estate market in 2026?

The office real estate market size is USD 1.71 trillion in 2026 and is expected to grow at a 4.53% CAGR to 2031.

Which region will expand fastest through 2031?

Asia-Pacific is projected to grow at a 5.95% CAGR, driven by strong absorption in China, India, and Japan.

Why are Grade A towers outperforming other building grades?

Tenants and investors favor ESG-certified, amenity-rich space, giving Grade A assets rent premiums and easier financing.

What is fueling recent office property sales?

Repricing of distressed assets and calmer interest rates have reopened capital markets, attracting institutional and opportunistic buyers.

How does hybrid work influence future space demand?

Desk-sharing supported by occupancy sensors cuts space per employee, but high-growth sectors like AI often offset reductions by leasing collaborative, high-power floors in prime buildings.