

# MARKETBEAT

## U.S. Office

### Q3 2016



#### U.S. OFFICE

##### Employment Indicators

	Q3 15	3Q 16	12-Month Forecast
Total Nonfarm Employment	142.2M	144.6M	▲
Office-using Employment	30.6M	31.4M	▲
Unemployment	5.2%	4.9%	▼

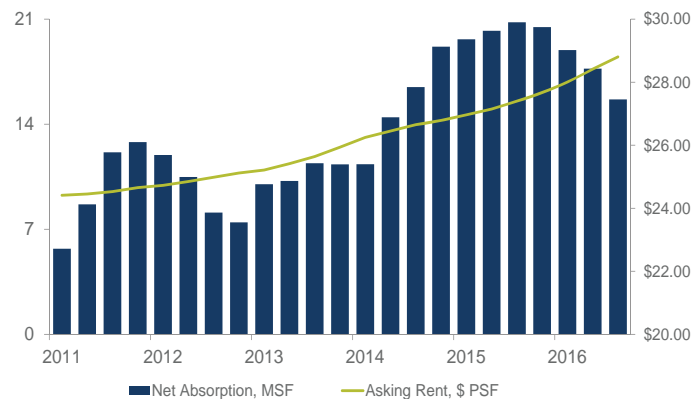
Source: BLS

##### Market Indicators (Overall)

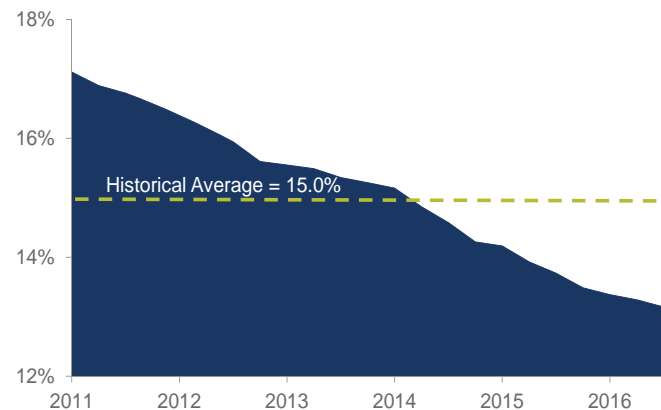
	Q3 15	Q3 16	12-Month Forecast
Vacancy Rate	13.7%	13.2%	■
Net Absorption	21.4M	13.2M	▼
Under Construction	93.7M	103.6M	▲
Weighted Asking Rent (FS)	\$27.90	\$29.45	▲

##### Net Absorption/Rent

4-QTR TRAILING AVERAGE



##### Overall Vacancy



Source: Cushman & Wakefield Research

## Economy

The U.S. economy continued to grow at a steady pace in the third quarter, contributing to further tightening in office markets across the U.S. But the pace of absorption has slowed noticeably during 2016; business leaders have been forced to cope with global and U.S.-based events that have generated substantial uncertainty about the current and future business environment.

The year began with severe financial market volatility in the first quarter (the second such occurrence in less than six months), followed by the U.K. referendum to leave the European Union—Brexiteer—late in the second quarter, the Federal Reserve's steady drive toward eventually increasing interest rates, and the lead-up to U.S. Presidential and Congressional elections. In addition, the current economic expansion is now more than seven years old—i.e., in a mature phase. The net impact of these factors has been to slow the pace of job growth in the U.S. from an average of 251,000 jobs per month in 2014 and 229,000 in 2015 to 178,000 per month in the first nine months of 2016. Employment in office-using industries has also slowed but less sharply, falling from an average of 67,000 jobs per month in 2015 to 58,000 in the first nine months of 2016.

The good news is that even against a backdrop of uncertainty, the economy continues to grow, and there is little to suggest that the pace of economic growth will slow. Real GDP grew at an annual rate of 1.0% in the first half of the year and growth is expected to be even stronger in the second half of 2016. We anticipate GDP growth will rise to 2.1% next year.

## Market Overview

Employment changes tend to lead to shifts in office absorption, so it is no surprise that office markets are mirroring slower job growth. Net absorption totaled 42.2 million square feet (MSF) in the first three quarters of 2016, and 13.2 MSF in the third quarter, down substantially from both the 61.5 MSF of office space absorbed in the first three quarters of 2015 and the 21.4 MSF absorbed in the third quarter of last year. In the third quarter this year the strongest absorption was recorded in central New Jersey—1.4 MSF—where job growth has accelerated since early 2015. Phoenix followed with absorption of 1.1 MSF, Seattle (880,000 SF) and LA metro (611,000 SF). More space was put back to the market than was taken off in Houston—where absorption was negative (-1.1 MSF), followed by East Bay San Francisco (-527,000 SF) and Denver (-295,000 SF).

A total of 11.3 MSF of new office space was delivered to markets across the U.S. during the third quarter of 2016, slightly less than the pace of absorption. Consequently, the national vacancy rate declined to 13.2%, down from 13.3% in the second quarter and 13.7% a year ago. The current vacancy rate is the lowest since the first quarter of 2008 and down 420 basis points since vacancy peaked in the third quarter of 2010. Vacancy rates declined in the third quarter in 57 office markets and rose in 26. Nashville remained the tightest market in the nation with a vacancy rate of 4.7%, followed by markets such as

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Midtown South (6.7%), San Mateo County, CA (7.5%), San Francisco (7.7%) and Charlotte (7.9%).

The continuing decline in vacancy has contributed to put upward pressure on asking rents. In the third quarter of 2016, the national average asking rent was \$29.45 per square foot (PSF), a 1.3% uptick from the second quarter and a 5.5% increase from a year ago. The pace of rent growth has accelerated this year as markets have tightened. Since the fourth quarter of 2015, average asking rents nationally have increased 4.8%; that's more than rents increased in all of 2015. Rent growth was generally strongest in markets with low vacancy. Compared to a year ago asking rents rose strongly in Brooklyn (+14.5%), San Francisco North Bay (+13.9%), Dallas/Ft. Worth (+13.2%) and San Mateo County, CA (+11.9%). For a second consecutive quarter, there were six markets with average asking rents above \$50 PSF. Manhattan and San Francisco dominated the markets with the highest rents in the U.S. Midtown Manhattan once again registered the highest rents with an average asking rent of \$79.91 PSF, Midtown South had the second highest rents at \$70.29 PSF, and San Francisco registered average rents at \$69.21 PSF. Downtown Manhattan (\$59.13 PSF) and San Mateo County, CA (\$56.55 PSF) rounded out the top five and Washington, DC registered the sixth highest average asking rent at \$51.93 PSF.

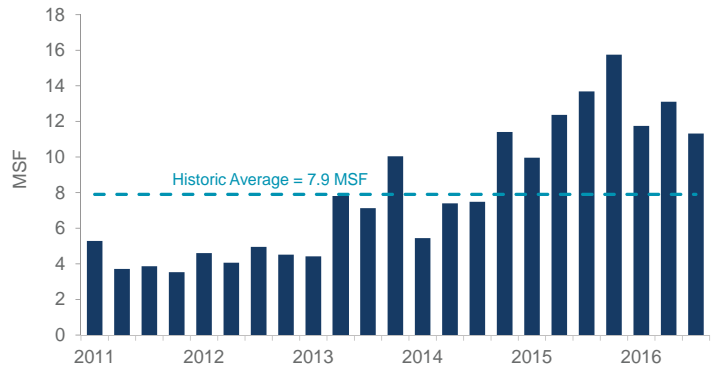
Overall, most U.S. office markets continued to steadily tighten during the third quarter this year, reflecting conditions in the overall economy. But there are signs that the declining trend in vacancy rates may be coming to an end. Cushman & Wakefield is tracking approximately 104 MSF of office space under construction, the largest amount in the current cycle. We also anticipate a continuing moderation in the pace of job growth, from roughly 600,000 office-using jobs in 2016 to 500,000 in 2017. Increasing supply at a time of slowing demand growth will likely lead to a bottoming out of vacancy rates. Of course, individual markets will be driven by their own supply-and-demand dynamics, but national trends are looking more likely to show that rental growth rates will peak in 2016 and then begin decelerating in 2017.

## Outlook

- GDP grew at an annual rate of 1.0% in the first half of the year. Growth is expected to be stronger in the second half of 2016.
- As the economy nears full employment, job growth will slow. Expect weaker absorption levels in most markets from this point forward.
- Vacancy will continue to tighten over the next 6-9 months, but will begin rising in 2017 as supply catches up with demand.

## New Supply

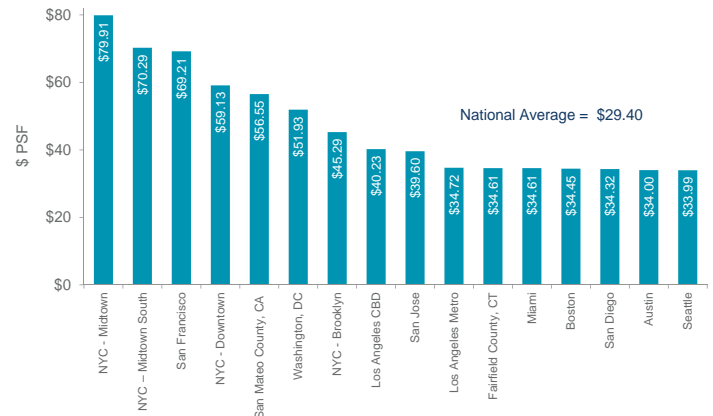
COMPLETIONS SURPASS LONG-TERM AVERAGE



Source: Cushman & Wakefield Research

## Asking Rent by Market

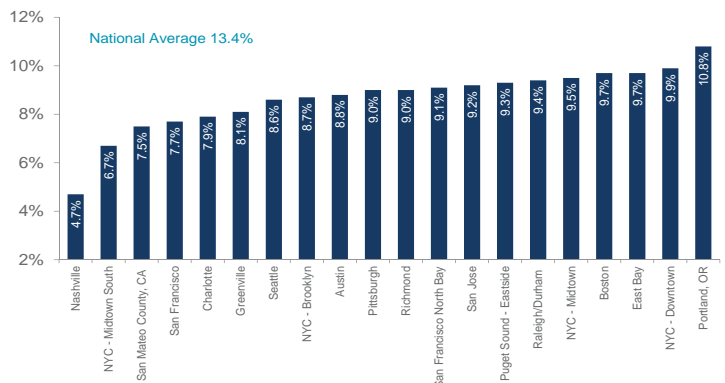
HIGHEST PRICED U.S. MARKETS



Source: Cushman & Wakefield Research

## Vacancy by Market

SELECT MARKETS IN THE U.S.



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity	
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p	
United States	21,415,535	20,424,818	11,078,312	17,885,664	13,208,561	66,042,822	
Northeast	1,593,114	2,469,826	-1,614,648	6,177,296	3,126,728	17,545,287	
Midwest	2,555,897	3,067,737	2,555,404	3,835,432	2,508,432	6,056,089	
South	6,979,609	7,425,137	5,435,943	4,893,105	2,917,780	18,370,181	
West	10,286,915	7,462,119	4,701,613	2,979,831	4,655,621	24,071,265	

U.S. Office Market Reports	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Atlanta, GA	576,532	817,010	288,715	270,564	545,706	2,005,789
Austin, TX	552,063	712,782	581,240	653,778	419,518	666,736
Baltimore, MD	269,398	454,405	106,787	189,284	158,539	1,048,948
Binghamton, NY	-4,087	16,096	15,642	4,317	n/a	n/a
Birmingham, AL	-36,529	187,914	-32,279	-111,059	257,811	154,840
Boston, MA	235,586	107,607	-689,333	87,409	562,955	2,826,480
Buffalo, NY	506,067	58,005	-21,155	200,510	-101,539	282,128
Charleston, SC	-224,415	77,581	52,534	135,683	105,423	115,763
Charlotte, NC	634,076	89,641	595,031	701,059	109,348	1,476,338
Chicago, IL	1,002,439	830,413	870,466	1,161,085	408,187	2,361,241
Cincinnati, OH	309,881	372,091	467,647	-47,183	171,447	277,250
Cleveland, OH	119,499	301,092	391,826	443,712	209,099	282,151
Colorado Springs, CO	134,098	76,225	58,396	48,818	52,013	120,272
Columbus, OH	72,923	233,174	-53,818	212,171	70,287	362,717
Dallas/Fort Worth, TX	1,113,693	1,002,452	2,154,027	1,017,443	394,808	2,843,550
Dayton, OH	38,831	-13,407	45,929	40,686	76,203	70,367
Denver, CO	1,249,060	-296,258	1,032,518	-277,425	-295,134	2,291,062
Detroit, MI	483,028	450,409	511,474	721,282	1,136,360	890,494
East Bay, CA*	1,094,017	824,648	63,221	383,269	-526,536	2,685,738
El Paso, TX	28,900	10,000	-11,000	34,350	92,639	67,450
Fairfield County, CT	-162,624	73,798	-62,577	-394,234	26,706	350,318
Fort Myers/Naples, FL	289,491	336,719	82,153	199,434	203,051	146,747
Fredericksburg, VA	33,114	-52,187	24,860	23,647	28,743	70,218
Ft. Lauderdale, FL	84,584	101,886	83,591	144,092	228,017	322,518
Greenville, SC	52,555	-10,033	36,230	-43,568	63,853	144,886
Hampton Roads, VA	261,553	-14,845	-77,547	103,648	29,362	185,045
Hartford, CT	-5,293	-45,076	-160,005	414,426	112,379	409,144
Houston, TX	143,733	67,887	587,467	-263,454	-1,100,472	1,441,069
Indianapolis, IN	12,151	27,403	81,486	264,622	311,246	324,470
Inland Empire CA	111,646	36,213	139,864	-43,370	10,267	233,202
Jacksonville, FL	143,717	425,461	-3,364	370,457	-64,409	260,014
Kansas City, MO	9,739	243,042	-179,913	306,847	-73,173	497,082
Las Vegas, NV	97,359	92,034	233,275	17,376	473,251	n/a
Long Island, NY	170,949	-267,181	151,066	493,005	144,125	229,307
Los Angeles CBD	23,469	-51,899	105,726	114,295	66,803	313,719
Los Angeles Metro	570,532	1,423,146	258,951	817,122	611,431	2,478,078
Louisville, KY	8,485	191,694	118,168	87,947	-57,453	176,431
Memphis, TN	67,618	71,881	-32,747	-73,766	34,743	118,154
Miami, FL	139,520	143,398	-8,349	20,857	95,352	674,096
Milwaukee, WI	121,389	43,029	338,654	90,980	150,722	351,124

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Minneapolis/St. Paul, MN	185,034	339,890	-34,828	168,456	-89,059	n/a
Nashville, TN	506,134	325,855	433,389	59,782	389,603	867,250
New Haven, CT	14,403	350,029	45,400	39,393	23,294	184,482
New Jersey - Central	285,282	139,300	-16,824	610,505	1,413,405	1,425,132
New Jersey - Northern	17,594	105,221	-76,995	404,697	391,919	1,734,637
New Orleans, LA	-34,893	82,878	-73,069	-142,148	155,682	162,433
New York - Brooklyn	-611,199	-118,580	-303,483	112,573	81,264	186,951
New York - Downtown	388,093	531,978	-625,078	427,029	-11,711	851,865
New York - Midtown	-6,808	742,707	-892,632	2,247,306	499,891	5,053,449
New York - Midtown South	66,254	20,040	462,714	139,955	-231,266	991,154
Oklahoma City, OK	54,037	-45,658	-159,782	-230,557	11,521	158,013
Omaha, NE	23,383	80,965	-29,240	114,364	-44,185	323,387
Orange County, CA	990,402	145,480	403,838	-19,583	249,547	1,168,518
Orlando, FL	490,966	322,162	219,280	282,014	-187,826	529,568
Palm Beach, FL	51,018	47,503	185,488	115,607	58,430	86,691
Philadelphia, PA	629,925	578,400	630,059	1,222,825	306,055	1,840,757
Phoenix, AZ	880,227	1,501,456	702,999	1,004,896	1,103,127	1,667,242
Pittsburgh, PA	233,704	-14,519	201,256	366,523	-6,828	650,652
Portland, OR	86,794	328,984	137,851	254,089	275,911	540,692
Providence, RI	34,000	93,000	-8,900	31,650	22,823	117,825
Puget Sound - Eastside	-703,725	617,807	438,586	-252,940	397,535	874,779
Raleigh/Durham, NC	465,242	502,033	165,443	109,472	336,035	377,185
Richmond, VA	301,960	114,205	-41,531	2,947	-114,906	388,603
Roanoke, VA	18,829	25,137	-204,480	17,663	51,061	131,867
Rochester, NY	-47,537	99,534	-96,429	175,648	33,806	93,119
Sacramento, CA	150,297	804,948	-135,058	186,668	333,313	534,602
Salt Lake City, UT	418,841	195,251	51,364	289,327	131,588	337,446
San Antonio, TX	83,970	167,714	202,567	136,853	-14,852	303,272
San Diego, CA	197,461	651,242	158,670	163,854	269,684	1,327,059
San Francisco North Bay, CA	225,868	223,191	94,893	137,389	360,229	627,775
San Francisco, CA	-116,508	253,181	316,435	266,447	184,610	874,957
San Juan, PR	-16,106	-111,500	n/a	n/a	n/a	n/a
San Mateo County, CA	582,001	141,181	215,942	23,901	229,425	1,621,727
San Jose (Silicon Valley), CA*	2,394,851	815,554	-360,494	-690,338	-195,508	5,362,959
Savannah, GA	n/a	n/a	n/a	40,101	1,762	16,000
Seattle, WA	1,869,202	-467,257	611,761	483,663	880,035	978,697
Southern New Hampshire	114,099	-4,362	-109,069	0	n/a	n/a
St. Louis, MO	177,600	159,636	145,721	358,410	181,298	315,806
St. Petersburg/Clearwater, FL	3,481	115,909	28,834	193,136	-57,092	81,378
Suburban MD	-5,300	219,057	133,913	106,569	-7,974	581,860
Suburban VA (Northern VA)	231,507	150,018	-319,132	370,820	442,988	1,226,345
Syracuse, NY	-47,705	122,996	15,284	-3,743	-58,011	175,482
Tampa, FL	305,209	280,859	496,101	79,609	217,212	510,741
Tucson, AZ	31,023	146,992	172,875	72,373	44,030	32,741
Tulsa, OK	103,691	113,348	-173,250	-184,624	-17,000	n/a
Washington, DC	281,776	501,971	-3,345	475,465	108,557	1,030,383
Westchester County, NY	-217,589	-119,167	-73,589	-402,498	-82,539	142,405

p = preliminary  
\*Includes R&D

Vacancy Rate (All Classes)	Overall					Direct
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
United States	13.7%	13.5%	13.4%	13.3%	13.2%	12.2%
Northeast	12.7%	12.6%	12.7%	12.5%	12.3%	11.3%
Midwest	16.2%	15.8%	15.5%	15.0%	14.8%	14.2%
South	14.3%	14.1%	14.2%	14.2%	14.2%	13.3%
West	12.4%	12.2%	11.7%	11.8%	11.7%	10.7%

U.S. Office Report Markets	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Atlanta, GA	16.8%	16.2%	16.2%	16.0%	15.8%	14.9%
Austin, TX	9.0%	9.1%	8.5%	9.0%	8.8%	7.1%
Baltimore, MD	13.5%	12.8%	14.6%	14.6%	14.0%	14.0%
Binghamton, NY	10.4%	10.2%	10.2%	9.9%	9.9%	6.9%
Birmingham, AL	14.7%	13.6%	13.8%	14.4%	13.0%	12.8%
Boston, MA	9.3%	10.0%	9.6%	9.9%	9.7%	8.7%
Buffalo, NY	18.2%	18.2%	18.6%	17.8%	18.4%	17.6%
Charleston, SC	8.1%	7.7%	6.7%	7.0%	7.0%	6.8%
Charlotte, NC	9.0%	8.7%	8.1%	7.9%	7.9%	7.5%
Chicago, IL	15.7%	15.1%	14.9%	14.4%	14.6%	13.6%
Cincinnati, OH	23.1%	22.1%	20.6%	20.8%	20.5%	18.8%
Cleveland, OH	11.9%	11.5%	11.8%	11.5%	11.3%	11.2%
Colorado Springs, CO	22.0%	20.6%	19.9%	19.9%	21.6%	20.0%
Columbus, OH	15.4%	14.4%	14.2%	13.3%	13.4%	11.9%
Dallas/Fort Worth, TX	16.5%	16.3%	16.0%	15.7%	16.1%	15.6%
Dayton, OH	25.4%	25.1%	25.6%	24.8%	24.5%	24.0%
Denver, CO	12.0%	12.8%	11.3%	11.4%	12.1%	10.8%
Detroit, MI	18.1%	17.9%	17.8%	17.6%	16.7%	16.5%
East Bay, CA*	11.2%	9.9%	9.6%	9.2%	9.7%	8.6%
El Paso, TX	6.7%	6.7%	6.7%	7.5%	7.2%	7.2%
Fairfield County, CT	21.2%	20.6%	20.7%	21.8%	21.5%	19.9%
Fort Myers/Naples, FL	11.2%	10.7%	10.1%	9.1%	8.6%	8.5%
Fredericksburg, VA	13.9%	14.4%	14.6%	14.0%	13.8%	13.4%
Ft. Lauderdale, FL	13.5%	11.7%	14.7%	15.3%	14.0%	13.3%
Greenville, SC	8.5%	9.0%	8.9%	8.5%	8.1%	7.6%
Hampton Roads, VA	11.3%	11.4%	11.5%	11.2%	11.3%	11.0%
Hartford, CT	19.8%	19.9%	17.7%	18.7%	18.1%	17.3%
Houston, TX	15.9%	16.8%	16.8%	18.1%	19.2%	16.0%
Indianapolis, IN	19.1%	19.0%	15.6%	14.2%	12.9%	13.2%
Inland Empire CA	16.4%	16.1%	13.7%	11.9%	11.9%	11.7%
Jacksonville, FL	18.1%	16.4%	17.5%	15.4%	15.3%	14.9%
Kansas City, MO	18.0%	17.9%	17.7%	17.3%	17.1%	15.7%
Las Vegas, NV	25.7%	25.5%	16.9%	16.9%	16.1%	15.7%
Long Island, NY	16.6%	17.1%	16.6%	15.1%	14.7%	13.5%
Los Angeles CBD	19.5%	19.6%	19.9%	19.9%	19.2%	18.7%
Los Angeles Metro	14.4%	13.6%	13.7%	13.5%	13.1%	12.6%
Louisville, KY	12.9%	12.1%	11.7%	12.7%	12.8%	12.5%
Memphis, TN	21.8%	20.6%	20.4%	20.7%	20.1%	19.0%
Miami, FL	12.6%	12.2%	13.7%	13.6%	13.5%	12.9%
Milwaukee, WI	18.4%	18.4%	18.2%	18.0%	16.8%	16.0%

Vacancy Rate (All Classes)	Overall					Direct
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Minneapolis/St. Paul, MN	17.2%	16.9%	17.0%	16.6%	16.6%	15.9%
Nashville, TN	7.5%	6.9%	5.8%	5.5%	4.7%	4.7%
New Haven, CT	14.9%	15.8%	15.6%	15.3%	12.0%	11.5%
New Jersey - Central	16.9%	16.7%	16.6%	16.6%	15.5%	14.1%
New Jersey - Northern	20.5%	20.2%	20.4%	19.3%	18.8%	16.8%
New Orleans, LA	11.0%	10.7%	9.7%	10.2%	9.5%	11.3%
New York - Brooklyn	6.1%	6.7%	8.0%	6.8%	8.7%	8.2%
New York - Downtown	10.3%	9.4%	10.2%	9.8%	9.9%	9.1%
New York - Midtown	9.3%	8.8%	9.3%	9.2%	9.5%	8.2%
New York - Midtown South	5.8%	6.2%	6.3%	6.3%	6.7%	5.4%
Oklahoma City, OK	12.1%	12.1%	13.0%	17.4%	12.4%	11.5%
Omaha, NE	12.4%	12.7%	11.8%	11.6%	12.0%	11.6%
Orange County, CA	12.0%	11.5%	11.9%	11.4%	11.3%	10.9%
Orlando, FL	14.4%	13.6%	12.8%	12.0%	11.7%	11.4%
Palm Beach, FL	17.9%	17.4%	18.6%	18.5%	17.4%	17.0%
Philadelphia, PA	13.6%	13.1%	13.3%	12.9%	12.3%	11.9%
Phoenix, AZ	18.9%	18.7%	18.2%	18.0%	17.8%	17.1%
Pittsburgh, PA	9.6%	10.1%	10.0%	9.2%	9.0%	8.7%
Portland, OR	10.8%	10.3%	10.8%	10.8%	10.8%	10.3%
Providence, RI	13.1%	12.8%	13.0%	12.8%	12.7%	12.6%
Puget Sound - Eastside	9.7%	10.2%	9.7%	10.5%	9.3%	8.8%
Raleigh/Durham, NC	10.3%	9.4%	9.7%	8.8%	9.4%	8.4%
Richmond, VA	9.4%	9.5%	8.8%	8.6%	9.0%	8.6%
Roanoke, VA	8.4%	8.4%	9.6%	9.8%	9.7%	9.7%
Rochester, NY	16.3%	15.6%	16.3%	15.0%	14.8%	14.8%
Sacramento, CA	13.6%	12.7%	12.6%	12.4%	12.0%	11.8%
Salt Lake City, UT	11.5%	11.4%	11.8%	11.4%	11.4%	9.4%
San Antonio, TX	15.1%	14.5%	15.1%	15.4%	14.7%	14.5%
San Diego, CA	16.2%	15.6%	15.6%	15.5%	15.1%	12.6%
San Francisco North Bay, CA	11.5%	11.3%	11.4%	10.7%	9.1%	8.2%
San Francisco, CA	6.0%	5.9%	5.7%	7.3%	7.7%	5.8%
San Juan, PR	14.3%	15.4%	15.1%	15.1%	15.0%	15.0%
San Mateo County, CA	8.2%	8.0%	7.7%	7.6%	7.5%	5.7%
San Jose (Silicon Valley), CA*	8.3%	8.3%	8.4%	9.2%	9.2%	7.8%
Savannah, GA	18.1%	17.9%	17.9%	16.7%	16.6%	16.6%
Seattle, WA	8.4%	9.4%	9.5%	8.9%	8.6%	8.1%
Southern New Hampshire	17.8%	17.0%	16.6%	15.5%	15.5%	14.8%
St. Louis, MO	14.5%	14.3%	13.2%	12.6%	12.4%	11.9%
St. Petersburg/Clearwater, FL	17.0%	15.9%	16.1%	14.9%	14.4%	14.0%
Suburban MD	21.6%	21.0%	20.8%	21.2%	21.2%	20.3%
Suburban VA (Northern VA)	21.1%	21.2%	21.4%	21.6%	21.1%	20.1%
Syracuse, NY	16.5%	14.4%	14.4%	14.1%	14.4%	13.3%
Tampa, FL	13.7%	12.4%	11.1%	12.2%	11.0%	10.6%
Tucson, AZ	12.6%	12.2%	11.8%	11.1%	11.0%	10.9%
Tulsa, OK	16.3%	18.3%	19.5%	18.4%	19.7%	16.8%
Washington, DC	12.1%	11.6%	11.8%	11.7%	11.9%	11.0%
Westchester County, NY	20.4%	20.7%	20.9%	22.4%	22.8%	20.7%

p = preliminary  
\*Includes R&D

	Overall (All Classes)					Class A
Weighted Average Asking Rent	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
United States	\$27.90	\$28.10	\$28.62	\$29.05	\$29.45	\$36.41
Northeast	\$36.32	\$36.13	\$36.68	\$37.27	\$38.13	\$44.78
Midwest	\$20.97	\$21.06	\$21.67	\$21.72	\$21.94	\$26.25
South	\$25.61	\$25.84	\$26.07	\$26.36	\$26.51	\$32.24
West	\$28.92	\$29.39	\$30.16	\$30.94	\$31.40	\$38.55

U.S. Office Report Markets	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Atlanta, GA	\$22.27	\$22.23	\$22.44	\$23.07	\$23.38	\$27.19
Austin, TX	\$33.02	\$33.37	\$33.52	\$33.54	\$34.00	\$36.47
Baltimore, MD	\$23.32	\$22.79	\$22.53	\$21.56	\$23.10	\$26.37
Binghamton, NY	\$14.01	\$13.75	\$13.75	\$13.52	\$13.52	\$13.52
Birmingham, AL	\$18.43	\$18.44	\$18.82	\$19.18	\$19.91	\$21.59
Boston, MA	\$32.60	\$32.91	\$32.62	\$33.98	\$34.45	\$41.06
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$21.12	\$19.96	\$19.36	\$19.67	\$19.37	\$27.38
Charlotte, NC	\$22.09	\$21.99	\$22.13	\$22.51	\$22.70	\$26.74
Chicago, IL	\$28.62	\$28.60	\$28.68	\$28.69	\$28.99	\$31.99
Cincinnati, OH	\$17.94	\$17.82	\$17.74	\$17.98	\$17.89	\$21.63
Cleveland, OH	\$16.57	\$16.79	\$16.92	\$16.94	\$17.20	\$22.46
Colorado Springs, CO	\$12.89	\$12.92	\$13.37	\$13.47	\$13.50	\$14.41
Columbus, OH	\$20.41	\$20.40	\$20.41	\$20.49	\$20.43	\$22.71
Dallas/Fort Worth, TX	\$22.76	\$24.15	\$25.44	\$25.39	\$25.76	\$31.62
Dayton, OH	\$15.44	\$15.40	\$15.04	\$14.73	\$14.96	\$19.71
Denver, CO	\$23.59	\$23.78	\$24.56	\$24.80	\$25.09	\$29.44
Detroit, MI	\$15.92	\$15.93	\$19.20	\$19.18	\$19.11	\$21.43
East Bay, CA*	\$23.82	\$24.16	\$24.92	\$25.17	\$25.52	\$34.41
El Paso, TX	\$15.00	\$15.00	\$15.00	\$16.00	\$16.00	\$17.00
Fairfield County, CT	\$35.62	\$35.32	\$34.37	\$34.72	\$34.61	\$37.73
Fort Myers/Naples, FL	\$16.18	\$16.38	\$16.27	\$16.31	\$16.36	\$21.48
Fredericksburg, VA	\$22.71	\$20.04	\$20.09	\$19.43	\$19.45	\$24.04
Ft. Lauderdale, FL	\$26.68	\$26.27	\$26.69	\$27.33	\$26.65	\$33.47
Greenville, SC	\$16.57	\$16.57	\$16.26	\$16.41	\$16.97	\$22.50
Hampton Roads, VA	\$17.33	\$17.18	\$17.09	\$16.99	\$17.25	\$20.38
Hartford, CT	\$20.26	\$20.34	\$20.75	\$20.87	\$20.80	\$22.22
Houston, TX	\$28.37	\$29.17	\$28.37	\$29.17	\$29.20	\$37.05
Indianapolis, IN	\$18.10	\$18.13	\$17.54	\$18.29	\$17.75	\$20.03
Inland Empire CA	\$21.08	\$21.00	\$21.24	\$21.24	\$21.12	\$25.08
Jacksonville, FL	\$17.84	\$17.94	\$18.11	\$18.22	\$18.78	\$21.24
Kansas City, MO	\$18.69	\$18.61	\$18.79	\$19.04	\$19.10	\$22.67
Las Vegas, NV	\$22.72	\$22.78	\$21.12	\$21.36	\$21.48	\$28.80
Long Island, NY	\$29.82	\$29.54	\$29.66	\$29.79	\$30.14	\$33.73
Los Angeles CBD	\$38.72	\$38.68	\$39.27	\$39.54	\$40.23	\$40.83
Los Angeles Metro	\$32.73	\$33.02	\$33.73	\$34.06	\$34.72	\$38.95
Louisville, KY	\$16.82	\$16.51	\$16.57	\$17.10	\$16.73	\$20.37
Memphis, TN	\$17.51	\$17.75	\$17.69	\$18.00	\$17.90	\$20.96
Miami, FL	\$33.66	\$34.20	\$35.92	\$35.87	\$34.61	\$42.07
Milwaukee, WI	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$22.00

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p	Q3 2016p
Minneapolis/St. Paul, MN	\$22.79	\$23.91	\$23.86	\$24.07	\$24.51	\$29.16
Nashville, TN	\$21.98	\$22.39	\$22.74	\$22.75	\$23.59	\$26.42
New Haven, CT	\$19.15	\$19.84	\$20.61	\$20.73	\$20.83	\$22.82
New Jersey - Central	\$24.30	\$24.34	\$24.20	\$24.53	\$24.23	\$27.71
New Jersey - Northern	\$27.16	\$27.24	\$27.34	\$27.61	\$27.94	\$31.63
New Orleans, LA	\$16.41	\$16.45	\$16.83	\$16.99	\$17.01	\$18.75
New York - Brooklyn	\$39.55	\$39.24	\$37.30	\$37.36	\$45.29	\$60.02
New York - Downtown	\$57.92	\$59.58	\$59.28	\$59.14	\$59.13	\$62.18
New York - Midtown	\$77.04	\$76.65	\$78.42	\$79.18	\$79.91	\$85.10
New York - Midtown South	\$67.05	\$69.66	\$68.58	\$68.62	\$70.29	\$88.05
Oklahoma City, OK	\$16.13	\$17.04	\$16.44	\$16.50	\$16.83	\$22.37
Omaha, NE	\$16.13	\$17.04	\$18.79	\$18.72	\$18.63	\$20.14
Orange County, CA	\$26.22	\$25.74	\$25.92	\$26.28	\$27.56	\$33.91
Orlando, FL	\$20.85	\$20.94	\$20.69	\$20.61	\$20.57	\$23.51
Palm Beach, FL	\$28.21	\$28.70	\$30.83	\$32.56	\$33.75	\$37.84
Philadelphia, PA	\$24.39	\$24.55	\$24.73	\$25.11	\$25.29	\$27.65
Phoenix, AZ	\$22.69	\$23.09	\$23.29	\$23.52	\$23.95	\$28.31
Pittsburgh, PA	\$18.66	\$19.70	\$18.07	\$18.48	\$18.11	\$23.83
Portland, OR	\$23.90	\$24.04	\$24.77	\$25.20	\$25.79	\$29.58
Providence, RI	\$18.36	\$18.36	\$18.31	\$18.34	\$18.36	\$23.99
Puget Sound - Eastside	\$32.40	\$33.17	\$33.20	\$32.81	\$33.08	\$36.62
Raleigh/Durham, NC	\$21.39	\$21.49	\$21.67	\$21.97	\$22.15	\$24.61
Richmond, VA	\$18.67	\$17.92	\$18.06	\$18.04	\$18.03	\$20.45
Roanoke, VA	\$13.99	\$13.69	\$13.75	\$13.71	\$13.93	\$20.94
Rochester, NY	\$19.75	\$19.75	\$19.75	\$19.75	\$19.75	\$21.94
Sacramento, CA	\$20.94	\$21.02	\$21.03	\$21.28	\$21.36	\$26.02
Salt Lake City, UT	\$22.38	\$22.48	\$22.85	\$22.93	\$23.09	\$28.14
San Antonio, TX	\$20.82	\$20.33	\$20.28	\$20.50	\$21.22	\$24.42
San Diego, CA	\$31.68	\$33.00	\$33.24	\$33.48	\$34.32	\$39.36
San Francisco North Bay, CA	\$25.04	\$25.04	\$26.43	\$26.72	\$28.51	\$34.38
San Francisco, CA	\$66.71	\$68.14	\$68.44	\$69.30	\$69.21	\$71.04
San Juan, PR	\$18.77	\$18.49	\$18.49	\$18.02	\$18.03	\$19.78
San Mateo County, CA	\$50.53	\$49.70	\$55.55	\$55.95	\$56.55	\$59.08
San Jose (Silicon Valley), CA*	\$35.69	\$37.46	\$38.88	\$40.08	\$39.60	\$52.68
Savannah, GA	\$19.03	\$19.06	\$19.06	\$19.05	\$19.16	\$22.56
Seattle, WA	\$32.27	\$32.90	\$32.08	\$32.87	\$33.99	\$38.54
Southern New Hampshire	\$17.55	\$17.48	\$17.81	\$17.40	\$17.40	\$18.63
St. Louis, MO	\$18.96	\$19.15	\$19.57	\$19.52	\$19.39	\$22.32
St. Petersburg/Clearwater, FL	\$19.08	\$19.21	\$19.16	\$19.24	\$19.76	\$21.54
Suburban MD	\$26.78	\$26.26	\$26.91	\$26.77	\$26.06	\$28.68
Suburban VA (Northern VA)	\$33.21	\$32.77	\$32.14	\$32.70	\$31.88	\$34.39
Syracuse, NY	\$15.70	\$14.73	\$14.48	\$14.35	\$14.51	\$16.49
Tampa, FL	\$22.71	\$22.79	\$22.88	\$23.15	\$23.40	\$27.88
Tucson, AZ	\$18.38	\$18.93	\$18.99	\$18.63	\$18.67	\$23.78
Tulsa, OK	\$13.41	\$13.46	\$13.42	\$13.42	\$13.41	\$18.18
Washington, DC	\$51.01	\$51.68	\$51.63	\$51.74	\$51.93	\$59.89
Westchester County, NY	\$30.17	\$29.81	\$29.81	\$29.83	\$29.95	\$30.52

p = preliminary  
\*Includes R&D



Inventory	Inventory	Deliveries YTD	Under Construction as of Q3 2016p
<b>United States</b>	<b>5,181,174,264</b>	<b>36,058,827</b>	<b>103,645,605</b>
Northeast	1,219,222,113	6,276,801	22,244,374
Midwest	808,007,180	4,673,224	10,602,399
South	1,748,214,823	13,513,072	39,529,055
West	1,405,730,148	11,595,730	31,269,777

U.S. Office Report Markets	Inventory	Deliveries YTD	Under Construction as of Q3 2016p
Atlanta, GA	139,360,801	444,357	3,104,268
Austin, TX	49,322,292	888,379	1,774,893
Baltimore, MD	78,681,546	528,370	2,464,608
Binghamton, NY	4,273,417	5,200	n/a
Birmingham, AL	18,616,567	0	300,000
Boston, MA	156,177,813	1,140,000	4,032,420
Buffalo, NY	21,881,417	30,000	318,000
Charleston, SC	23,430,155	321,154	381,311
Charlotte, NC	102,376,767	673,608	3,349,878
Chicago, IL	227,916,341	0	3,792,696
Cincinnati, OH	33,843,156	370,000	412,978
Cleveland, OH	145,752,732	748,649	574,621
Colorado Springs, CO	8,962,518	0	185,000
Columbus, OH	28,185,212	147,000	1,091,841
Dallas/Fort Worth, TX	217,646,334	3,475,186	7,676,385
Dayton, OH	14,117,889	0	0
Denver, CO	110,055,295	342,360	3,705,368
Detroit, MI	110,384,327	443,876	386,814
East Bay, CA*	110,452,104	0	270,000
El Paso, TX	17,877,811	344,000	547,000
Fairfield County, CT	41,505,969	0	0
Fort Myers/Naples, FL	28,924,059	146,044	73,500
Fredericksburg, VA	8,951,813	28,583	0
Ft. Lauderdale, FL	28,755,565	0	281,429
Greenville, SC	22,796,415	15,000	221,361
Hampton Roads, VA	39,188,680	80,260	310,000
Hartford, CT	24,383,096	0	0
Houston, TX	183,230,214	2,410,968	2,203,402
Indianapolis, IN	28,742,434	193,000	561,116
Inland Empire CA	21,688,705	0	0
Jacksonville, FL	24,892,750	86,751	0
Kansas City, MO	49,802,380	322,232	1,118,460
Las Vegas, NV	44,726,393	15,920	151,802
Long Island, NY	34,131,689	0	232,917
Los Angeles CBD	27,100,285	0	356,141
Los Angeles Metro	170,085,847	592,792	1,783,600
Louisville, KY	20,278,828	270,017	101,000
Memphis, TN	19,685,378	52,000	262,571
Miami, FL	46,389,171	152,552	862,079
Milwaukee, WI	28,206,100	513,017	1,311,000
Minneapolis/St. Paul, MN	71,315,467	1,550,000	491,000
Nashville, TN	35,001,142	379,210	3,668,458
New Haven, CT	10,629,286	0	0

Inventory	Inventory	Deliveries YTD	Under Construction as of Q3 2016p
New Jersey - Central	81,143,583	680,000	555,000
New Jersey - Northern	109,975,844	221,432	0
New Orleans, LA	30,159,273	0	0
New York - Brooklyn	28,303,900	668,002	2,044,100
New York - Downtown	87,979,022	0	2,491,861
New York - Midtown	242,168,613	1,892,954	9,531,930
New York - Midtown South	66,793,952	188,973	469,225
Oklahoma City, OK	21,570,042	362,572	813,550
Omaha, NE	20,987,918	236,966	329,945
Orange County, CA	87,337,475	477,387	1,385,975
Orlando, FL	37,733,905	18,000	135,000
Palm Beach, FL	24,022,348	0	0
Philadelphia, PA	129,454,605	639,969	1,381,921
Phoenix, AZ	100,468,283	2,276,697	1,646,520
Pittsburgh, PA	89,669,032	810,271	264,000
Portland, OR	44,759,503	961,916	1,190,224
Providence, RI	18,901,000	0	386,000
Puget Sound - Eastside	34,421,018	180,000	1,808,000
Raleigh/Durham, NC	50,191,792	25,000	1,538,128
Richmond, VA	52,820,953	383,414	317,000
Roanoke, VA	16,116,959	6,000	16,800
Rochester, NY	14,069,668	0	150,000
Sacramento, CA	87,203,750	87,383	30,800
Salt Lake City, UT	34,720,463	619,876	1,398,115
San Antonio, TX	31,067,480	167,600	464,541
San Diego, CA	73,751,056	741,377	1,374,356
San Francisco North Bay, CA	21,977,948	213,000	0
San Francisco, CA	77,766,389	1,481,054	3,771,515
San Juan, PR	10,409,746	n/a	n/a
San Mateo County, CA	53,360,420	529,047	1,248,731
San Jose (Silicon Valley), CA*	209,792,210	2,069,410	6,339,694
Savannah, GA	3,406,008	n/a	n/a
Seattle, WA	61,686,982	898,561	4,606,936
Southern New Hampshire	12,998,019	0	0
St. Louis, MO	48,753,224	148,484	531,928
St. Petersburg/Clearwater, FL	12,566,676	0	0
Suburban MD	56,596,533	156,000	103,550
Suburban VA (Northern VA)	130,524,599	635,809	4,139,255
Syracuse, NY	15,878,937	0	387,000
Tampa, FL	32,031,505	176,089	0
Tucson, AZ	25,413,504	108,950	17,000
Tulsa, OK	24,970,607	276,400	247,850
Washington, DC	108,620,109	1,009,749	4,171,238
Westchester County, NY	28,903,251	0	0

p = preliminary  
\*Includes R&D

## About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 43,000 employees in more than 60 countries help investors and occupiers optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. 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.

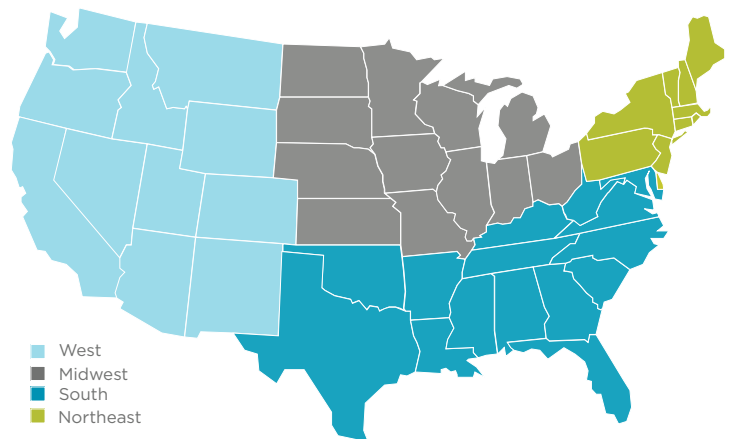
**Absorption:** The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

**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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