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Federal government ramps up lease cancellations nationwide

Only Indiana, Rhode Island have had no government leases canceled so far



The Department of Government Efficiency canceled a 61,371-square-foot lease by the U.S. Bankruptcy Court at the Schaff Building in downtown Columbus, Ohio, (CoStar)

By **Mark Heschmeyer, Jonathan Lehrfeld**
CoStar News



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The Trump administration has grown more aggressive in canceling commercial real estate leases for the federal government in recent weeks and is ramping up an even wider shift in federal space use.

The number of office leases canceled, according to a list CoStar News reviewed Tuesday by the Department of Government Efficiency, more than doubled from earlier in February, increasing to 254 leases from 97. The list totaled more than 3.8 million square feet, with an annual rent savings of \$114.7 million.

CoStar News could directly match the DOGE list to 251 leases on a full list of federal government property agreements released by the U.S. General Services Administration in January. The GSA acts as the government's landlord overseeing leasing for most but not all federal agencies.

In a sign of the rapid movement of the lease cancellations, DOGE said Wednesday on the social media platform X that its total list of cancelled leases had grown to roughly 440, with annual rent savings reaching about \$171 million. The list of canceled leases on the [DOGE website](#), however, was unchanged as of Friday.

"Still *way* too many leases on unused buildings," billionaire Elon Musk, who oversees the DOGE initiative, said Tuesday on the social media platform X that he owns.

The White House did not respond to an emailed request to comment from CoStar News on the latest lease terminations.

Federal government lease cancellation locations

Hover over icons to see details about each property



Source: Department of Government Efficiency, Feb. 25
Map: Parker Leipzig



The metropolitan D.C. area accounts for the bulk of identified cuts with 45% of the square footage, or 1.69 million square feet, according to DOGE and GSA data. Annual D.C. rent cuts from the CoStar News' review of the cancellations totaled \$60.56 million, or 54%.

Analysts don't expect the nixed leases to have a big effect on the nation's capital.

"The D.C. office market has been struggling for some time. At this point, the impact of the additional canceled leases is muted in the market, as it's a small percentage of total space, and most of the leases were set to cancel," said Melina Duggal, senior director of U.S. market analytics for CoStar Group.

More leases winding down

Of the 18 leases canceled in the D.C. region, 17 were set to expire in the next 12 months, according to DOGE and GSA data. And while DOGE listed annual rental savings of about \$60.56 million, there was only about \$13 million left in scheduled rent payments.

Nationally, about 25% of the leases canceled as of Tuesday had at least three years left on their terms, according to DOGE and GSA data.

Indiana and Rhode Island are the only two states so far that have not had a federal government lease cancellation, according to Tuesday's DOGE data. Nor have any leases been cut in the U.S. territories of Puerto Rico, Guam, the Mariana Islands or American Samoa.

According to CoStar News' analysis, DOGE had canceled only about 2% of all outstanding federal leases as of Tuesday. However, South Carolina and Delaware have been hit disproportionately harder than other states. More than 9% of leases in South Carolina have been canceled, and Delaware accounts for 12% of the rent savings.

Different federal departments have seen more leases canceled than others. The Department of Labor accounts for 27% of the canceled leases, and 28% of the rents, the CoStar News analysis found.

President Donald Trump on Wednesday [issued an executive order](#) asking federal agencies to offer a complete and accurate inventory of real property.

Each agency head is to identify all termination rights under their existing leases and determine whether they should exercise any terminations available to them, according to the White House. Within two months, Stephen Ehikian, the acting administrator of the GSA, is expected to submit a plan for disposing properties the agencies no longer need.