

# MARKETBEAT

## U.S. Office

### Q2 2018



#### U.S. OFFICE

##### Employment Indicators

	Q2 17	Q2 18	12-Month Forecast
Total Nonfarm Employment	146.3M	148.7M	▲
Office-using Employment	31.6M	32.2M	▲
Unemployment	4.3%	3.9%	▼

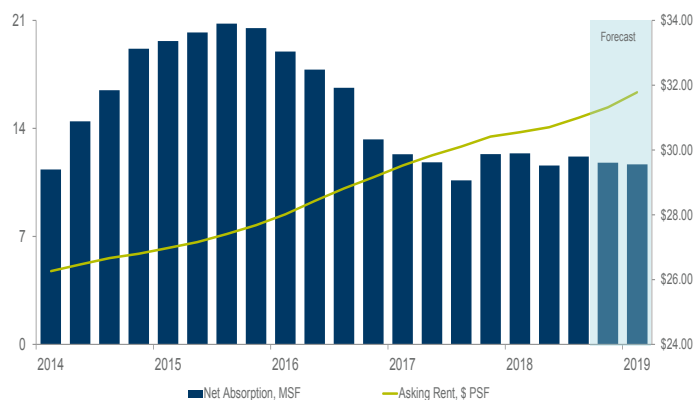
Source: BLS

##### Market Indicators (Overall)

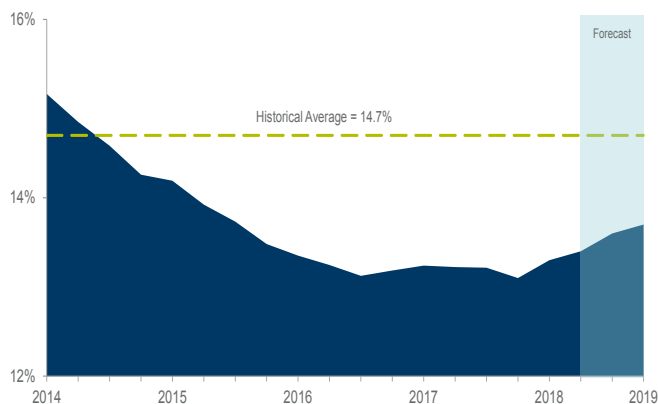
	Q2 17	Q2 18	12-Month Forecast
Vacancy Rate	13.2%	13.4%	▲
Net Absorption	16.1M	12.9M	▼
Under Construction	108.5M	107.2M	▼
Weighted Asking Rent (FS)	\$30.32	\$30.94	▲
Rent Growth (Yr/Yr % Chg.)	4.3%	2.0%	▼

##### Office: Net Absorption/Asking Rent

###### 4Q TRAILING AVERAGE



##### Office: Overall Vacancy



Source: Cushman & Wakefield Research

## Steady as She Goes, U.S. Office Markets in Q2 2018

U.S. office markets posted another solid performance in the second quarter of 2018 with steady leasing volumes, healthy absorption, and rising asking rents. New construction remained robust during the quarter: a total of 18.0 million square feet (msf) of office space was delivered to the market—the most in nearly a decade. The new construction helped push the national office vacancy rate upward, from 13.3% in the first quarter of 2018 to 13.4% in the second quarter.

**Demand remains healthy:** The U.S. economy gained momentum in the second quarter as employment growth accelerated. Office-using industries (financial, professional and business services, and information) gained 183,000 jobs in the second quarter of 2018, an increase from the 166,000 job gains in the first quarter of the year. This pick-up in employment led to higher absorption. Office absorption increased from 7.5 million msf the first quarter to 12.9 msf in the second quarter.

**Leasing is right at long-term averages:** After totaling 72.6 msf in the first quarter of 2018, new leasing volume dipped slightly to 72.0 msf in the second quarter. The total 144.6 msf of new leasing volume in the first half of the year was, however, right in line with the 140 msf average in the first-half of the previous five years. As they have through much of the current cycle, the technology and financial services sectors dominated leasing activity. Tech leasing captured approximately 20% of major leases, while financial services accounted for just less than 15%. One sector that experienced a pick-up in leasing volume was legal services which accounted for 5.9% of major leases in the second quarter, an increase from 3.5% in the first quarter.

The tech-dominated West region once again registered the strongest leasing volume and absorption. New leasing volume totaled 27.3 msf in the region—38% of all leasing even though the region has 27.7% of national inventory. Roughly 4.2 msf of space was absorbed in the West; the top two markets nationwide in terms of absorption were located in the region—San Francisco with 1.3 msf and Denver with 1.1 msf.

**Construction deliveries rise, but so does the pipeline:** A total of 18.0 msf of new office space was delivered in the second quarter of 2018, an increase from 10.8 msf in the first quarter and the largest volume of newly delivered space in since the fourth quarter of 2008. Despite the acceleration in completions, the current pipeline of office space under construction expanded from 105.0 msf at the end of the first quarter of 2018 to 107.1 msf at the end of the second quarter; roughly 20 msf of new construction was started during the second quarter. Cushman & Wakefield estimates that total completions for all of 2018 will reach 71 msf—the largest volume of completions since 2008. In the second quarter of 2018 a total of 22 markets reported a new construction pipeline of 2.0 msf or more, the largest number of markets with more than 2.0 msf that Cushman & Wakefield has ever recorded.

High-growth markets continue to attract much of the new development. The 10 markets with the largest new construction pipelines accounted for 50.2 msf—or 46.9%—of the national construction pipeline. Over the past two years, employment in office-using industries in these 10 markets grew 4.9%.

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compared with a 3.8% increase for the U.S. as a whole. This suggests that the new construction can be absorbed.

Approximately 29.6 msf of the construction pipeline is build-to-suit, with the remaining 77.6 msf speculative and approximately 23 msf of that speculative construction pre-leased. The pipeline of available new space is approximately 54.4 msf. The existing space that tenants are vacating will also have an impact on the market. But with job growth strong in 2018, some of that new space will be taken by tenants that are expanding; consequently the impact on market vacancy and rents will be more modest than what the total construction numbers suggest.

Even though absorption increased during the second quarter of 2018, the increase was smaller than the amount of office space completed. As a result, the national vacancy rate increased slightly—from 13.3% in the first quarter to 13.4% in the second. There was variation across markets. Vacancy rates declined from the previous quarter in 43 markets and increased in 36 markets. (Vacancy rates in the rest of the markets tracked by Cushman & Wakefield were unchanged).

The major markets with the lowest vacancy rates were largely tech-driven ones. Three major markets with the lowest vacancy rates in the nation were Midtown South Manhattan (6.7%), San Francisco (7.4%) and Raleigh-Durham (7.6%), all of which are important technology hubs.

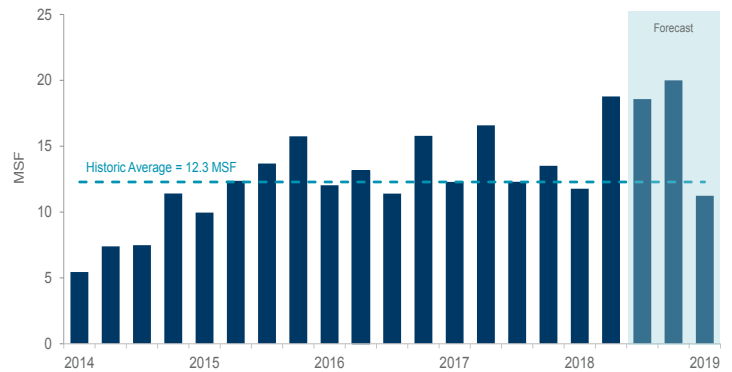
**Rents increase:** After declining slightly in the first quarter of 2018, the national weighted average asking rent increased 1.0% in the second quarter to \$30.94 per square foot (psf), a record high. Rents increased in 55 of the 87 markets tracked by Cushman & Wakefield during the second quarter while only 24 markets registered declines. Rents in eight markets were unchanged quarter-to-quarter. On a year-over-year basis, the national average asking rent rose 2.0%. Markets that saw large rent increases from a year ago include Orange County CA (+16.2%), Brooklyn, NY (+11.3%), Atlanta, GA (+10.1%), Charlotte, NC (+8.5%) and Oakland/East Bay, CA (+8.1%).

The highest rents in the nation remain concentrated in the New York and San Francisco metro areas. The top five rental markets were the three in Manhattan—Midtown (\$77.44 psf), Midtown South (\$71.07 psf) and Downtown (\$62.92psf)—as well as San Francisco (\$72.30 psf) and San Mateo County (\$58.69 psf).

## Outlook

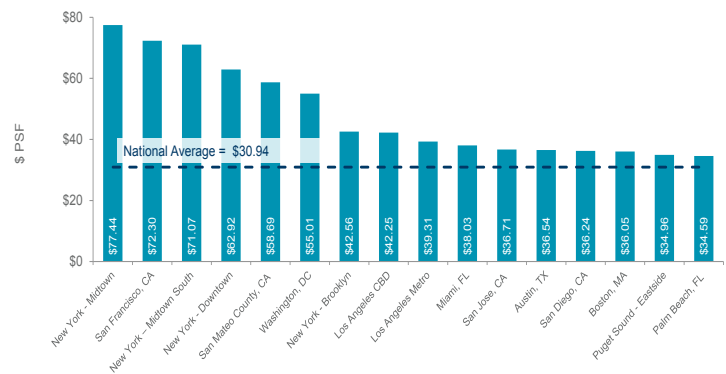
- Office markets across the U.S. will continue to benefit from the strong economy as more robust job growth drives demand for space.
- Growth will be offset by a rising supply of new buildings. 2018 will see the largest amount of square footage added to the national inventory in a decade.
- Tenants will continue to lease space in new buildings that enable them to increase efficiency and attract talent.
- Job growth will remain at a level sufficient to absorb the new space coming to the market. Look for markets across the nation where rising supply creates opportunities for tenants.

## Office: New Supply



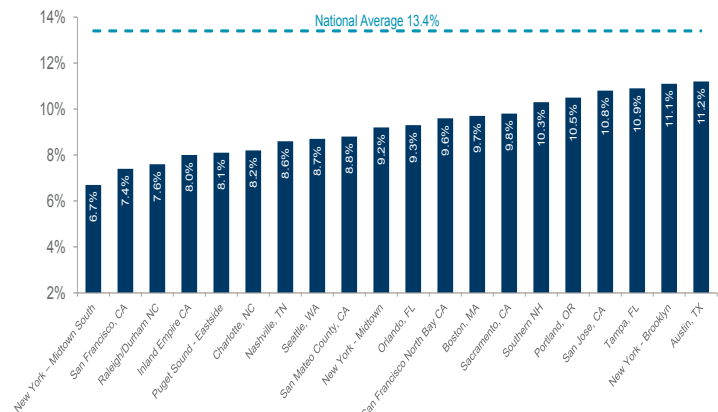
Source: Cushman & Wakefield Research

## Office: Asking Rent by Market Highest Priced U.S. Markets



Source: Cushman & Wakefield Research

## Office: Vacancy by Market Select Markets in the U.S.



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity**	
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p	
United States	16,077,323	12,019,093	13,938,901	7,500,738	12,913,033	87,503,320	
Northeast	2,786,014	2,323,882	3,370,397	-326,421	3,351,025	22,554,862	
Midwest	1,616,322	1,744,840	566,234	901,181	2,591,511	10,520,827	
South	5,675,676	5,486,926	3,793,716	-507,535	2,741,171	22,669,134	
West	5,999,311	2,463,445	6,208,554	7,433,513	4,229,326	31,758,497	

U.S. Office Market Reports	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
Atlanta, GA	405,038	67,544	905,671	469,727	147,164	2,362,495
Austin, TX	369,761	166,960	-90,292	29,424	-257,192	1,535,450
Baltimore, MD	533,972	311,311	63,522	-48,425	301,945	784,936
Binghamton, NY	31,553	0	29,482	8,358	7,353	13,503
Birmingham, AL	44,206	78,656	-271,466	-387,710	-292,768	214,799
Boston, MA	741,822	-256,387	1,714,728	655,031	659,649	3,060,630
Buffalo, NY	117,669	-13,652	180,711	118,058	-36,832	182,822
Charleston, SC	239,778	90,769	-31,793	43,901	264,159	141,998
Charlotte, NC	730,735	540,399	-277,551	120,129	-133,684	661,527
Chicago, IL	11,295	504,960	-87,431	160,084	487,255	4,517,892
Cincinnati, OH	121,361	91,789	6,132	-634,174	68,342	508,771
Cleveland, OH	87,323	236,214	-33,348	652,292	-132,832	417,062
Colorado Springs, CO	9,983	-15,838	41,005	418,936	498,983	254,072
Columbus, OH	-79,903	1,341	121,938	62,732	356,075	578,519
Dallas/Fort Worth, TX	1,238,910	1,799,811	651,472	340,716	632,068	2,415,158
Dayton, OH	136,156	89,452	34,949	25,941	7,596	94,125
Denver, CO	-23,894	274,332	276,809	-34,503	1,113,551	2,804,083
Detroit, MI	378,311	268,139	-149,900	-14,678	989,703	520,764
El Paso, TX	-36,103	103,739	206,180	200,828	302,737	106,425
Fairfield County, CT	-78,928	-225,055	158,904	-412,161	-274,904	603,179
Fort Myers/Naples, FL	229,639	189,918	5,296	-93,880	-106,336	188,002
Fredericksburg, VA	62,121	-51,511	-41,100	33,929	49,747	93,527
Ft. Lauderdale, FL	164,818	115,648	192,477	-4,067	108,685	443,045
Greenville, SC	47,990	203,239	-29,702	63,980	-88,102	340,863
Hampton Roads, VA	214,393	144,549	182,887	218,483	194,768	279,771
Hartford, CT	-99,081	-93,608	-22,471	66,079	-126,774	520,646
Houston, TX	-1,014,498	-393,270	-76,018	-1,661,257	-353,102	2,011,463
Indianapolis, IN	34,616	96,948	106,407	21,164	13,700	392,132
Inland Empire CA	151,106	95,183	63,707	20,314	134,072	372,173
Jacksonville, FL	156,319	72,568	-177,795	53,031	-6,809	241,762
Kansas City, MO	341,024	296,390	12,877	391,484	291,917	973,115
Las Vegas, NV	317,279	303,518	635,544	481,949	255,501	637,307
Long Island, NY	-185,186	-156,894	635,282	-155,834	348,898	330,375
Los Angeles CBD	32,396	-1,934	125,536	175,997	191,666	601,447
Los Angeles Metro	408,586	970,688	324,649	29,299	292,244	3,211,557
Louisville, KY	169,092	-177,342	56,968	-15,892	42,799	158,375
Miami, FL	99,695	231,803	149,150	181,885	188,895	743,269
Milwaukee, WI	100,371	-77,961	6,799	206,587	111,563	269,007
Minneapolis/St. Paul, MN	304,736	-71,445	372,274	-163,970	437,958	912,921
Nashville, TN	584,919	479,957	-31,019	3,853	157,609	657,901

Demand Indicators (Overall)	Net Absorption					Leasing Activity**
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
New Haven, CT	42,583	32,407	-420,840	-28,419	-11,993	62,063
New Jersey - Central	290,912	-469,831	-200,094	-485,071	408,996	1,329,470
New Jersey - Northern	-569,259	36,907	-679,405	-635,900	-165,272	1,720,905
New Orleans, LA	-65,307	-96,123	-153,754	-81,904	-46,882	127,701
New York - Brooklyn	1,290,463	227,707	452,500	232,732	-149,907	96,146
New York - Downtown	266,114	450,809	161,963	-17,197	784,290	1,979,326
New York - Midtown	556,163	1,871,598	1,497,959	1,102,733	1,096,302	7,011,750
New York - Midtown South	236,764	123,132	551,254	267,526	941,823	2,056,857
Northern VA	706,558	-400,293	1,011,923	306,474	343,471	2,589,221
Oakland/East Bay, CA*	-82,432	-859,973	418,281	-423,900	-689,824	2,113,606
Omaha, NE	-7,745	-5,176	-106,784	128,148	69,338	320,643
Orange County, CA	387,926	93,617	176,349	129,326	143,072	2,503,834
Orlando, FL	248,326	394,135	165,766	-137,658	270,652	728,402
Palm Beach, FL	79,006	219,948	74,486	17,790	24,409	384,315
Philadelphia, PA	-355,447	685,574	-726,020	-150,771	-482,321	1,743,064
Phoenix, AZ	374,466	-19,174	383,458	865,326	786,100	1,904,782
Pittsburgh, PA	177,541	14,554	-72,103	-516,396	136,715	779,421
Portland, OR	262,009	306,999	228,906	-167,524	294,961	603,750
Providence, RI	17,000	41,000	40,000	7,000	20,000	328,000
Puget Sound - Eastside	117,818	1,633	13,064	536,624	-80,388	747,820
Raleigh/Durham, NC	-13,345	505,016	480,412	189,060	362,984	424,092
Richmond, VA	320,801	100,990	262,192	-268,900	80,136	353,548
Roanoke, VA	195,080	40,152	5,235	-113,653	-60,759	112,331
Rochester, NY	203,255	203,255	147,176	-307,934	180,621	122,795
Sacramento, CA	166,382	305,059	428,813	404,839	209,750	1,366,755
Salt Lake City, UT	249,383	4,287	602,795	50,322	338,824	241,037
San Antonio, TX	18,710	-34,917	-128,901	-162,460	-36,626	279,387
San Diego, CA	263,662	817,503	393,547	349,859	212,717	1,987,229
San Francisco North Bay, CA	46,910	-27,546	132,780	-23,591	17,910	296,456
San Francisco, CA	-224,235	-118,320	253,149	2,303,138	1,262,429	2,671,793
San Juan, PR	n/a	n/a	n/a	n/a	n/a	n/a
San Mateo County, CA	-511,457	317,212	-51,390	159,683	-312,905	1,205,698
San Jose (Silicon Valley), CA*	3,039,744	-295,811	-95,694	742,284	-759,728	6,408,833
Savannah, GA	8,689	n/a	38,194	n/a	98,334	55,000
Seattle, WA	939,857	229,962	1,618,836	1,357,121	232,029	1,637,287
Southern New Hampshire	-20,552	-36,303	14,847	-62,686	15,202	179,904
St. Louis, MO	188,777	314,189	282,321	65,571	-109,104	1,015,876
St. Petersburg/Clearwater, FL	-390	190,281	67,506	65,836	145,589	141,926
Suburban MD	-208,956	172,195	90,173	-65,613	265,164	925,758
Syracuse, NY	-32,200	-121,443	17,895	-983	167,651	237,889
Tampa, FL	-38,231	253,448	214,245	37,385	215,054	537,347
Tucson, AZ	73,822	82,048	117,634	58,014	88,362	188,978
Tulsa, OK	-62,037	26,096	n/a	-107,618	-197,655	439,513
Washington, DC	145,039	169,952	233,646	265,071	124,717	2,189,827
Westchester County, NY	154,828	10,112	-111,371	-10,586	-168,472	280,946

p = preliminary  
 \*Includes R&D  
 \*\*Leasing activity totals now include renewals

Vacancy Rate (All Classes)	Overall					Direct
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
United States	13.2%	13.2%	13.1%	13.3%	13.4%	12.3%
Northeast	12.4%	12.3%	12.2%	12.5%	12.6%	11.3%
Midwest	14.7%	14.4%	14.5%	14.3%	14.5%	13.8%
South	14.0%	14.1%	14.1%	14.5%	14.7%	13.6%
West	11.9%	12.0%	12.0%	12.0%	11.9%	10.6%

U.S. Office Report Markets	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
Atlanta, GA	16.7%	16.5%	16.5%	16.2%	16.2%	15.0%
Austin, TX	10.5%	10.4%	10.4%	10.5%	11.2%	8.8%
Baltimore, MD	12.8%	12.7%	12.7%	13.2%	13.1%	12.5%
Binghamton, NY	9.3%	9.0%	9.0%	8.9%	8.6%	8.6%
Birmingham, AL	12.3%	12.9%	12.9%	15.9%	17.1%	14.8%
Boston, MA	9.9%	10.1%	10.1%	10.0%	9.7%	8.8%
Buffalo, NY	18.1%	17.3%	17.3%	17.3%	17.4%	16.7%
Charleston, SC	6.2%	6.3%	6.3%	5.6%	5.7%	5.3%
Charlotte, NC	7.5%	8.0%	8.0%	8.1%	8.2%	7.8%
Chicago, IL	16.3%	16.8%	16.8%	17.2%	18.4%	16.9%
Cincinnati, OH	21.4%	21.1%	21.1%	21.6%	20.1%	19.3%
Cleveland, OH	11.0%	9.6%	9.6%	8.5%	8.6%	8.4%
Colorado Springs, CO	18.1%	18.1%	18.1%	12.9%	11.0%	10.5%
Columbus, OH	13.4%	14.3%	14.3%	13.7%	14.0%	12.4%
Dallas/Fort Worth, TX	16.0%	16.7%	16.7%	17.7%	18.5%	17.4%
Dayton, OH	22.7%	21.9%	21.9%	22.6%	22.1%	22.1%
Denver, CO	14.8%	15.6%	15.6%	16.3%	16.1%	14.8%
Detroit, MI	14.4%	13.6%	13.6%	13.5%	12.6%	12.3%
El Paso, TX	6.8%	6.3%	6.3%	8.9%	8.4%	8.4%
Fairfield County, CT	23.2%	23.1%	23.1%	24.2%	24.5%	21.5%
Fort Myers/Naples, FL	6.5%	6.2%	6.2%	5.8%	6.4%	6.2%
Fredericksburg, VA	11.4%	12.4%	12.4%	12.1%	11.6%	11.1%
Ft. Lauderdale, FL	12.5%	11.6%	11.6%	12.0%	11.7%	11.2%
Greenville, SC	8.2%	7.8%	7.8%	8.2%	9.3%	8.6%
Hampton Roads, VA	10.1%	9.8%	9.8%	9.6%	8.9%	8.8%
Hartford, CT	15.4%	16.1%	16.1%	16.5%	17.2%	15.2%
Houston, TX	20.7%	20.2%	20.2%	22.0%	22.4%	19.4%
Indianapolis, IN	14.5%	14.3%	14.3%	14.3%	17.2%	16.7%
Inland Empire CA	9.9%	8.8%	8.8%	8.7%	8.0%	7.8%
Jacksonville, FL	13.4%	13.5%	13.5%	13.0%	12.8%	12.3%
Kansas City, MO	16.8%	16.3%	16.3%	15.5%	14.4%	13.4%
Las Vegas, NV	13.8%	12.9%	13.3%	11.9%	11.7%	11.2%
Long Island, NY	13.8%	12.3%	12.3%	12.7%	11.7%	9.7%
Los Angeles CBD	20.3%	21.2%	21.2%	21.2%	20.3%	19.6%
Los Angeles Metro	13.6%	14.1%	14.1%	14.5%	14.6%	13.6%
Louisville, KY	12.7%	13.2%	13.2%	13.5%	13.5%	13.3%
Miami, FL	12.2%	12.1%	12.1%	12.1%	12.4%	11.8%
Milwaukee, WI	16.5%	16.8%	16.8%	16.2%	15.3%	15.0%
Minneapolis/St. Paul, MN	17.0%	17.4%	17.4%	17.6%	17.1%	16.6%
Nashville, TN	6.9%	8.5%	8.5%	8.5%	8.6%	7.8%

# Vacancy Rates

Vacancy Rate (All Classes)	Overall					Direct
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
New Haven, CT	10.8%	14.6%	14.6%	13.8%	13.4%	12.1%
New Jersey - Central	16.4%	16.5%	16.5%	17.2%	16.5%	14.3%
New Jersey - Northern	19.3%	18.4%	18.4%	19.7%	19.8%	17.7%
New Orleans, LA	7.8%	8.8%	8.8%	9.3%	9.5%	9.3%
New York - Brooklyn	12.5%	10.5%	10.5%	10.5%	11.1%	10.5%
New York - Downtown	8.9%	8.7%	8.7%	9.0%	11.3%	9.9%
New York - Midtown	9.8%	9.5%	9.5%	9.3%	9.2%	7.7%
New York - Midtown South	7.5%	6.9%	6.9%	6.5%	6.7%	5.4%
Northern VA	20.8%	21.6%	21.6%	21.1%	20.5%	19.4%
Oakland/East Bay, CA*	10.2%	10.6%	10.6%	10.9%	11.6%	9.7%
Omaha, NE	7.2%	7.4%	7.4%	6.8%	6.6%	5.8%
Orange County, CA	10.9%	11.1%	11.1%	11.6%	11.3%	10.7%
Orlando, FL	10.7%	9.3%	9.3%	9.5%	9.3%	9.0%
Palm Beach, FL	12.7%	12.9%	12.9%	14.5%	13.7%	13.2%
Philadelphia, PA	11.8%	11.4%	11.4%	12.0%	12.6%	12.1%
Phoenix, AZ	17.6%	17.4%	17.4%	16.8%	16.1%	14.7%
Pittsburgh, PA	10.0%	10.4%	10.4%	10.7%	11.0%	10.2%
Portland, OR	11.2%	10.3%	10.3%	10.5%	10.5%	10.0%
Providence, RI	12.5%	12.0%	12.0%	12.1%	12.0%	11.7%
Puget Sound - Eastside	8.4%	8.4%	8.4%	8.1%	8.1%	6.7%
Raleigh/Durham, NC	8.2%	8.1%	8.1%	8.1%	7.6%	7.2%
Richmond, VA	6.4%	6.4%	6.4%	6.7%	6.7%	6.3%
Roanoke, VA	8.7%	6.2%	6.2%	6.8%	6.8%	6.8%
Rochester, NY	14.3%	13.3%	13.3%	15.4%	14.2%	14.2%
Sacramento, CA	10.4%	9.6%	9.6%	9.8%	9.8%	9.6%
Salt Lake City, UT	13.4%	13.9%	13.9%	14.0%	13.3%	11.8%
San Antonio, TX	12.6%	13.9%	13.9%	13.9%	13.5%	13.2%
San Diego, CA	14.1%	13.3%	13.3%	12.9%	12.6%	10.8%
San Francisco North Bay, CA	10.5%	10.0%	10.0%	9.7%	9.6%	8.5%
San Francisco, CA	8.4%	8.6%	8.6%	7.6%	7.4%	6.2%
San Juan, PR	13.0%	11.2%	11.2%	11.6%	12.8%	12.8%
San Mateo County, CA	8.4%	8.5%	8.5%	8.1%	8.8%	6.8%
San Jose (Silicon Valley), CA*	10.2%	11.0%	11.0%	10.6%	10.8%	8.3%
Savannah, GA	16.9%	15.8%	15.8%	15.8%	12.9%	12.9%
Seattle, WA	7.7%	7.3%	7.3%	8.1%	8.7%	7.8%
Southern New Hampshire	10.5%	9.9%	9.9%	10.0%	10.3%	9.9%
St. Louis, MO	11.9%	11.7%	11.7%	11.4%	12.3%	11.7%
St. Petersburg/Clearwater, FL	14.2%	13.1%	13.1%	12.6%	11.7%	11.6%
Suburban MD	19.8%	19.4%	19.4%	19.4%	19.0%	18.2%
Syracuse, NY	13.6%	14.2%	14.2%	14.0%	12.4%	11.4%
Tampa, FL	12.5%	11.7%	11.7%	11.3%	10.9%	10.0%
Tucson, AZ	10.0%	9.0%	9.0%	8.9%	8.1%	8.0%
Tulsa, OK	21.7%	22.0%	22.0%	22.2%	23.7%	21.5%
Washington, DC	12.3%	12.4%	12.4%	12.4%	14.0%	13.0%
Westchester County, NY	19.4%	19.6%	19.6%	24.6%	25.7%	23.7%

p = preliminary  
\*Includes R&D.

	Overall (All Classes)					Class A
Weighted Average Asking Rent	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
United States	\$30.32	\$30.54	\$30.71	\$30.62	\$30.94	\$37.35
Northeast	\$38.64	\$38.55	\$38.37	\$37.64	\$38.41	\$44.76
Midwest	\$22.97	\$23.24	\$23.24	\$23.46	\$23.60	\$27.72
South	\$27.37	\$27.57	\$27.80	\$28.01	\$28.14	\$37.73
West	\$32.49	\$32.90	\$33.56	\$33.20	\$33.60	\$41.50

U.S. Office Report Markets	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
Atlanta, GA	\$24.10	\$24.72	\$24.78	\$25.79	\$26.53	\$29.84
Austin, TX	\$36.45	\$36.71	\$36.13	\$36.39	\$36.54	\$40.17
Baltimore, MD	\$23.36	\$23.07	\$23.37	\$23.14	\$23.41	\$26.66
Binghamton, NY	\$12.65	\$12.79	\$12.84	\$12.84	\$12.84	\$12.84
Birmingham, AL	\$18.75	\$18.58	\$19.31	\$19.35	\$18.94	\$20.26
Boston, MA	\$38.18	\$37.81	\$37.08	\$35.82	\$36.05	\$41.13
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$20.82	\$21.10	\$21.67	\$22.42	\$23.01	\$30.20
Charlotte, NC	\$23.46	\$23.83	\$24.45	\$25.18	\$25.46	\$29.37
Chicago, IL	\$30.65	\$30.78	\$30.48	\$30.57	\$30.24	\$34.07
Cincinnati, OH	\$18.17	\$18.30	\$18.53	\$18.66	\$19.09	\$21.73
Cleveland, OH	\$17.29	\$17.23	\$17.35	\$17.25	\$17.50	\$21.43
Colorado Springs, CO	\$13.68	\$13.88	\$13.92	\$13.59	\$13.64	\$15.68
Columbus, OH	\$20.58	\$20.63	\$20.74	\$20.77	\$20.94	\$23.06
Dallas/Fort Worth, TX	\$26.19	\$26.04	\$26.49	\$27.31	\$26.43	\$29.74
Dayton, OH	\$14.87	\$14.95	\$15.04	\$15.00	\$14.98	\$18.39
Denver, CO	\$26.62	\$27.00	\$26.86	\$27.41	\$27.50	\$31.06
Detroit, MI	\$19.32	\$19.43	\$19.42	\$19.52	\$19.61	\$21.98
El Paso, TX	\$16.00	\$16.25	\$16.26	\$16.25	\$16.50	\$17.25
Fairfield County, CT	\$33.98	\$33.78	\$33.00	\$32.55	\$32.47	\$37.78
Fort Myers/Naples, FL	\$15.36	\$15.34	\$15.63	\$14.97	\$14.85	\$16.87
Fredericksburg, VA	\$19.74	\$19.57	\$19.07	\$20.12	\$22.83	\$24.98
Ft. Lauderdale, FL	\$29.43	\$29.51	\$29.24	\$30.35	\$30.48	\$37.17
Greenville, SC	\$18.72	\$19.04	\$18.54	\$19.39	\$19.25	\$23.21
Hampton Roads, VA	\$17.17	\$17.13	\$17.67	\$17.75	\$18.19	\$21.53
Hartford, CT	\$21.11	\$20.89	\$20.72	\$20.55	\$20.59	\$21.96
Houston, TX	\$29.52	\$29.51	\$29.80	\$29.44	\$29.04	\$36.02
Indianapolis, IN	\$19.16	\$19.21	\$19.35	\$19.53	\$19.24	\$21.59
Inland Empire CA	\$21.68	\$21.79	\$22.21	\$22.36	\$22.72	\$27.22
Jacksonville, FL	\$18.91	\$18.72	\$19.02	\$19.07	\$19.00	\$22.32
Kansas City, MO	\$19.79	\$19.66	\$19.85	\$19.73	\$20.20	\$23.80
Las Vegas, NV	\$19.32	\$19.32	\$19.56	\$19.80	\$19.32	\$28.08
Long Island, NY	\$29.93	\$30.12	\$29.75	\$29.46	\$29.96	\$32.89
Los Angeles CBD	\$41.57	\$42.17	\$42.39	\$42.23	\$42.25	\$43.24
Los Angeles Metro	\$37.27	\$37.09	\$38.74	\$39.24	\$39.31	\$43.24
Louisville, KY	\$16.54	\$17.03	\$17.15	\$16.96	\$16.82	\$20.38
Miami, FL	\$38.20	\$37.77	\$38.16	\$38.49	\$38.03	\$44.49
Milwaukee, WI	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$21.75
Minneapolis/St. Paul, MN	\$25.21	\$25.17	\$25.38	\$25.49	\$25.32	\$30.64
Nashville, TN	\$25.50	\$26.94	\$26.99	\$26.45	\$26.20	\$28.84

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018p	Q2 2018p
New Haven, CT	\$20.96	\$21.73	\$21.42	\$21.35	\$21.37	\$23.07
New Jersey - Central	\$25.22	\$25.49	\$25.75	\$26.45	\$26.58	\$29.74
New Jersey - Northern	\$28.66	\$29.19	\$29.84	\$30.13	\$30.79	\$35.48
New Orleans, LA	\$18.08	\$18.66	\$18.63	\$18.57	\$18.69	\$19.39
New York - Brooklyn	\$38.24	\$43.68	\$41.31	\$41.15	\$42.56	\$53.74
New York - Downtown	\$58.83	\$59.86	\$60.23	\$59.67	\$62.92	\$66.47
New York - Midtown	\$77.61	\$77.67	\$76.94	\$77.06	\$77.44	\$84.17
New York - Midtown South	\$69.68	\$69.23	\$68.87	\$69.13	\$71.07	\$84.92
Northern VA	\$32.16	\$32.07	\$32.68	\$32.63	\$32.69	\$35.40
Oakland/East Bay, CA*	\$29.60	\$30.67	\$31.06	\$31.12	\$32.01	\$39.34
Omaha, NE	\$16.13	\$16.31	\$17.13	\$20.15	\$20.29	\$26.17
Orange County, CA	\$29.57	\$30.34	\$31.82	\$34.03	\$34.36	\$39.07
Orlando, FL	\$21.11	\$21.21	\$21.44	\$21.57	\$22.36	\$26.06
Palm Beach, FL	\$36.71	\$37.25	\$37.15	\$35.99	\$34.59	\$43.39
Philadelphia, PA	\$25.98	\$25.71	\$25.86	\$25.64	\$25.52	\$27.67
Phoenix, AZ	\$24.87	\$24.65	\$25.11	\$25.22	\$25.28	\$29.96
Pittsburgh, PA	\$19.94	\$19.23	\$19.76	\$18.99	\$19.20	\$26.00
Portland, OR	\$26.04	\$26.78	\$27.35	\$27.81	\$27.99	\$32.04
Providence, RI	\$18.40	\$18.47	\$18.58	\$18.60	\$18.62	\$24.25
Puget Sound - Eastside	\$34.27	\$33.81	\$34.60	\$34.65	\$34.96	\$38.99
Raleigh/Durham, NC	\$23.54	\$23.96	\$24.05	\$24.35	\$25.28	\$27.57
Richmond, VA	\$18.84	\$19.19	\$18.89	\$19.04	\$18.94	\$21.29
Roanoke, VA	\$15.06	\$14.94	\$15.97	\$16.31	\$15.50	\$20.86
Rochester, NY	\$19.75	\$19.75	\$19.75	\$18.00	\$18.00	\$20.66
Sacramento, CA	\$21.60	\$22.10	\$22.15	\$22.08	\$22.32	\$27.36
Salt Lake City, UT	\$23.49	\$24.47	\$24.32	\$24.18	\$24.37	\$29.82
San Antonio, TX	\$21.41	\$22.10	\$21.49	\$22.05	\$22.05	\$25.49
San Diego, CA	\$35.16	\$35.52	\$35.52	\$36.24	\$36.24	\$41.16
San Francisco North Bay, CA	\$27.72	\$27.74	\$27.93	\$28.66	\$29.55	\$36.66
San Francisco, CA	\$70.16	\$70.51	\$71.02	\$71.40	\$72.30	\$76.22
San Juan, PR	\$17.90	\$17.90	\$18.06	\$19.92	\$18.05	\$19.93
San Mateo County, CA	\$57.31	\$57.40	\$57.15	\$58.06	\$58.69	\$62.87
San Jose (Silicon Valley), CA*	\$36.98	\$37.64	\$38.32	\$36.42	\$36.71	\$56.13
Savannah, GA	\$19.50	\$19.50	\$19.79	\$19.79	\$20.02	\$23.73
Seattle, WA	\$35.04	\$34.88	\$35.34	\$33.99	\$34.40	\$38.73
Southern New Hampshire	\$17.58	\$17.19	\$17.32	\$17.09	\$16.85	\$18.06
St. Louis, MO	\$19.47	\$19.73	\$19.61	\$18.75	\$18.90	\$21.86
St. Petersburg/Clearwater, FL	\$21.30	\$21.46	\$22.08	\$22.00	\$21.97	\$24.55
Suburban MD	\$26.75	\$26.71	\$26.85	\$26.92	\$27.27	\$30.33
Syracuse, NY	\$15.52	\$15.85	\$15.90	\$15.82	\$16.59	\$18.13
Tampa, FL	\$24.14	\$24.87	\$24.88	\$24.83	\$25.39	\$29.91
Tucson, AZ	\$18.68	\$18.83	\$18.93	\$19.11	\$18.56	\$22.77
Tulsa, OK	\$13.43	\$13.43	\$13.43	\$13.43	\$15.27	\$18.53
Washington, DC	\$53.85	\$54.96	\$55.00	\$54.75	\$55.01	\$62.13
Westchester County, NY	\$29.15	\$29.24	\$29.06	\$28.34	\$27.85	\$28.12

p = preliminary  
\*Includes R&D



Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q2 2018p
<b>United States</b>	<b>5,321,896,122</b>	<b>28,828,884</b>	<b>107,153,924</b>
Northeast	1,227,462,692	4,877,264	26,358,043
Midwest	842,036,578	4,200,701	11,379,602
South	1,775,598,438	10,175,566	37,203,656
West	1,476,798,414	9,575,353	32,212,623

U.S. Office Report Markets	Inventory	Deliveries YTD 2018	Under Construction as of Q2 2018p
Atlanta, GA	142,330,787	1,334,892	2,282,332
Austin, TX	50,599,302	498,136	3,802,115
Baltimore, MD	75,796,356	0	1,876,424
Binghamton, NY	4,643,622	90,000	0
Birmingham, AL	19,841,737	200,000	82,000
Boston, MA	163,171,096	1,300,035	2,753,154
Buffalo, NY	22,151,923	0	185,000
Charleston, SC	25,117,265	633,893	404,101
Charlotte, NC	107,426,508	395,121	3,583,559
Chicago, IL	234,382,162	1,814,156	2,831,418
Cincinnati, OH	33,656,170	42,503	0
Cleveland, OH	149,438,033	1,122,041	671,465
Colorado Springs, CO	28,335,691	0	251,131
Columbus, OH	28,963,007	414,790	1,010,761
Dallas/Fort Worth, TX	231,053,485	2,174,759	4,382,768
Dayton, OH	13,723,553	0	79,000
Denver, CO	116,933,598	2,278,824	2,105,250
Detroit, MI	107,792,406	113,240	497,288
El Paso, TX	19,709,231	178,000	332,500
Fairfield County, CT	39,433,690	0	0
Fort Myers/Naples, FL	20,550,606	0	12,900
Fredericksburg, VA	9,397,827	40,000	0
Ft. Lauderdale, FL	27,699,426	27,744	255,340
Greenville, SC	26,090,058	0	143,057
Hampton Roads, VA	41,239,312	19,000	589,600
Hartford, CT	24,248,156	0	24,900
Houston, TX	184,434,728	110,000	1,431,630
Indianapolis, IN	37,154,214	45,175	567,600
Inland Empire CA	21,885,514	0	31,500
Jacksonville, FL	23,750,532	20,037	679,567
Kansas City, MO	50,066,459	65,000	617,347
Las Vegas, NV	60,349,576	252,646	421,869
Long Island, NY	34,512,829	0	0
Los Angeles CBD	27,574,918	0	0
Los Angeles Metro	173,069,890	289,166	2,039,159
Louisville, KY	20,153,464	32,500	268,000
Miami, FL	47,292,115	206,717	1,169,926
Milwaukee, WI	28,618,426	0	515,879
Minneapolis/St. Paul, MN	74,126,605	370,000	2,224,162
Nashville, TN	38,520,502	0	1,837,650
New Haven, CT	10,713,686	0	0
New Jersey - Central	81,102,306	0	97,500

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q2 2018p
New Jersey - Northern	108,794,140	130,000	760,000
New Orleans, LA	25,826,094	0	0
New York - Brooklyn	28,864,805	262,910	2,503,056
New York - Downtown	89,729,615	2,602,472	233,372
New York - Midtown	240,572,104	71,000	15,920,851
New York - Midtown South	68,428,434	297,835	870,011
Northern VA	131,563,460	161,000	2,516,411
Oakland/East Bay, CA*	107,878,098	0	2,007,389
Omaha, NE	35,316,428	41,796	918,066
Orange County, CA	89,626,282	1,039,893	786,768
Orlando, FL	36,564,907	201,700	715,744
Palm Beach, FL	24,079,618	0	250,233
Philadelphia, PA	131,656,510	0	1,523,921
Phoenix, AZ	102,511,615	531,943	2,823,666
Pittsburgh, PA	90,598,102	118,012	856,278
Portland, OR	48,234,430	920,885	784,156
Providence, RI	19,161,000	0	490,000
Puget Sound - Eastside	34,879,716	0	603,113
Raleigh/Durham, NC	52,267,665	418,579	2,512,579
Richmond, VA	53,111,204	118,000	896,896
Roanoke, VA	16,484,959	0	0
Rochester, NY	14,069,668	0	45,000
Sacramento, CA	86,337,912	138,850	541,226
Salt Lake City, UT	36,786,955	40,000	1,204,497
San Antonio, TX	30,961,152	817,698	1,112,987
San Diego, CA	76,984,834	48,954	2,268,268
San Francisco North Bay, CA	21,382,611	0	0
San Francisco, CA	81,790,598	3,083,015	3,407,500
San Juan, PR	10,311,867	0	0
San Mateo County, CA	55,051,808	0	4,683,819
San Jose (Silicon Valley), CA*	217,240,359	654,102	3,669,942
Savannah, GA	3,415,940	0	0
Seattle, WA	63,709,674	208,840	4,360,170
Southern New Hampshire	14,569,575	0	95,000
St. Louis, MO	48,799,115	172,000	1,446,616
St. Petersburg/Clearwater, FL	11,737,903	0	0
Suburban MD	59,847,345	0	2,067,787
Syracuse, NY	16,141,497	5,000	0
Tampa, FL	31,170,791	150,000	250,000
Tucson, AZ	26,234,335	88,235	223,200
Tulsa, OK	25,060,607	0	162,000
Washington, DC	110,101,144	2,437,790	3,585,550
Westchester County, NY	24,899,934	0	0

p = preliminary  
\*Includes R&D

## About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

## Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. Generally, owner-occupied and federally-owned buildings are not included. Single tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

## Explanation of Terms

**Total Inventory:** The total amount of office space (in buildings of a predetermined size by market) that can be rented by a third party.

**Overall Vacancy Rate:** The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory.

**Direct Vacancy Rate:** The amount of unoccupied space available directly through the landlord, excludes sublease space.

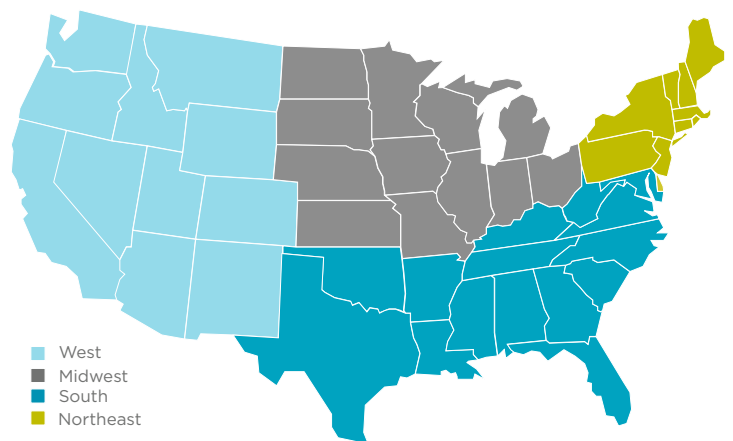
**Absorption:** The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

**Leasing Activity:** The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

**Overall Weighted Asking Rents:** Gross average asking rents weighted by the amount of available direct and sublease space in Class A, B and C properties.

**Class A Asking Rents:** Gross average asking rents weighted by the amount of available Class A direct and sublease space.

## Regional Map



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