

# MARKETBEAT

## U.S. Office

### Q4 2016



#### U.S. OFFICE

##### Employment Indicators

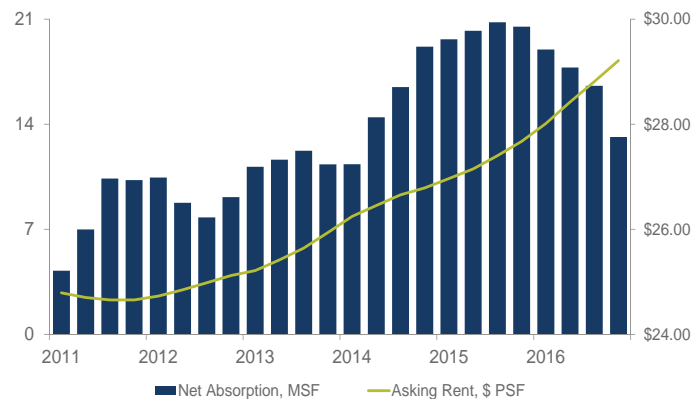
	Q4 15	Q4 16	12-Month Forecast
Total Nonfarm Employment	142.8M	144.6M	▲
Office-using Employment	30.8M	31.5M	▲
Unemployment	5.0%	4.7%	▼

Source: BLS

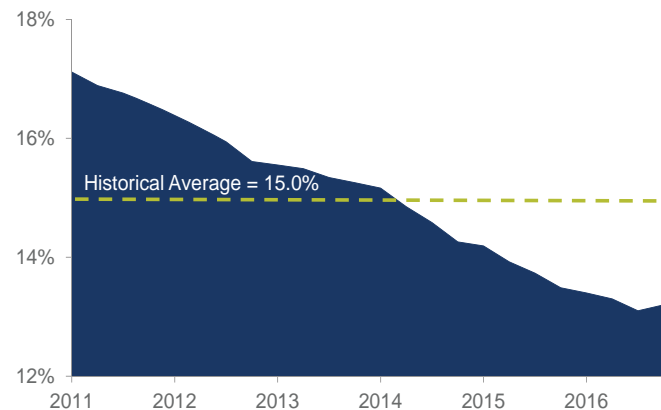
##### Market Indicators (Overall)

	Q4 15	Q4 16	12-Month Forecast
Vacancy Rate	13.5%	13.2%	■
Net Absorption	20.5M	6.9M	▲
Under Construction	94.5M	100.2M	▲
Weighted Asking Rent (FS)	\$28.11	\$29.71	▲

##### Net Absorption/Rent 4-QTR TRAILING AVERAGE



##### Overall Vacancy



Source: Cushman & Wakefield Research

## Economy

A key characteristic of the U.S. economy in 2016 was steady growth in the face of uncertainty. The year began with steep declines in global equity markets in response to concerns about a growth slowdown in China. As those worries faded, the Brexit vote was held in the U.K. and Europe replaced Asia as the focal point of global anxiety. Then, in the fourth quarter, the U.S. elections came to the fore with yet another unexpected outcome as Donald Trump was elected 45th President of the United States. In spite of all these developments, the U.S. economy continued to add an average of 180,000 jobs per month during 2016, resulting in occupancy gains recorded in 79% of office markets tracked across the country.

Although the U.S. economy is still creating a healthy number of jobs, it is worth noting that the rate of business hiring is slowing. In the fourth quarter of 2016, total U.S. employment increased an average 165,000 jobs per month, a notable deceleration from the 212,000 jobs per month added in the third quarter of last year. The slowdown was also evident in key office-using sectors: financial services, professional and business services and information. Office-using employment expanded by an average 44,000 jobs per month in the fourth quarter, well below the 78,000 per month average of the third quarter.

As the year ended, there was growing optimism on the part of consumers and businesses that the policy measures proposed by the Trump Administration would boost economic growth in 2017. Equity markets soared to record highs following the election and various measures of business and consumer sentiment increased markedly. One notable gain was the Conference Board's Consumer Confidence Index which, in December, climbed to its highest level since 2001. Businesses appeared more confident as well; small business confidence surged to its highest level in over a decade. If this confidence carries over into 2017 it could lead to stronger economic growth, more jobs and more demand for office space. In addition, the construction pipeline is ramping up—sharply in many markets—which will create increased opportunities for occupiers.

## Market Overview

Somewhat slower employment growth was reflected in the performance of office markets in the fourth quarter of 2016, as absorption of office space declined to 6.9 million square feet (MSF), the smallest amount of space absorbed since the second quarter of 2012. Absorption totaled 52.6 MSF for all of 2016, down approximately 35% from the 81.0 MSF absorbed in 2015, but still the third highest full-year absorption level since the current expansion began in 2010. For the fourth quarter, 58 of the 87 markets tracked by Cushman & Wakefield reported positive absorption, the smallest number of positive markets since the third quarter of 2013.

There also was greater diversification in those markets where occupancy growth occurred in 2016. Early in this expansion the strongest markets were technology-driven or energy-driven. But this "Tech and Texas" pattern has shifted as oil prices have fallen and tech growth has slowed. In 2016 the top markets

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ranked by positive net demand were Phoenix (3.6 MSF), Chicago (3.5 MSF), Seattle (3.3 MSF), Dallas (2.9 MSF), Philadelphia (2.6 MSF) and Los Angeles (2.4 MSF). Absorption for the year was most negative (more space was put on the market than taken off) in Silicon Valley (-2.8 MSF), Houston (-1.8 MSF), East Bay San Francisco (-927,000 SF) and Brooklyn (-847,600 SF).

The 6.9 MSF of absorption during the fourth quarter of 2016 was more than offset by the completion of 15.8 MSF of new office space during the quarter. As a result the national vacancy rate ticked upward slightly from 13.1% in the third quarter to 13.2% in the fourth. This marks the first quarter-to-quarter increase in the national vacancy rate since the first quarter of 2010. Markets with the highest vacancy rates at the end of 2016 were largely suburban ones: Dayton (24.2%), Suburban Virginia (21.3%), Fairfield County, CT (21.2%) and Westchester County, NY (21.2%). Nashville retained its position as the tightest market in the nation with a vacancy rate of 5.5%, but that rate was up from 4.7% in the third quarter as more than 1.1 MSF was completed in the fourth quarter. Other tight markets include Midtown South (6.7%), San Mateo County, CA (7.7%), Raleigh/Durham (7.8%) and Seattle (7.8%).

Asking rents continued to trend higher. The fourth quarter 2016 national weighted average asking rent for 87 markets tracked by Cushman & Wakefield was \$29.71 per square foot, up 0.8% from the third quarter, and a 5.7% increase from a year earlier—the largest year-over-year increase since 2008. The region with the fastest rent growth was the West where asking rents increased 1.8% during the fourth quarter and 8.7% from a year earlier. This growth was led by strong increases in Northern California, particularly the East Bay (+14.0% from a year ago) and San Mateo County, CA (+16.3%) markets. A total of 25 markets experienced rent declines in the fourth quarter of 2016.

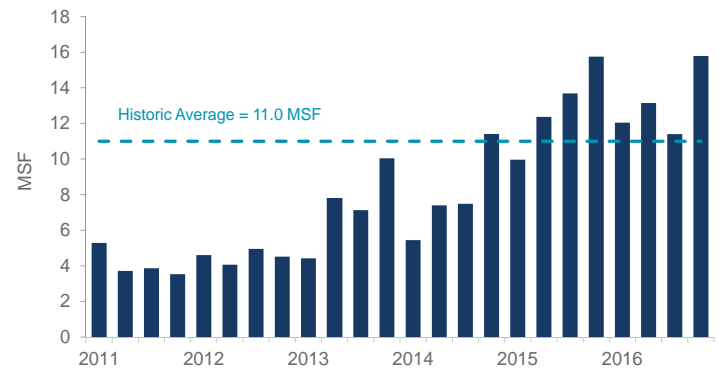
With last year's moderation in employment growth and an expanding pipeline of new product hitting markets across the U.S., it appears that a corner is being turned. The year 2017 will likely be one of flat vacancy with an increasing possibility that vacancy rates will increase in a number of markets as the year progresses.

## Outlook

- While we do not expect the overall U.S. vacancy rate to rise rapidly, with an estimated 91 MSF of new office space expected to be delivered nationally in 2017 and 2018, it is unlikely that demand will be able to keep pace.
- Individual markets will be driven by their own supply-and-demand dynamics, but it is looking more likely that national trends will show rental growth rates peaked in 2016 and will begin decelerating in 2017.

## New Supply

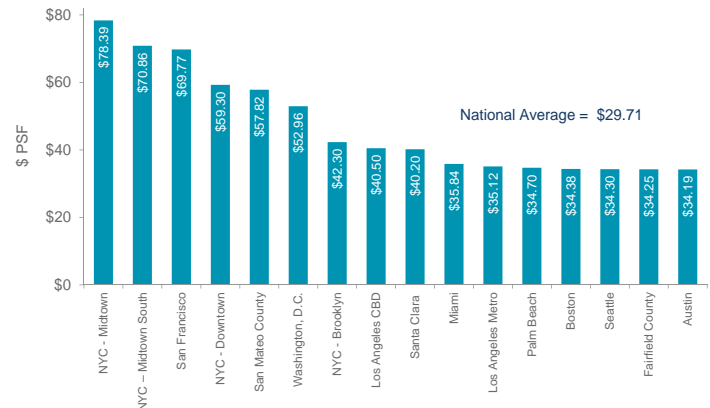
COMPLETIONS REMAIN ABOVE LONG-TERM AVERAGE



Source: Cushman & Wakefield Research

## Asking Rent by Market

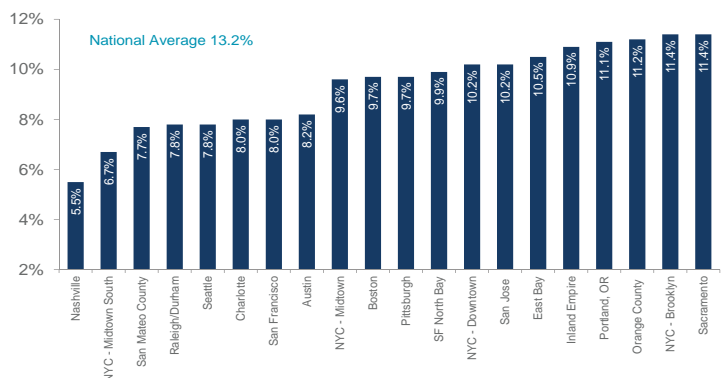
HIGHEST PRICED U.S. MARKETS



Source: Cushman & Wakefield Research

## Vacancy by Market

SELECT MARKETS IN THE U.S.



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
United States	20,532,556	11,137,061	18,041,612	16,541,488	6,894,318	65,363,078
Northeast	2,469,826	-1,333,264	6,535,074	4,311,539	-1,163,350	14,598,829
Midwest	3,067,737	2,432,520	3,938,837	3,227,864	1,952,727	6,651,321
South	7,425,137	4,876,632	4,710,507	3,765,581	3,612,501	18,011,475
West	7,569,857	5,161,173	2,857,194	5,236,504	2,492,440	26,101,453

U.S. Office Market Reports	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Atlanta, GA	817,010	313,191	274,375	554,439	344,563	1,859,486
Austin, TX	712,782	581,240	653,778	419,518	455,749	687,308
Baltimore, MD	454,405	106,787	189,284	158,539	1,063,486	1,057,693
Binghamton, NY	16,096	15,642	4,317	4,317	34,933	27,751
Birmingham, AL	187,914	-32,279	-111,059	257,811	29,332	157,755
Boston, MA	107,607	-689,333	87,409	562,955	-116,535	2,074,980
Buffalo, NY	58,005	-21,155	200,510	-101,539	-7,971	72,567
Charleston, SC	77,581	60,432	149,455	191,397	-75,697	308,115
Charlotte, NC	89,641	595,031	701,059	406,890	467,458	1,623,696
Chicago, IL	830,413	822,119	1,183,228	831,723	683,871	2,179,086
Cincinnati, OH	372,091	469,620	-14,499	317,050	43,364	296,586
Cleveland, OH	301,092	396,069	416,958	680,332	581,078	314,827
Colorado Springs, CO	76,225	58,396	48,818	52,013	70,736	118,641
Columbus, OH	233,174	-53,818	212,171	70,287	219,608	477,464
Dallas/Fort Worth, TX	1,002,452	2,110,596	1,031,110	248,866	-512,763	2,779,154
Dayton, OH	-13,407	38,964	-11,746	51,265	57,996	55,235
Denver, CO	-296,258	967,513	-500,236	-379,858	69,441	1,895,247
Detroit, MI	450,409	470,643	865,437	956,302	-29,328	559,259
East Bay, CA*	824,648	157,495	354,708	-316,344	-1,122,942	1,936,799
El Paso, TX	10,000	-11,000	34,350	92,639	82,099	91,558
Fairfield County, CT	73,798	-56,136	-380,776	27,856	48,586	1,064,955
Fort Myers/Naples, FL	336,719	70,569	210,828	244,266	94,488	117,995
Fredericksburg, VA	-52,187	26,360	16,493	73,076	61,620	74,820
Ft. Lauderdale, FL	101,886	137,164	166,037	111,417	317,323	110,652
Greenville, SC	-10,033	36,230	-43,568	63,853	-66,597	100,383
Hampton Roads, VA	-14,845	-77,547	104,724	155,570	-51,058	185,221
Hartford, CT	-45,076	-160,005	414,426	112,379	-79,724	296,469
Houston, TX	67,887	237,041	-372,634	-1,083,732	-590,191	1,376,598
Indianapolis, IN	27,403	81,486	264,622	158,972	-153,832	358,834
Inland Empire CA	36,213	145,402	-44,682	72,398	129,678	193,924
Jacksonville, FL	425,461	-3,364	343,114	82,351	53,281	161,111
Kansas City, MO	243,042	-179,913	306,847	-88,228	248,616	718,430
Las Vegas, NV	92,034	366,846	19,421	472,247	312,460	n/a
Long Island, NY	-267,181	151,066	493,005	144,125	300,707	273,804
Los Angeles CBD	-51,899	168,833	62,418	42,193	-181,888	505,499
Los Angeles Metro	1,423,146	272,091	978,635	697,780	445,179	2,724,352
Louisville, KY	191,694	135,962	94,692	-54,793	71,547	166,683
Memphis, TN	71,881	-72,718	-95,632	33,254	-62,738	172,428
Miami, FL	143,398	-55,827	17,166	-34,833	120,783	601,352
Milwaukee, WI	43,029	338,654	90,980	150,722	52,817	286,031

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Minneapolis/St. Paul, MN	339,890	-34,828	168,456	-89,059	-126,142	n/a
Nashville, TN	325,855	433,389	59,782	395,157	191,246	451,056
New Haven, CT	350,029	45,400	39,393	23,294	28,424	66,077
New Jersey - Central	139,300	27,552	634,675	1,441,401	61,430	908,907
New Jersey - Northern	105,221	-63,953	540,509	637,026	-76,569	1,108,643
New Orleans, LA	82,878	-79,524	-173,651	164,863	17,180	200,035
New York - Brooklyn	-118,580	-257,708	102,365	88,784	-781,065	140,626
New York - Downtown	531,978	-623,641	428,340	81,834	-226,920	568,329
New York - Midtown	742,707	-772,453	2,327,392	867,100	-199,914	4,176,204
New York - Midtown South	20,040	517,996	253,329	-142,723	47,621	993,623
Oklahoma City, OK	-45,658	-159,782	-230,557	11,521	-2,958	n/a
Omaha, NE	80,965	-62,197	114,364	-1,831	180,895	533,255
Orange County, CA	145,480	409,175	-3,818	513,013	57,780	1,523,754
Orlando, FL	322,162	211,059	258,412	92,427	25,325	265,740
Palm Beach, FL	47,503	44,710	129,378	299,567	101,621	124,363
Philadelphia, PA	578,400	625,565	1,222,825	409,215	298,667	1,202,687
Phoenix, AZ	1,501,456	702,999	1,004,896	1,103,127	795,236	1,754,636
Pittsburgh, PA	-14,519	201,256	366,523	238,526	-571,614	832,635
Portland, OR	328,984	137,851	254,089	275,911	11,640	532,152
Providence, RI	93,000	-8,900	31,650	22,823	-12,700	159,700
Puget Sound - Eastside	617,807	438,586	-252,940	397,535	502,163	1,152,713
Raleigh/Durham, NC	502,033	165,443	109,472	336,035	242,852	753,375
Richmond, VA	114,205	-28,408	-46,098	-8,369	309,007	400,002
Roanoke, VA	25,137	-255,009	18,963	92,240	98,481	65,841
Rochester, NY	99,534	-96,429	175,648	33,806	-105,309	91,157
Sacramento, CA	804,948	-162,330	201,875	333,313	483,824	635,687
Salt Lake City, UT	195,251	51,364	289,327	131,588	338,366	425,401
San Antonio, TX	167,714	184,234	201,177	-17,626	696,235	301,577
San Diego, CA	758,980	158,670	163,854	435,726	733,592	2,080,530
San Francisco North Bay, CA	223,191	177,575	102,466	146,449	40,250	213,590
San Francisco, CA	253,181	362,107	270,745	263,471	-335,105	1,261,545
San Juan, PR	-111,500	n/a	n/a	n/a	n/a	n/a
San Mateo County, CA	141,181	227,356	15,429	264,417	411,289	1,953,045
San Jose (Silicon Valley), CA*	815,554	-287,478	-600,987	-222,176	-1,699,229	4,775,137
Savannah, GA	n/a	n/a	40,101	1,762	-22,958	18,500
Seattle, WA	-467,257	611,761	483,663	880,035	1,299,222	2,251,643
Southern New Hampshire	-4,362	-109,069	0	n/a	n/a	n/a
St. Louis, MO	159,636	145,721	342,019	190,329	193,784	872,314
St. Petersburg/Clearwater, FL	115,909	29,058	149,301	-136,638	-12,618	87,105
Suburban MD	219,057	229,841	67,205	-7,974	458,366	774,731
Suburban VA (Northern VA)	150,018	-319,132	370,820	442,988	-431,410	1,086,949
Syracuse, NY	122,996	15,284	-3,743	-58,011	-101,130	33,464
Tampa, FL	280,859	439,480	101,789	87,543	47,380	335,426
Tucson, AZ	146,992	196,961	9,513	73,666	130,748	167,158
Tulsa, OK	113,348	-173,250	-184,624	-17,000	-113,566	n/a
Washington, DC	501,971	-3,345	475,465	108,557	205,633	1,514,767
Westchester County, NY	-119,167	-74,243	-402,723	-81,629	295,733	506,251

p = preliminary  
\*Includes R&D

Vacancy Rate (All Classes)	Overall					Direct
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
United States	13.5%	13.4%	13.3%	13.1%	13.2%	12.3%
Northeast	12.6%	12.7%	12.5%	12.3%	12.4%	11.3%
Midwest	15.8%	15.5%	15.0%	14.8%	14.8%	14.2%
South	14.1%	14.2%	14.2%	14.1%	14.1%	13.3%
West	12.2%	11.7%	11.8%	11.6%	11.9%	10.7%

U.S. Office Report Markets	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Atlanta, GA	16.2%	16.2%	16.0%	15.8%	15.8%	14.8%
Austin, TX	9.1%	8.5%	9.0%	8.8%	8.2%	7.0%
Baltimore, MD	12.8%	14.6%	14.6%	12.9%	14.0%	14.0%
Binghamton, NY	10.2%	10.2%	9.9%	9.9%	10.3%	7.3%
Birmingham, AL	13.6%	13.8%	14.4%	13.0%	12.9%	12.0%
Boston, MA	10.0%	9.6%	9.9%	9.7%	9.7%	8.7%
Buffalo, NY	18.2%	18.6%	17.8%	18.4%	19.1%	18.3%
Charleston, SC	7.7%	6.7%	7.0%	6.7%	7.0%	6.8%
Charlotte, NC	8.7%	8.1%	7.9%	7.9%	8.0%	7.6%
Chicago, IL	15.1%	14.9%	14.4%	14.6%	14.8%	13.9%
Cincinnati, OH	22.1%	20.6%	20.8%	20.5%	20.2%	18.6%
Cleveland, OH	11.5%	11.8%	11.5%	11.3%	11.1%	11.0%
Colorado Springs, CO	20.6%	19.9%	19.9%	21.6%	21.1%	19.7%
Columbus, OH	14.4%	14.2%	13.3%	13.4%	12.4%	11.0%
Dallas/Fort Worth, TX	16.3%	16.0%	15.7%	16.1%	16.6%	16.1%
Dayton, OH	25.1%	25.6%	24.8%	24.5%	24.2%	23.7%
Denver, CO	12.8%	11.3%	11.4%	12.1%	13.6%	11.9%
Detroit, MI	17.9%	17.8%	17.6%	16.7%	16.5%	16.4%
East Bay, CA*	9.9%	9.5%	9.1%	9.4%	10.5%	9.4%
El Paso, TX	6.7%	6.7%	7.5%	7.2%	7.2%	7.1%
Fairfield County, CT	20.6%	20.7%	21.8%	21.5%	21.2%	19.2%
Fort Myers/Naples, FL	10.7%	10.1%	9.1%	8.6%	8.1%	8.0%
Fredericksburg, VA	14.4%	14.6%	14.0%	13.8%	13.3%	12.9%
Ft. Lauderdale, FL	11.7%	14.7%	15.3%	14.0%	12.9%	12.1%
Greenville, SC	9.0%	8.9%	8.5%	8.1%	8.6%	7.8%
Hampton Roads, VA	11.4%	11.5%	10.8%	10.6%	10.8%	10.5%
Hartford, CT	19.9%	17.7%	18.7%	18.1%	17.9%	17.1%
Houston, TX	16.8%	16.8%	18.1%	19.2%	19.1%	16.6%
Indianapolis, IN	19.0%	15.6%	14.2%	13.5%	13.8%	14.2%
Inland Empire CA	16.1%	13.7%	11.9%	11.9%	10.9%	10.7%
Jacksonville, FL	16.4%	17.5%	15.4%	15.3%	14.8%	14.4%
Kansas City, MO	17.9%	17.7%	17.3%	17.1%	17.0%	15.7%
Las Vegas, NV	25.5%	17.1%	17.5%	16.3%	15.6%	15.3%
Long Island, NY	17.1%	16.6%	15.1%	14.7%	13.8%	12.6%
Los Angeles CBD	19.6%	19.9%	19.9%	19.2%	20.4%	19.5%
Los Angeles Metro	13.6%	13.7%	13.5%	13.1%	13.1%	12.5%
Louisville, KY	12.1%	11.7%	12.7%	12.8%	12.3%	12.0%
Memphis, TN	20.6%	20.4%	20.7%	20.1%	20.5%	19.1%
Miami, FL	12.2%	13.7%	13.6%	13.5%	12.8%	12.4%
Milwaukee, WI	18.4%	18.2%	18.0%	16.8%	16.7%	15.9%

Vacancy Rate (All Classes)	Overall					Direct
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Minneapolis/St. Paul, MN	16.9%	17.0%	16.6%	16.6%	17.4%	17.0%
Nashville, TN	6.9%	5.8%	5.5%	4.7%	5.5%	5.5%
New Haven, CT	15.8%	15.6%	15.3%	12.0%	11.7%	11.1%
New Jersey - Central	16.7%	16.6%	16.6%	15.5%	15.4%	13.8%
New Jersey - Northern	20.2%	20.4%	19.3%	18.8%	18.9%	16.8%
New Orleans, LA	9.7%	9.9%	10.4%	9.8%	9.5%	14.6%
New York - Brooklyn	6.7%	8.0%	6.8%	8.7%	11.4%	10.7%
New York - Downtown	9.4%	10.2%	9.8%	9.9%	10.2%	9.3%
New York - Midtown	8.8%	9.3%	9.2%	9.5%	9.6%	8.3%
New York - Midtown South	6.2%	6.3%	6.3%	6.7%	6.7%	5.7%
Oklahoma City, OK	12.1%	13.0%	17.4%	12.4%	13.4%	11.7%
Omaha, NE	12.7%	11.8%	11.6%	12.0%	10.9%	10.5%
Orange County, CA	11.5%	11.9%	11.4%	11.3%	11.2%	10.7%
Orlando, FL	13.6%	12.8%	12.0%	11.7%	11.8%	11.6%
Palm Beach, FL	17.4%	18.6%	18.5%	17.4%	16.0%	15.7%
Philadelphia, PA	13.1%	13.3%	12.9%	12.3%	11.9%	11.5%
Phoenix, AZ	18.7%	18.2%	18.0%	17.8%	17.6%	16.5%
Pittsburgh, PA	10.1%	10.0%	9.2%	9.0%	9.7%	9.4%
Portland, OR	10.3%	10.8%	10.8%	10.8%	11.1%	10.5%
Providence, RI	12.8%	13.0%	12.8%	12.7%	12.7%	12.6%
Puget Sound - Eastside	10.2%	9.7%	10.5%	9.3%	8.8%	8.2%
Raleigh/Durham, NC	9.4%	9.7%	8.8%	9.4%	7.8%	7.4%
Richmond, VA	9.5%	8.8%	8.6%	9.0%	7.7%	7.6%
Roanoke, VA	8.4%	9.6%	9.8%	9.7%	9.1%	9.1%
Rochester, NY	15.6%	16.3%	15.0%	14.8%	15.6%	15.6%
Sacramento, CA	12.7%	12.8%	12.6%	12.0%	11.4%	11.1%
Salt Lake City, UT	11.4%	11.8%	11.4%	11.4%	12.2%	10.0%
San Antonio, TX	14.5%	15.1%	15.4%	12.9%	12.1%	11.8%
San Diego, CA	15.6%	15.6%	15.5%	15.1%	14.5%	12.2%
San Francisco North Bay, CA	11.3%	11.2%	10.8%	9.9%	9.9%	9.1%
San Francisco, CA	5.9%	5.7%	7.3%	7.7%	8.0%	6.0%
San Juan, PR	15.4%	15.1%	15.1%	15.0%	14.6%	14.6%
San Mateo County, CA	8.0%	7.7%	7.6%	7.5%	7.7%	6.1%
San Jose (Silicon Valley), CA*	8.3%	8.2%	9.0%	9.1%	10.2%	8.3%
Savannah, GA	17.9%	17.9%	16.7%	16.6%	17.2%	17.2%
Seattle, WA	9.4%	9.5%	8.9%	8.6%	7.8%	7.3%
Southern New Hampshire	17.0%	16.6%	15.5%	14.9%	14.9%	14.2%
St. Louis, MO	14.3%	13.2%	12.6%	12.4%	11.9%	11.5%
St. Petersburg/Clearwater, FL	15.9%	16.1%	14.9%	14.4%	16.3%	16.1%
Suburban MD	21.0%	20.8%	21.2%	21.2%	20.6%	19.7%
Suburban VA (Northern VA)	21.2%	21.4%	21.6%	21.1%	21.3%	20.2%
Syracuse, NY	14.4%	14.4%	14.1%	14.4%	14.9%	13.8%
Tampa, FL	12.4%	11.1%	12.2%	11.0%	11.9%	11.4%
Tucson, AZ	12.2%	11.8%	11.1%	11.0%	10.5%	10.4%
Tulsa, OK	18.3%	19.5%	18.4%	19.7%	19.9%	17.1%
Washington, DC	11.6%	11.8%	11.7%	11.9%	12.1%	11.3%
Westchester County, NY	20.7%	20.9%	22.4%	22.8%	21.2%	19.3%

p = preliminary  
\*Includes R&D

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
United States	\$28.11	\$28.62	\$29.06	\$29.46	\$29.71	\$36.63
Northeast	\$36.13	\$36.68	\$37.27	\$38.14	\$38.02	\$44.77
Midwest	\$21.11	\$21.67	\$21.72	\$21.93	\$22.32	\$26.81
South	\$25.85	\$26.07	\$26.36	\$26.54	\$26.68	\$32.38
West	\$29.39	\$30.16	\$30.97	\$31.39	\$31.95	\$39.13

U.S. Office Report Markets	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Atlanta, GA	\$22.23	\$22.44	\$23.07	\$23.38	\$23.39	\$27.12
Austin, TX	\$33.37	\$33.52	\$33.54	\$34.00	\$34.19	\$36.95
Baltimore, MD	\$22.79	\$22.53	\$21.56	\$23.10	\$23.59	\$26.88
Binghamton, NY	\$13.75	\$13.75	\$13.52	\$13.52	\$13.30	\$13.30
Birmingham, AL	\$18.44	\$18.82	\$19.18	\$19.91	\$19.72	\$21.40
Boston, MA	\$32.91	\$32.62	\$33.98	\$34.45	\$34.38	\$40.82
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$19.96	\$19.30	\$19.62	\$19.39	\$20.67	\$29.49
Charlotte, NC	\$21.99	\$22.13	\$22.51	\$22.70	\$22.61	\$26.59
Chicago, IL	\$28.60	\$28.68	\$28.69	\$28.99	\$29.68	\$32.99
Cincinnati, OH	\$17.82	\$17.74	\$17.98	\$17.89	\$17.89	\$21.68
Cleveland, OH	\$16.79	\$16.92	\$16.94	\$17.20	\$17.30	\$22.69
Colorado Springs, CO	\$12.92	\$13.37	\$13.47	\$13.50	\$13.48	\$14.30
Columbus, OH	\$20.40	\$20.41	\$20.49	\$20.43	\$20.51	\$22.77
Dallas/Fort Worth, TX	\$24.15	\$25.44	\$25.39	\$25.76	\$25.64	\$31.03
Dayton, OH	\$15.40	\$15.04	\$14.73	\$14.96	\$14.96	\$19.55
Denver, CO	\$23.78	\$24.56	\$24.80	\$25.09	\$25.69	\$29.90
Detroit, MI	\$15.93	\$19.20	\$19.18	\$19.11	\$19.30	\$21.40
East Bay, CA*	\$24.16	\$25.21	\$25.52	\$25.50	\$27.54	\$36.43
El Paso, TX	\$15.00	\$15.00	\$16.00	\$16.00	\$16.00	\$17.00
Fairfield County, CT	\$35.32	\$34.37	\$34.72	\$34.61	\$34.25	\$37.18
Fort Myers/Naples, FL	\$16.38	\$16.27	\$16.31	\$16.36	\$15.75	\$20.18
Fredericksburg, VA	\$20.04	\$20.09	\$19.52	\$19.45	\$19.32	\$23.55
Ft. Lauderdale, FL	\$26.27	\$26.69	\$27.33	\$26.65	\$26.92	\$33.22
Greenville, SC	\$16.57	\$16.26	\$16.41	\$16.97	\$17.20	\$22.65
Hampton Roads, VA	\$17.18	\$17.09	\$16.95	\$17.19	\$17.16	\$20.29
Hartford, CT	\$20.34	\$20.79	\$20.87	\$20.80	\$20.89	\$22.36
Houston, TX	\$29.17	\$28.37	\$29.17	\$29.20	\$28.85	\$36.81
Indianapolis, IN	\$18.13	\$17.54	\$18.29	\$17.75	\$18.14	\$19.78
Inland Empire CA	\$21.00	\$21.24	\$21.24	\$21.12	\$21.37	\$25.61
Jacksonville, FL	\$17.94	\$18.11	\$18.22	\$18.78	\$18.92	\$21.59
Kansas City, MO	\$18.61	\$18.79	\$19.04	\$19.10	\$19.26	\$23.11
Las Vegas, NV	\$22.78	\$21.36	\$21.57	\$21.81	\$22.07	\$30.88
Long Island, NY	\$29.54	\$29.66	\$29.79	\$30.14	\$29.86	\$33.63
Los Angeles CBD	\$38.68	\$39.27	\$39.54	\$40.23	\$40.50	\$40.87
Los Angeles Metro	\$33.02	\$33.73	\$34.06	\$34.72	\$35.12	\$39.37
Louisville, KY	\$16.51	\$16.57	\$17.10	\$16.73	\$16.52	\$20.35
Memphis, TN	\$17.75	\$17.69	\$18.00	\$17.90	\$17.69	\$20.22
Miami, FL	\$34.20	\$35.92	\$35.87	\$34.61	\$35.84	\$42.78
Milwaukee, WI	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$21.75



Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016p	Q4 2016p
Minneapolis/St. Paul, MN	\$23.91	\$23.86	\$24.07	\$24.51	\$24.69	\$29.24
Nashville, TN	\$21.84	\$22.74	\$22.75	\$23.59	\$24.78	\$27.72
New Haven, CT	\$19.84	\$20.61	\$20.73	\$20.83	\$20.86	\$22.84
New Jersey - Central	\$24.34	\$24.20	\$24.53	\$24.23	\$24.52	\$28.50
New Jersey - Northern	\$27.24	\$27.34	\$27.61	\$27.94	\$27.88	\$31.78
New Orleans, LA	\$16.65	\$16.86	\$17.01	\$17.11	\$17.33	\$19.17
New York - Brooklyn	\$39.24	\$37.30	\$37.36	\$45.29	\$42.30	\$53.31
New York - Downtown	\$59.58	\$59.28	\$59.14	\$59.13	\$59.30	\$62.35
New York - Midtown	\$76.65	\$78.42	\$79.18	\$79.91	\$78.39	\$83.61
New York - Midtown South	\$69.66	\$68.58	\$68.62	\$70.29	\$70.86	\$88.60
Oklahoma City, OK	\$17.04	\$16.44	\$16.50	\$16.83	\$17.55	\$21.97
Omaha, NE	\$19.40	\$18.79	\$18.72	\$18.63	\$18.97	\$20.18
Orange County, CA	\$25.74	\$25.92	\$26.28	\$27.56	\$28.12	\$34.46
Orlando, FL	\$20.94	\$20.69	\$20.61	\$20.57	\$20.68	\$23.98
Palm Beach, FL	\$28.70	\$30.83	\$32.56	\$33.75	\$34.70	\$38.44
Philadelphia, PA	\$24.55	\$24.73	\$25.11	\$25.29	\$25.38	\$27.76
Phoenix, AZ	\$23.09	\$23.29	\$23.52	\$23.95	\$24.26	\$28.17
Pittsburgh, PA	\$19.70	\$18.07	\$18.48	\$18.11	\$19.12	\$24.57
Portland, OR	\$24.04	\$24.77	\$25.20	\$25.79	\$26.32	\$29.36
Providence, RI	\$18.36	\$18.31	\$18.34	\$18.36	\$18.42	\$24.03
Puget Sound - Eastside	\$33.17	\$33.20	\$32.81	\$33.08	\$33.55	\$36.90
Raleigh/Durham, NC	\$21.49	\$21.67	\$21.97	\$22.15	\$22.47	\$25.63
Richmond, VA	\$17.92	\$18.06	\$18.04	\$18.03	\$18.02	\$20.48
Roanoke, VA	\$13.69	\$13.75	\$13.71	\$13.93	\$13.13	\$21.16
Rochester, NY	\$19.75	\$19.75	\$19.75	\$19.75	\$19.75	\$21.94
Sacramento, CA	\$21.02	\$21.04	\$21.24	\$21.36	\$20.46	\$25.57
Salt Lake City, UT	\$22.48	\$22.85	\$22.93	\$23.09	\$23.34	\$28.43
San Antonio, TX	\$20.33	\$20.28	\$20.50	\$21.22	\$21.00	\$24.04
San Diego, CA	\$33.00	\$33.24	\$33.48	\$34.32	\$33.48	\$39.24
San Francisco North Bay, CA	\$25.04	\$26.48	\$26.85	\$27.20	\$27.66	\$34.56
San Francisco, CA	\$68.14	\$68.44	\$69.30	\$69.21	\$69.77	\$71.24
San Juan, PR	\$18.49	\$18.49	\$18.02	\$18.03	\$18.03	\$19.78
San Mateo County, CA	\$49.70	\$55.55	\$55.95	\$56.55	\$57.82	\$61.65
San Jose (Silicon Valley), CA*	\$37.46	\$38.88	\$40.08	\$39.60	\$40.20	\$52.92
Savannah, GA	\$19.06	\$19.06	\$19.05	\$19.16	\$19.28	\$22.78
Seattle, WA	\$32.90	\$32.08	\$32.87	\$33.99	\$34.30	\$38.72
Southern New Hampshire	\$17.48	\$17.81	\$17.40	\$17.36	\$17.36	\$18.37
St. Louis, MO	\$19.15	\$19.57	\$19.52	\$19.39	\$19.43	\$22.43
St. Petersburg/Clearwater, FL	\$19.21	\$19.16	\$19.24	\$19.76	\$21.26	\$23.06
Suburban MD	\$26.26	\$26.91	\$26.77	\$26.06	\$26.33	\$28.84
Suburban VA (Northern VA)	\$32.77	\$32.14	\$32.70	\$31.88	\$32.23	\$35.18
Syracuse, NY	\$14.73	\$14.48	\$14.35	\$14.51	\$14.86	\$16.56
Tampa, FL	\$22.79	\$22.88	\$23.15	\$23.40	\$23.09	\$27.09
Tucson, AZ	\$18.93	\$18.99	\$18.63	\$18.67	\$18.61	\$23.49
Tulsa, OK	\$13.46	\$13.42	\$13.42	\$13.41	\$13.42	\$18.20
Washington, DC	\$51.68	\$51.63	\$51.74	\$51.93	\$52.96	\$60.75
Westchester County, NY	\$29.81	\$29.81	\$29.83	\$29.95	\$29.69	\$30.32

p = preliminary  
\*Includes R&D



Inventory	Inventory	Deliveries 2016	Under Construction as of Q4 2016p
<b>United States</b>	<b>5,198,532,160</b>	<b>52,374,692</b>	<b>100,228,615</b>
Northeast	1,220,459,819	7,934,602	20,802,375
Midwest	810,729,878	7,880,555	9,706,063
South	1,756,166,858	19,670,483	38,066,036
West	1,411,175,605	16,889,052	31,654,141

U.S. Office Report Markets	Inventory	Deliveries 2016	Under Construction as of Q4 2016p
Atlanta, GA	139,540,126	504,983	4,024,415
Austin, TX	49,331,666	913,788	2,537,842
Baltimore, MD	80,019,422	1,917,246	1,768,227
Binghamton, NY	4,290,079	73,200	17,500
Birmingham, AL	18,616,567	0	300,000
Boston, MA	157,343,614	2,575,801	2,050,619
Buffalo, NY	21,881,417	30,000	318,000
Charleston, SC	23,475,936	326,374	454,934
Charlotte, NC	103,576,337	1,636,724	2,219,617
Chicago, IL	229,991,040	1,797,511	3,216,457
Cincinnati, OH	34,018,534	569,378	301,600
Cleveland, OH	146,028,488	904,650	619,613
Colorado Springs, CO	8,962,518	0	185,000
Columbus, OH	28,210,444	566,000	831,640
Dallas/Fort Worth, TX	219,128,265	3,759,079	6,981,880
Dayton, OH	14,117,889	0	25,014
Denver, CO	110,564,021	643,490	4,291,487
Detroit, MI	109,908,833	443,876	454,244
East Bay, CA*	109,261,653	20,000	250,000
El Paso, TX	17,810,070	344,000	547,000
Fairfield County, CT	41,505,969	0	0
Fort Myers/Naples, FL	28,923,959	154,584	149,341
Fredericksburg, VA	9,056,386	68,583	0
Ft. Lauderdale, FL	28,614,557	0	281,429
Greenville, SC	24,642,220	140,000	221,361
Hampton Roads, VA	39,184,559	140,260	250,000
Hartford, CT	24,383,096	0	0
Houston, TX	183,872,513	3,004,968	1,609,402
Indianapolis, IN	28,742,434	193,000	561,116
Inland Empire CA	21,706,705	0	0
Jacksonville, FL	24,897,208	86,751	0
Kansas City, MO	50,035,097	554,949	895,960
Las Vegas, NV	44,657,815	15,920	36,722
Long Island, NY	34,131,689	0	232,917
Los Angeles CBD	27,104,752	0	356,141
Los Angeles Metro	170,634,555	694,752	1,679,643
Louisville, KY	20,287,808	278,997	160,000
Memphis, TN	19,685,378	52,000	964,829
Miami, FL	46,798,239	300,832	933,070
Milwaukee, WI	28,179,600	565,017	1,259,000
Minneapolis/St. Paul, MN	71,827,576	1,849,085	771,185
Nashville, TN	35,400,910	1,432,536	2,817,170
New Haven, CT	10,629,286	0	0

Inventory	Inventory	Deliveries 2016	Under Construction as of Q4 2016p
New Jersey - Central	81,143,583	680,000	555,000
New Jersey - Northern	110,028,631	221,432	330,000
New Orleans, LA	30,228,444	30,000	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	242,313,113	1,892,954	9,531,930
New York - Midtown South	66,649,452	188,973	469,225
Oklahoma City, OK	21585042	377,572	878,000
Omaha, NE	20,899,967	271,911	255,000
Orange County, CA	87,336,208	477,387	1,380,975
Orlando, FL	37,868,905	153,000	134,000
Palm Beach, FL	23,843,554	0	88,069
Philadelphia, PA	129,180,766	699,969	1,392,853
Phoenix, AZ	101,146,283	2,954,697	1,665,520
Pittsburgh, PA	89,754,011	904,271	368,686
Portland, OR	44,729,292	1,151,188	1,059,814
Providence, RI	18,901,000	0	386,000
Puget Sound - Eastside	34,775,018	534,000	1,454,000
Raleigh/Durham, NC	50,507,900	364,393	2,025,146
Richmond, VA	52,463,906	239,563	115,000
Roanoke, VA	16,127,012	11,400	25,800
Rochester, NY	14,069,668	0	150,000
Sacramento, CA	87,393,061	251,782	249,222
Salt Lake City, UT	35,281,725	1,340,328	1,972,757
San Antonio, TX	31,197,264	167,600	595,241
San Diego, CA	74,046,665	1,036,986	1,129,680
San Francisco North Bay, CA	22,020,006	213,000	0
San Francisco, CA	77,766,389	1,481,054	3,771,515
San Juan, PR	10,382,974	n/a	n/a
San Mateo County, CA	54,288,669	1,190,744	826,034
San Jose (Silicon Valley), CA*	211,146,845	2,960,493	7,239,857
Savannah, GA	3,406,377	0	0
Seattle, WA	62,585,702	1,797,281	4,089,503
Southern New Hampshire	12,998,019	0	76,684
St. Louis, MO	48,769,976	165,178	515,234
St. Petersburg/Clearwater, FL	12,580,428	0	0
Suburban MD	56,771,727	259,550	0
Suburban VA (Northern VA)	130,120,970	975,809	4,114,861
Syracuse, NY	16,070,253	0	387,000
Tampa, FL	32,199,130	176,089	111,600
Tucson, AZ	25,767,723	125,950	16,271
Tulsa, OK	24,970,607	276,400	247,850
Washington, DC	109,050,492	1,577,402	3,509,952
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.

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## Regional Map

