

# MARKETBEAT

## U.S. Office

### Q3 2018



#### U.S. OFFICE

##### Employment Indicators

	Q3 17	Q3 18	12-Month Forecast
Total Nonfarm Employment	146.9M	149.3M	▲
Office-using Employment	31.8M	32.4M	▲
Unemployment	4.4%	3.9%	▼

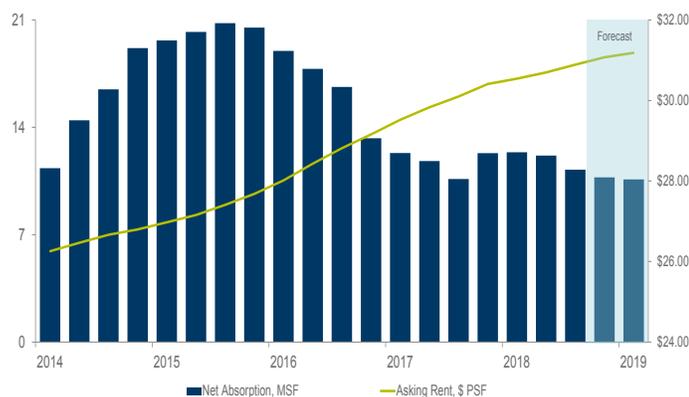
Source: BLS

##### Market Indicators (Overall)

	Q3 17	Q3 18	12-Month Forecast
Vacancy Rate	13.2%	13.3%	▲
Net Absorption	12.0M	8.3M	▼
Under Construction	106.0M	113.6M	▼
Weighted Asking Rent (FS)	\$30.53	\$31.29	▲
Rent Growth (Yr/Yr % Chg.)	3.7%	2.5%	▼

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

###### 4Q TRAILING AVERAGE



##### Office: Overall Vacancy



Source: Cushman & Wakefield Research

## U.S. Office Markets Take a Breather in the Third Quarter of 2018

After a solid performance in the first half of the year, both demand for and supply of office space grew a little more slowly in the third quarter of 2018, resulting in a slight decline in the national vacancy rate. Asking rents continued to increase. Absorption of office space totaled 8.3 million square feet (msf) in the quarter, down from 15.2 msf in the second quarter of the year. Cumulative absorption for the first three quarters of 2018 was 31.1 msf, down modestly from 35.4 msf in the same 2017 period. At the same time, completions of office buildings across the U.S. added 9.7 msf to supply, down from the 18.1 msf added in the second quarter. For 2018 year-to-date new construction completions totaled 38.5 msf, down slightly from 41.2 msf during the same period in 2017. The similar volumes of absorption and construction completions during the quarter kept the national vacancy rate essentially flat, dipping from 13.4% in the second quarter to 13.3% in the third.

**Technology remains a key demand driver:** The technology sector continued to be the key source of demand in U.S. office markets in the third quarter of 2018. The tech sector dominated the top leases of the quarter, accounting for nearly 27% of the top leases. The financial services sector took second place with 17%.

New leasing volume totaled 226.2 msf in the first three quarters of 2018—down from 241.4 msf in the same timeframe in 2017 but roughly on par with the 225.2 msf leased in the first three quarters of 2016. The markets with the strongest leasing relative to the overall size of the market in the third quarter were all tech-dominated ones. In the first three quarters of 2018, total new leasing volume in the U.S. was 4.2% of total inventory. The five markets in which year-to-date 2018 new leasing represented the largest share of inventory were all tech-dominated markets. New leasing represented for 9.7% of inventory in the Puget Sound-Eastside market in Seattle; 9.2% in Austin; 9.0% in Silicon Valley; 8.8% in San Mateo County; and 7.9% in San Francisco. Indeed, these same five markets—which account for 8.3% of total U.S. inventory—were responsible for 32% of the office space absorbed in the third quarter of 2018.

**Tech was also a driver of supply:** While the amount of office space delivered to the market declined in the third quarter, the volume of space under construction continued to increase during the same time period. That means more space was started than completed. Cushman & Wakefield was tracking 113.6 msf of office space under construction by the end of the third quarter of 2018—up from 107.6 msf in the second quarter and the largest volume since Cushman & Wakefield began tracking this data. That 113.6 msf represents 2.1% of total inventory, slightly higher than the 2.0% at the last peak of the market in 2008.

Ten of the 25 cities analyzed in Cushman & Wakefield's [Tech Cities 2.0 report](#) where tech is a critical component to local economies and real estate markets—Austin, Boston, Raleigh/Durham, Salt Lake City, San Diego, San Francisco, Seattle, Silicon Valley and, Washington, DC—account for 36.7% of the total office space under construction currently, much larger than the 23.7% of U.S. inventory these same markets account for. New York City boasts the largest volume of new construction; the Midtown (Manhattan) market alone has 15.9 msf under construction, and New York City overall has 19.2 msf.

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Relative to inventory, the markets with the highest levels of construction are San Mateo County (8.8%); Brooklyn (8.7%); Austin (6.9%); Seattle (6.9%) and Midtown Manhattan (6.6%).

**Vacancy dips slightly:** The national office vacancy rate stood at 13.3% at the close of the third quarter of 2018, down 10 basis points (bps) from the 13.4% rate in the second quarter of the year. Since the third quarter of 2016, the national vacancy rate has hovered between 13.1% and 13.4%, as absorption and construction have been relatively evenly matched.

In the third quarter of 2018, 44 markets recorded a decline in vacancy from the previous (second) quarter, while 34 markets experienced an increase. The major markets with the lowest vacancy rates were also tech-driven markets: San Francisco (6.8%), Puget Sound, WA (7.0%), Midtown South, NY (7.4%), Raleigh Durham (7.4%), and Charlotte (7.5%).

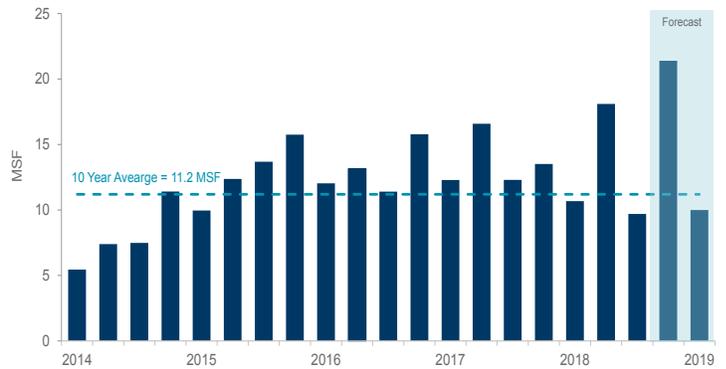
**Rents continue to rise:** The average asking rent in the U.S. as a whole reached a record high of \$31.29 per square foot (psf) in the third quarter of 2018—up 1.2% from the second quarter of the year and 2.5% from a year ago. After hitting their lowest level in the second quarter of 2011, average asking rents increased 27.3% by the close of the third quarter of this year. Since the third quarter of 2017, a total of 64 markets have experienced an increase in asking rents, while only 22 have seen asking rents decline. Among major markets, the largest increases from a year ago have been in Orange County, Ca (+17.2%), San Francisco North Bay (+14.5%), Midtown South Manhattan (10.4%), Portland, OR (+9.9%) and Charlotte (+9.7%).

Since rents bottomed in the second quarter of 2011, the fastest growth, by far has been in tech-dominated markets—led by San Francisco, where rents have essentially doubled (+99.7%), San Mateo (+73.5%), Midtown South Manhattan (+71.2%), Downtown Manhattan (+61.8%), Oakland/East Bay (+59.8%) and Silicon Valley (+59.2%). For the first time since 2001, Midtown Manhattan was not the most expensive market in the nation in the third quarter of 2018. Midtown South claimed that title average asking rents reached \$76.42 psf. Note: at the end of 2010, average asking rents in Midtown South were \$43.73 psf). Midtown Manhattan ranked second with average asking rents of \$76.12 psf, followed by San Francisco (\$74.72 psf), Downtown Manhattan (\$63.72 psf) and San Mateo County (\$57.98 psf). Washington, D.C. was the only other market where rents breached \$50 psf.

## Looking Ahead

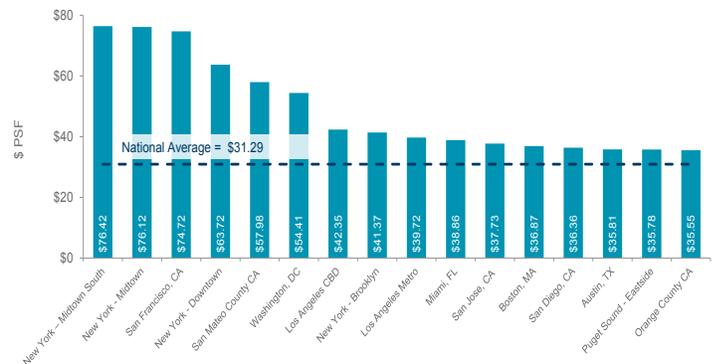
After a strong 2018, the growth trajectory of the U.S. economy is expected to moderate somewhat in 2019 as some of the effects of tax cuts begin to fade and the higher interest rate environment begins to dampen activity in certain sectors. The economy will continue to add a healthy number of jobs, but at a slower pace. This moderation in demand growth will occur as new construction deliveries are increasing. The amount of new space delivered this year and next is expected to be the largest in a decade, leading to a modest increase in vacancy in the coming year. New space is in demand as many occupiers are seeking to locate in the newest buildings to use space more efficiently and to attract top talent. While conditions will vary among markets, this combination of slower job growth and rising supply will create additional leverage for occupiers in a growing number of cities.

## Office: New Supply



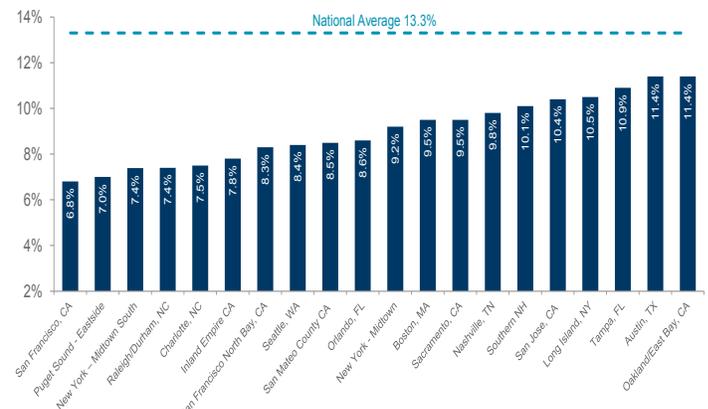
Source: Cushman & Wakefield Research

## 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**	
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
United States	11,995,023	13,888,942	7,535,739	15,204,124	8,311,427	88,131,725
Northeast	2,323,882	3,370,397	-79,890	4,967,470	1,065,855	24,032,118
Midwest	1,744,840	566,234	742,937	1,997,515	673,484	7,716,754
South	5,486,926	3,793,716	-196,932	3,229,108	1,711,382	24,526,175
West	2,439,375	6,158,595	7,069,624	5,010,031	4,860,706	31,856,678

U.S. Office Market Reports	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Atlanta, GA	67,544	905,671	469,727	77,228	-261,207	2,854,881
Austin, TX	166,960	-90,292	-84,452	-192,284	36,021	1,812,788
Baltimore, MD	311,311	63,522	-48,425	301,945	187,220	555,426
Binghamton, NY	0	29,482	8,358	7,353	8,955	13,475
Birmingham, AL	78,656	-271,466	-387,710	-292,771	58,777	191,293
Boston, MA	-256,387	1,714,728	655,031	659,649	338,156	3,727,613
Buffalo, NY	-13,652	180,711	118,058	-36,832	85,402	253,923
Charleston, SC	90,769	-31,793	106,949	374,619	111,255	180,135
Charlotte, NC	540,399	-277,551	120,129	-133,684	764,464	824,030
Chicago, IL	504,960	-87,431	181,797	650,536	-669,808	2,308,811
Cincinnati, OH	91,789	6,132	-719,778	41,659	42,343	441,706
Cleveland, OH	236,214	-33,348	652,292	-132,832	370,957	417,933
Colorado Springs, CO	-15,838	41,005	412,652	517,749	521,556	353,359
Columbus, OH	1,341	121,938	74,995	356,075	-245,428	273,582
Dallas/Fort Worth, TX	1,799,811	651,472	392,010	608,553	-176,914	2,593,983
Dayton, OH	89,452	34,949	35,463	-12,655	-7,122	204,762
Denver, CO	274,332	276,809	47,997	1,341,379	806,964	2,768,679
Detroit, MI	268,139	-149,900	-96,702	232,840	807,985	480,369
El Paso, TX	103,739	206,180	200,828	302,737	361,422	63,685
Fairfield County, CT	-225,055	158,904	-438,911	612,960	-962,317	1,243,855
Fort Myers/Naples, FL	189,918	5,296	-95,556	-28,789	127,215	124,797
Fredericksburg, VA	-51,511	-41,100	33,929	49,747	17,856	43,506
Ft. Lauderdale, FL	115,648	192,477	83,852	-92,109	22,571	524,667
Greenville, SC	203,239	-29,702	63,980	-88,102	77,102	64,992
Hampton Roads, VA	144,549	182,887	218,483	194,768	-458,431	309,714
Hartford, CT	-93,608	-22,471	66,356	-180,443	-32,143	357,900
Houston, TX	-393,270	-76,018	-1,542,438	-115,309	-271,600	2,598,459
Indianapolis, IN	96,948	106,407	21,164	13,700	6,193	697,748
Inland Empire CA	95,183	63,707	20,314	113,645	76,379	319,504
Jacksonville, FL	72,568	-177,795	26,678	40,924	163,712	290,656
Kansas City, MO	296,390	12,877	391,484	291,917	136,082	900,097
Las Vegas, NV	294,972	766,107	490,966	163,047	-306,302	251,460
Long Island, NY	-156,894	635,282	-155,834	348,898	432,891	216,794
Los Angeles CBD	-1,934	125,536	100,825	257,960	45,405	373,115
Los Angeles Metro	970,688	324,649	62,407	509,737	285,599	2,806,443
Louisville, KY	-177,342	56,968	-11,792	42,799	242,750	199,430
Memphis, TN	148,635	45,706	115,130	21,427	215,645	217,376
Miami, FL	231,803	149,150	215,659	159,557	200,584	641,439
Milwaukee, WI	-77,961	6,799	209,598	111,563	18,087	344,337
Minneapolis/St. Paul, MN	-71,445	372,274	-163,970	437,958	-30,768	723,299

Demand Indicators (Overall)	Net Absorption					Leasing Activity**	
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p	
Nashville, TN	479,957	-31,019	-65,916	161,604	22,058	413,742	
New Haven, CT	32,407	-420,840	-28,419	-11,991	96,508	161,855	
New Jersey - Central	-469,831	-200,094	-459,732	470,700	-190,890	1,180,070	
New Jersey - Northern	36,907	-679,405	-598,589	-55,706	543,744	2,079,618	
New Orleans, LA	-96,123	-153,754	-81,904	49,139	-163,308	76,488	
New York - Brooklyn	227,707	452,500	233,807	-145,636	-506,341	477,121	
New York - Downtown	450,809	161,963	13,121	786,590	-544,179	1,233,304	
New York - Midtown	1,871,598	1,497,959	1,222,547	1,304,359	1,956,037	8,022,666	
New York - Midtown South	123,132	551,254	284,105	966,006	17,896	1,862,776	
Northern VA	-400,293	1,011,923	332,181	315,947	156,439	2,313,068	
Oakland/East Bay, CA*	-859,973	418,281	-403,256	-568,118	206,255	1,958,212	
Omaha, NE	-5,176	-106,784	97,553	94,072	76,144	243,937	
Orange County, CA	93,617	176,349	295,166	49,115	-133,847	1,498,961	
Orlando, FL	394,135	165,766	-117,366	265,220	120,159	764,188	
Palm Beach, FL	219,948	74,486	17,790	-137,318	47,738	238,653	
Philadelphia, PA	685,574	-726,020	-138,597	-364,080	-209,198	1,560,872	
Phoenix, AZ	-19,174	383,458	865,326	786,100	493,857	2,080,777	
Pittsburgh, PA	14,554	-72,103	-448,378	193,417	-84,514	570,381	
Portland, OR	306,999	228,906	-167,524	294,961	-80,102	448,527	
Providence, RI	41,000	40,000	7,000	20,000	20,000	170,500	
Puget Sound - Eastside	1,633	13,064	536,624	-80,388	347,223	1,788,293	
Raleigh/Durham, NC	505,016	480,412	189,060	362,984	33,222	556,980	
Richmond, VA	100,990	262,192	-278,524	190,211	63,038	252,367	
Roanoke, VA	40,152	5,235	-85,873	-60,413	990	59,042	
Rochester, NY	203,255	147,176	-307,934	180,621	142,101	73,419	
Sacramento, CA	305,059	428,813	151,295	305,459	165,138	1,162,968	
Salt Lake City, UT	-11,237	543,049	50,079	310,088	126,686	1,353,674	
San Antonio, TX	-34,917	-128,901	-162,460	-36,626	-7,640	374,180	
San Diego, CA	817,503	393,547	349,859	212,717	-235,062	1,592,852	
San Francisco North Bay, CA	-27,546	132,780	-23,115	-1,448	21,279	326,126	
San Francisco, CA	-118,320	253,149	2,181,460	1,362,493	937,886	1,735,350	
San Juan, PR	n/a	n/a	n/a	n/a	n/a	n/a	
San Mateo County, CA	317,212	-51,390	79,910	-296,768	587,633	2,088,822	
San Jose (Silicon Valley), CA*	-295,811	-95,694	603,504	-588,088	750,497	7,584,012	
Savannah, GA	n/a	38,194	n/a	98,334	n/a	n/a	
Seattle, WA	229,962	1,618,836	1,357,121	232,029	201,498	1,283,089	
Southern New Hampshire	-36,303	14,847	-63,798	2,340	56,833	149,658	
St. Louis, MO	314,189	282,321	59,041	-87,318	168,819	680,173	
St. Petersburg/Clearwater, FL	190,281	67,506	57,887	144,217	-76,096	86,470	
Suburban MD	172,195	90,173	-65,613	456,704	-53,182	924,647	
Syracuse, NY	-121,443	17,895	-983	167,651	17,747	366,539	
Tampa, FL	253,448	214,245	29,372	260,787	-11,785	480,041	
Tucson, AZ	82,048	117,634	58,014	88,362	42,164	82,455	
Tulsa, OK	26,096	n/a	-107,618	-197,655	171,636	247,963	
Washington, DC	169,952	233,646	265,071	124,717	-10,329	3,647,089	
Westchester County, NY	10,112	-111,371	-47,098	41,614	-120,833	309,779	

p = preliminary  
 \*Includes R&D  
 \*\*Leasing activity includes renewals

Vacancy Rate (All Classes)	Overall					Direct
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
United States	13.2%	13.1%	13.3%	13.4%	13.3%	12.0%
Northeast	12.3%	12.2%	12.5%	12.6%	12.6%	11.2%
Midwest	14.4%	14.5%	14.3%	14.5%	14.6%	13.8%
South	14.1%	14.1%	14.4%	14.7%	14.6%	12.9%
West	12.0%	12.0%	12.0%	11.9%	11.7%	10.4%

U.S. Office Report Markets	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Atlanta, GA	16.7%	16.5%	16.2%	16.2%	16.4%	15.3%
Austin, TX	10.5%	10.4%	10.5%	11.2%	11.4%	8.9%
Baltimore, MD	12.5%	12.7%	13.2%	13.1%	13.6%	13.0%
Binghamton, NY	9.3%	9.0%	8.9%	8.6%	8.6%	8.6%
Birmingham, AL	11.9%	12.9%	15.9%	17.1%	16.9%	14.4%
Boston, MA	10.4%	10.1%	10.0%	9.7%	9.5%	8.4%
Buffalo, NY	18.1%	17.3%	17.3%	17.4%	17.0%	16.3%
Charleston, SC	6.6%	6.3%	5.6%	5.7%	6.2%	6.0%
Charlotte, NC	7.7%	8.0%	8.1%	8.2%	7.5%	7.2%
Chicago, IL	16.6%	16.8%	17.2%	18.4%	18.8%	17.2%
Cincinnati, OH	20.7%	21.1%	21.6%	20.1%	19.9%	19.0%
Cleveland, OH	9.3%	9.6%	8.5%	8.6%	8.6%	8.4%
Colorado Springs, CO	18.3%	18.1%	12.9%	11.0%	9.8%	9.5%
Columbus, OH	13.9%	14.3%	13.7%	14.0%	14.9%	13.3%
Dallas/Fort Worth, TX	16.2%	16.7%	17.7%	18.5%	18.8%	12.8%
Dayton, OH	22.4%	21.9%	22.6%	22.1%	22.3%	22.2%
Denver, CO	15.3%	15.6%	16.3%	16.1%	15.7%	14.4%
Detroit, MI	13.7%	13.6%	13.5%	12.6%	12.4%	12.1%
El Paso, TX	6.7%	6.3%	5.8%	8.3%	8.2%	8.0%
Fairfield County, CT	23.6%	23.1%	24.2%	24.5%	24.6%	21.6%
Fort Myers/Naples, FL	6.2%	6.2%	5.8%	6.4%	5.6%	5.4%
Fredericksburg, VA	12.2%	12.4%	12.1%	11.6%	11.8%	11.3%
Ft. Lauderdale, FL	12.3%	11.6%	12.0%	11.7%	12.2%	11.5%
Greenville, SC	8.3%	7.8%	8.2%	9.3%	10.6%	9.8%
Hampton Roads, VA	9.9%	9.8%	9.6%	8.9%	9.6%	9.5%
Hartford, CT	16.6%	16.1%	16.4%	17.2%	17.3%	15.4%
Houston, TX	20.9%	20.2%	22.0%	22.4%	22.3%	19.6%
Indianapolis, IN	14.6%	14.3%	14.3%	17.2%	16.9%	16.4%
Inland Empire CA	9.3%	8.8%	8.7%	8.0%	7.8%	7.5%
Jacksonville, FL	12.8%	13.5%	13.0%	12.8%	12.6%	12.0%
Kansas City, MO	16.2%	16.3%	15.5%	14.4%	14.4%	13.5%
Las Vegas, NV	13.2%	12.3%	11.9%	11.9%	12.4%	11.8%
Long Island, NY	14.1%	12.3%	12.7%	11.7%	10.5%	8.2%
Los Angeles CBD	21.6%	21.2%	21.2%	20.3%	20.2%	19.4%
Los Angeles Metro	13.8%	14.1%	14.5%	14.6%	14.4%	13.4%
Louisville, KY	13.6%	13.2%	13.5%	13.5%	12.2%	11.7%
Memphis, TN	19.4%	20.0%	14.5%	14.5%	13.8%	13.5%
Miami, FL	12.2%	12.1%	12.1%	12.4%	12.9%	12.2%
Milwaukee, WI	16.8%	16.8%	16.2%	15.3%	15.0%	14.6%
Minneapolis/St. Paul, MN	17.1%	17.4%	17.6%	17.1%	17.5%	16.8%

# Vacancy Rates

Vacancy Rate (All Classes)	Overall					Direct
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Nashville, TN	7.7%	8.5%	8.5%	8.6%	9.8%	9.0%
New Haven, CT	12.3%	14.6%	13.7%	13.4%	13.0%	11.8%
New Jersey - Central	16.3%	16.5%	17.2%	16.5%	16.7%	14.3%
New Jersey - Northern	18.8%	18.4%	19.7%	19.8%	19.2%	17.5%
New Orleans, LA	8.2%	8.8%	9.5%	9.3%	9.7%	9.5%
New York - Brooklyn	9.8%	10.5%	10.5%	11.1%	13.2%	11.7%
New York - Downtown	8.7%	8.7%	9.0%	11.3%	12.0%	10.5%
New York - Midtown	9.6%	9.5%	9.3%	9.2%	9.2%	7.4%
New York - Midtown South	7.3%	6.9%	6.5%	6.7%	7.4%	5.6%
Northern VA	22.0%	21.6%	21.1%	20.5%	20.6%	19.4%
Oakland/East Bay, CA*	11.0%	10.6%	10.9%	11.4%	11.4%	9.7%
Omaha, NE	7.3%	7.4%	6.8%	6.6%	6.8%	6.5%
Orange County, CA	11.1%	11.1%	11.6%	11.3%	11.8%	11.1%
Orlando, FL	9.5%	9.3%	9.5%	9.3%	8.6%	8.4%
Palm Beach, FL	12.7%	12.9%	14.5%	13.7%	14.0%	13.5%
Philadelphia, PA	11.4%	11.4%	12.0%	12.6%	12.5%	12.0%
Phoenix, AZ	17.2%	17.4%	16.8%	16.1%	15.6%	14.3%
Pittsburgh, PA	10.3%	10.4%	10.7%	11.0%	11.1%	10.1%
Portland, OR	10.6%	10.3%	10.5%	10.5%	11.4%	10.8%
Providence, RI	12.2%	12.0%	12.1%	12.0%	11.6%	11.3%
Puget Sound - Eastside	8.4%	8.4%	8.1%	8.1%	7.0%	5.8%
Raleigh/Durham, NC	8.2%	8.1%	8.1%	7.6%	7.4%	6.9%
Richmond, VA	7.5%	7.1%	6.7%	6.7%	6.6%	6.3%
Roanoke, VA	7.1%	6.2%	6.8%	6.8%	6.8%	6.8%
Rochester, NY	14.5%	13.3%	15.4%	14.2%	13.2%	13.2%
Sacramento, CA	10.1%	9.6%	9.8%	9.6%	9.5%	9.2%
Salt Lake City, UT	14.1%	13.9%	14.0%	13.3%	13.5%	12.0%
San Antonio, TX	13.0%	13.9%	13.9%	13.5%	13.2%	12.8%
San Diego, CA	13.7%	13.3%	12.9%	12.6%	13.4%	11.0%
San Francisco North Bay, CA	10.6%	10.0%	8.4%	8.4%	8.3%	7.1%
San Francisco, CA	8.5%	8.6%	7.6%	7.4%	6.8%	5.8%
San Juan, PR	13.0%	11.2%	11.6%	12.8%	12.9%	12.9%
San Mateo County, CA	8.3%	8.5%	8.1%	8.8%	8.5%	6.2%
San Jose (Silicon Valley), CA*	10.5%	11.0%	10.6%	10.7%	10.4%	8.0%
Savannah, GA	16.9%	15.8%	15.8%	12.9%	12.9%	12.9%
Seattle, WA	7.5%	7.3%	8.1%	8.7%	8.4%	7.4%
Southern New Hampshire	10.0%	9.9%	9.9%	10.3%	10.1%	9.3%
St. Louis, MO	11.9%	11.7%	11.4%	12.3%	12.0%	11.4%
St. Petersburg/Clearwater, FL	15.1%	13.1%	12.6%	11.7%	12.7%	12.5%
Suburban MD	19.5%	19.4%	19.4%	19.0%	18.7%	17.9%
Syracuse, NY	14.1%	14.2%	14.0%	12.4%	12.3%	11.3%
Tampa, FL	12.6%	11.7%	11.3%	10.9%	10.9%	9.9%
Tucson, AZ	9.6%	9.0%	8.9%	8.1%	8.1%	8.0%
Tulsa, OK	22.0%	22.0%	22.2%	23.7%	18.6%	16.7%
Washington, DC	12.3%	12.4%	12.4%	14.0%	14.1%	13.0%
Westchester County, NY	19.4%	19.6%	24.6%	25.7%	25.1%	23.2%

p = preliminary  
\*Includes R&D.

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
United States	\$30.53	\$30.71	\$30.62	\$30.93	\$31.29	\$37.38
Northeast	\$38.55	\$38.37	\$37.65	\$38.41	\$38.89	\$44.99
Midwest	\$23.24	\$23.24	\$23.46	\$23.60	\$23.62	\$27.35
South	\$27.54	\$27.78	\$28.00	\$28.11	\$28.53	\$37.98
West	\$32.91	\$33.58	\$33.21	\$33.62	\$34.07	\$41.66

U.S. Office Report Markets	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Atlanta, GA	\$24.72	\$24.78	\$25.79	\$26.53	\$26.74	\$30.13
Austin, TX	\$36.71	\$36.13	\$36.39	\$36.54	\$35.81	\$39.91
Baltimore, MD	\$23.07	\$23.37	\$23.14	\$23.41	\$23.52	\$26.32
Binghamton, NY	\$12.79	\$12.84	\$12.84	\$12.84	\$12.93	\$12.93
Birmingham, AL	\$18.58	\$19.31	\$19.35	\$18.94	\$18.63	\$19.83
Boston, MA	\$37.81	\$37.08	\$35.82	\$36.05	\$36.87	\$41.76
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$21.10	\$21.67	\$22.42	\$23.01	\$25.46	\$30.65
Charlotte, NC	\$23.83	\$24.45	\$25.18	\$25.46	\$26.14	\$29.94
Chicago, IL	\$30.78	\$30.48	\$30.57	\$30.24	\$29.94	\$33.01
Cincinnati, OH	\$18.30	\$18.53	\$18.66	\$19.09	\$18.95	\$21.58
Cleveland, OH	\$17.23	\$17.35	\$17.25	\$17.50	\$17.31	\$21.98
Colorado Springs, CO	\$13.88	\$13.92	\$13.59	\$13.64	\$13.85	\$15.49
Columbus, OH	\$20.63	\$20.74	\$20.77	\$20.94	\$20.96	\$23.08
Dallas/Fort Worth, TX	\$26.04	\$26.49	\$27.31	\$26.43	\$26.47	\$29.89
Dayton, OH	\$14.95	\$15.04	\$15.00	\$14.98	\$14.86	\$18.26
Denver, CO	\$27.00	\$26.86	\$27.41	\$27.50	\$27.72	\$31.62
Detroit, MI	\$19.43	\$19.42	\$19.52	\$19.61	\$19.59	\$22.07
El Paso, TX	\$16.25	\$16.26	\$16.25	\$16.50	\$16.50	\$17.25
Fairfield County, CT	\$33.78	\$33.00	\$32.55	\$32.47	\$32.21	\$37.40
Fort Myers/Naples, FL	\$15.34	\$15.63	\$14.97	\$14.85	\$15.09	\$17.31
Fredericksburg, VA	\$19.57	\$19.07	\$20.12	\$22.83	\$22.46	\$24.93
Ft. Lauderdale, FL	\$29.51	\$29.24	\$30.35	\$30.48	\$30.72	\$36.73
Greenville, SC	\$19.04	\$18.54	\$19.39	\$19.25	\$19.11	\$23.38
Hampton Roads, VA	\$17.13	\$17.67	\$17.75	\$18.19	\$18.82	\$22.47
Hartford, CT	\$20.89	\$20.72	\$20.55	\$20.59	\$20.91	\$22.21
Houston, TX	\$29.51	\$29.80	\$29.44	\$29.04	\$29.37	\$36.19
Indianapolis, IN	\$19.21	\$19.35	\$19.53	\$19.24	\$19.60	\$21.99
Inland Empire CA	\$21.79	\$22.21	\$22.36	\$22.72	\$22.91	\$27.22
Jacksonville, FL	\$18.72	\$19.02	\$19.07	\$19.00	\$19.64	\$22.95
Kansas City, MO	\$19.66	\$19.85	\$19.73	\$20.20	\$20.26	\$23.50
Las Vegas, NV	\$19.32	\$19.56	\$19.80	\$19.44	\$19.80	\$28.44
Long Island, NY	\$30.12	\$29.75	\$29.46	\$29.96	\$29.78	\$33.30
Los Angeles CBD	\$42.17	\$42.39	\$42.23	\$42.25	\$42.35	\$43.36
Los Angeles Metro	\$37.09	\$38.74	\$39.24	\$39.31	\$39.72	\$43.28
Louisville, KY	\$17.03	\$17.15	\$16.96	\$16.82	\$16.40	\$19.77
Memphis, TN	\$18.20	\$18.13	\$17.83	\$17.85	\$18.02	\$20.34
Miami, FL	\$37.77	\$38.16	\$38.49	\$38.03	\$38.86	\$45.03
Milwaukee, WI	\$19.00	\$19.00	\$19.00	\$19.00	\$20.13	\$23.89
Minneapolis/St. Paul, MN	\$25.17	\$25.38	\$25.49	\$25.32	\$25.65	\$30.79

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018p	Q3 2018p
Nashville, TN	\$26.94	\$26.99	\$26.45	\$26.20	\$26.78	\$29.89
New Haven, CT	\$21.73	\$21.42	\$21.35	\$21.37	\$21.56	\$23.22
New Jersey - Central	\$25.49	\$25.75	\$26.45	\$26.58	\$26.57	\$29.45
New Jersey - Northern	\$29.19	\$29.84	\$30.13	\$30.79	\$30.84	\$35.62
New Orleans, LA	\$18.66	\$18.63	\$18.57	\$18.69	\$18.80	\$19.62
New York - Brooklyn	\$43.68	\$41.31	\$41.15	\$42.56	\$41.37	\$54.16
New York - Downtown	\$59.86	\$60.23	\$59.67	\$62.92	\$63.72	\$67.23
New York - Midtown	\$77.67	\$76.94	\$77.06	\$77.44	\$76.12	\$82.81
New York - Midtown South	\$69.23	\$68.87	\$69.13	\$71.07	\$76.42	\$93.43
Northern VA	\$32.07	\$32.68	\$32.63	\$32.69	\$32.79	\$35.21
Oakland/East Bay, CA*	\$30.67	\$31.06	\$31.14	\$32.04	\$32.78	\$40.09
Omaha, NE	\$16.31	\$17.13	\$20.15	\$20.29	\$20.76	\$26.61
Orange County, CA	\$30.34	\$31.82	\$34.03	\$34.36	\$35.55	\$39.50
Orlando, FL	\$21.21	\$21.44	\$21.57	\$22.36	\$22.46	\$25.93
Palm Beach, FL	\$37.25	\$37.15	\$35.99	\$34.59	\$34.53	\$43.56
Philadelphia, PA	\$25.71	\$25.86	\$25.64	\$25.52	\$26.07	\$27.98
Phoenix, AZ	\$24.65	\$25.11	\$25.22	\$25.28	\$25.43	\$29.91
Pittsburgh, PA	\$19.23	\$19.76	\$18.99	\$19.20	\$19.42	\$25.86
Portland, OR	\$26.78	\$27.35	\$27.81	\$27.99	\$29.44	\$34.08
Providence, RI	\$18.47	\$18.58	\$18.60	\$18.62	\$18.64	\$24.27
Puget Sound - Eastside	\$33.81	\$34.60	\$34.65	\$34.96	\$35.78	\$40.22
Raleigh/Durham, NC	\$23.96	\$24.05	\$24.35	\$25.28	\$25.60	\$27.70
Richmond, VA	\$18.85	\$18.89	\$19.04	\$18.94	\$19.40	\$21.54
Roanoke, VA	\$14.94	\$15.97	\$16.31	\$15.50	\$15.55	\$20.52
Rochester, NY	\$19.75	\$19.75	\$18.00	\$18.00	\$18.00	\$20.66
Sacramento, CA	\$22.10	\$22.15	\$22.15	\$22.49	\$22.80	\$27.84
Salt Lake City, UT	\$24.47	\$24.32	\$24.18	\$24.37	\$24.66	\$29.79
San Antonio, TX	\$22.10	\$21.49	\$22.05	\$22.05	\$22.43	\$25.70
San Diego, CA	\$35.52	\$35.52	\$36.24	\$36.24	\$36.36	\$41.64
San Francisco North Bay, CA	\$27.74	\$27.93	\$30.04	\$31.65	\$31.77	\$36.56
San Francisco, CA	\$70.51	\$71.02	\$71.40	\$72.30	\$74.72	\$78.56
San Juan, PR	\$17.90	\$18.06	\$18.02	\$18.05	\$18.11	\$19.99
San Mateo County, CA	\$57.40	\$57.15	\$58.06	\$58.69	\$57.98	\$61.62
San Jose (Silicon Valley), CA*	\$37.64	\$38.32	\$36.42	\$36.71	\$37.73	\$56.90
Savannah, GA	\$19.50	\$19.79	\$19.79	\$20.02	\$20.02	\$23.73
Seattle, WA	\$34.88	\$35.34	\$33.99	\$34.40	\$35.10	\$39.61
Southern New Hampshire	\$17.19	\$17.32	\$17.09	\$16.85	\$16.96	\$17.96
St. Louis, MO	\$19.73	\$19.61	\$18.75	\$18.90	\$19.12	\$22.10
St. Petersburg/Clearwater, FL	\$21.46	\$22.08	\$22.00	\$21.97	\$22.97	\$25.63
Suburban MD	\$26.71	\$26.85	\$26.92	\$27.27	\$27.85	\$31.00
Syracuse, NY	\$15.85	\$15.90	\$15.82	\$16.59	\$16.93	\$16.93
Tampa, FL	\$24.87	\$24.88	\$24.83	\$25.39	\$26.21	\$30.29
Tucson, AZ	\$18.83	\$18.93	\$19.11	\$18.56	\$18.84	\$22.81
Tulsa, OK	\$13.43	\$13.43	\$13.43	\$15.27	\$15.58	\$19.84
Washington, DC	\$54.96	\$55.00	\$54.75	\$55.01	\$54.41	\$61.82
Westchester County, NY	\$29.24	\$29.06	\$28.34	\$27.85	\$27.45	\$27.83

p = preliminary  
\*Includes R&D

Inventory	Inventory	Deliveries YTD 2018	Under Construction as of Q3 2018p
<b>United States</b>	<b>5,324,366,323</b>	<b>38,464,664</b>	<b>113,575,305</b>
Northeast	1,227,488,943	5,946,893	27,840,992
Midwest	845,845,018	5,662,332	12,212,628
South	1,767,802,194	13,785,996	39,847,084
West	1,483,230,168	13,069,443	33,674,601

U.S. Office Report Markets	Inventory	Deliveries YTD 2018	Under Construction as of Q3 2018p
Atlanta, GA	142,601,393	1,395,892	2,980,572
Austin, TX	51,388,725	1,077,474	3,538,987
Baltimore, MD	76,243,696	447,340	1,429,084
Binghamton, NY	4,643,622	90,000	0
Birmingham, AL	19,841,737	242,000	138,000
Boston, MA	161,691,209	1,300,035	3,833,154
Buffalo, NY	22,151,923	0	185,000
Charleston, SC	25,286,672	670,252	588,443
Charlotte, NC	107,119,842	439,718	3,477,019
Chicago, IL	233,883,419	1,896,318	2,749,256
Cincinnati, OH	33,656,170	42,503	0
Cleveland, OH	149,504,837	1,189,938	1,214,738
Colorado Springs, CO	28,488,418	0	202,045
Columbus, OH	28,944,800	449,790	989,458
Dallas/Fort Worth, TX	232,409,127	3,126,009	3,509,914
Dayton, OH	13,713,128	0	79,000
Denver, CO	116,972,024	2,345,824	2,463,533
Detroit, MI	111,265,545	309,528	505,296
El Paso, TX	17,961,572	89,000	435,444
Fairfield County, CT	39,433,690	0	532,258
Fort Myers/Naples, FL	20,380,005	0	157,000
Fredericksburg, VA	9,399,531	40,000	0
Ft. Lauderdale, FL	27,622,957	205,984	305,700
Greenville, SC	25,962,732	0	143,057
Hampton Roads, VA	41,675,179	19,000	659,687
Hartford, CT	24,248,156	0	24,900
Houston, TX	184,233,141	110,000	2,871,920
Indianapolis, IN	37,295,867	125,175	602,070
Inland Empire CA	21,885,514	0	31,500
Jacksonville, FL	23,986,466	230,904	343,700
Kansas City, MO	50,198,345	263,615	515,603
Las Vegas, NV	60,649,260	423,888	618,562
Long Island, NY	34,512,829	0	0
Los Angeles CBD	27,574,918	0	0
Los Angeles Metro	172,921,138	469,166	1,996,242
Louisville, KY	20,153,464	32,500	200,760
Memphis, TN	31,975,324	0	0
Miami, FL	47,510,536	397,300	1,400,033
Milwaukee, WI	28,576,517	60,062	856,817
Minneapolis/St. Paul, MN	74,180,953	865,107	2,098,700
Nashville, TN	38,799,140	278,638	2,188,103
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 Q3 2018p
New Jersey - Northern	108,811,685	130,000	960,000
New Orleans, LA	25,796,386	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	240,976,088	71,000	15,920,851
New York - Midtown South	68,743,496	605,576	593,234
Northern VA	131,554,727	601,000	1,919,223
Oakland/East Bay, CA*	108,142,178	265,000	1,746,122
Omaha, NE	35,814,822	276,796	982,574
Orange County, CA	90,298,585	1,409,661	765,783
Orlando, FL	36,663,039	231,700	470,744
Palm Beach, FL	23,884,610	0	333,176
Philadelphia, PA	131,988,948	100,000	1,443,921
Phoenix, AZ	102,492,280	649,119	3,067,364
Pittsburgh, PA	90,769,990	289,900	1,113,218
Portland, OR	49,047,028	1,176,670	678,729
Providence, RI	19,651,000	490,000	210,000
Puget Sound - Eastside	34,839,041	0	718,257
Raleigh/Durham, NC	52,406,924	514,579	3,272,624
Richmond, VA	53,420,454	164,461	1,378,120
Roanoke, VA	16,577,290	0	0
Rochester, NY	14,069,668	0	45,000
Sacramento, CA	89,084,311	150,092	864,000
Salt Lake City, UT	37,197,868	275,000	1,147,097
San Antonio, TX	30,967,232	877,948	1,144,677
San Diego, CA	77,397,084	461,204	1,630,008
San Francisco North Bay, CA	20,928,020	0	0
San Francisco, CA	82,280,598	3,666,015	2,824,500
San Juan, PR	10,311,867	0	0
San Mateo County, CA	55,625,477	512,900	4,886,583
San Jose (Silicon Valley), CA*	217,274,939	929,829	5,317,710
Savannah, GA	3,415,940	0	0
Seattle, WA	63,721,336	208,840	4,380,650
Southern New Hampshire	14,569,575	0	95,000
St. Louis, MO	48,810,615	183,500	1,619,116
St. Petersburg/Clearwater, FL	11,987,903	0	0
Suburban MD	59,932,405	0	2,067,787
Syracuse, NY	16,116,718	5,000	50,528
Tampa, FL	31,159,879	150,000	250,000
Tucson, AZ	26,410,151	126,235	335,916
Tulsa, OK	25,060,607	0	264,000
Washington, DC	110,111,692	2,444,297	4,379,310
Westchester County, NY	24,699,934	0	0

p = preliminary  
\*Includes R&D



## About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) 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.

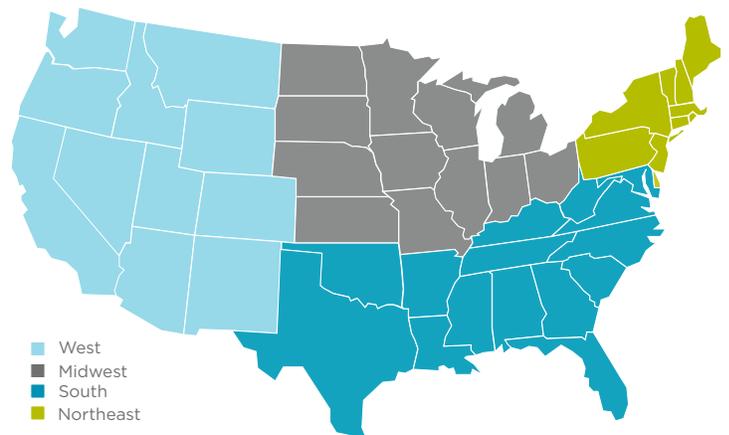
**Absorption:** The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

**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



**Ken McCarthy**  
Principal Economist  
Americas Head of Applied Research  
Tel: +1 212.841.7500  
[cushmanwakefield.com](http://cushmanwakefield.com)

**Revathi Greenwood**  
Americas Head of Research  
Tel: +1 202.463.2100  
[cushmanwakefield.com](http://cushmanwakefield.com)