

MARKETBEAT

U.S. Office

Q1 2019



U.S. OFFICE

Employment Indicators

	Q1 18	Q1 19	12-Month Forecast
Total Nonfarm Employment	148.0M	150.7M	▲
Office-using Employment	32.1M	32.8M	▲
Unemployment	4.1%	3.8%	▼

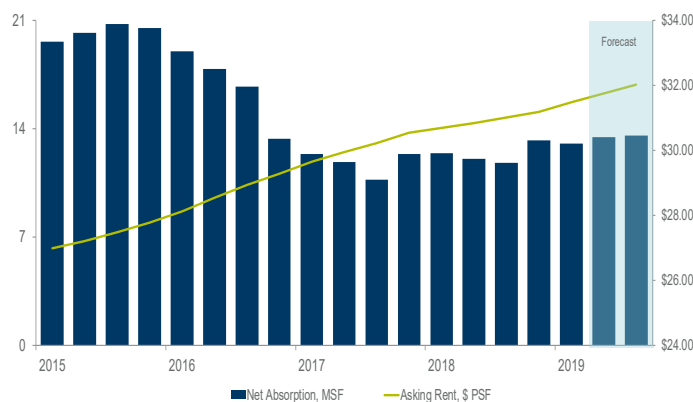
Source: BLS

Market Indicators (Overall)

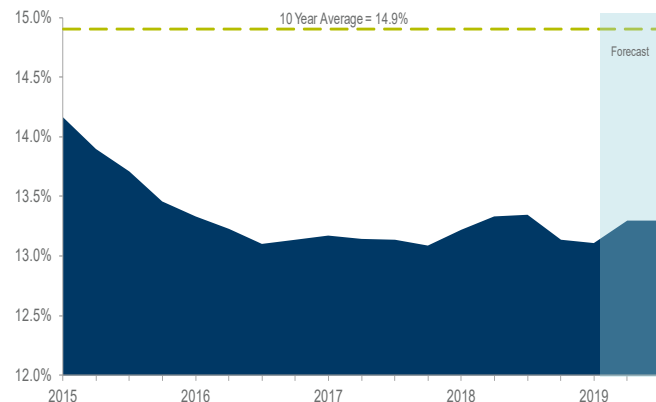
	Q1 18	Q1 19	12-Month Forecast
Vacancy Rate	13.2%	13.1%	▲
Net Absorption	7.6M	6.7M	▼
Under Construction	105.9M	124.2M	▼
Weighted Asking Rent (FS)	\$30.79	\$31.97	▲
Rent Growth (Yr/Yr % Chg.)	1.9%	3.9%	▼

Office: Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Office: Overall Vacancy



Source: Cushman & Wakefield Research

Despite Slightly Lower Levels of Activity, Market Fundamentals Are Healthy

After a strong fourth quarter of 2018, U.S. economic growth slowed somewhat in the first quarter of 2019. Total nonfarm payroll employment increased an average of 180,000 jobs per month in the first quarter, a healthy gain but down from 233,000 job gains in the fourth quarter of last year. Employment in office-using industries—financial services, professional and business services, and information—rose an average of 38,000 per month in the first quarter—the slowest quarter of job growth since the first quarter of 2016.

This moderation in job growth occurred as U.S. office markets experienced a slowdown in both leasing volume and absorption of space. New leases for office space totaled 70.0 million square feet (msf) in the first quarter of 2019, down approximately 6.3% from the 74.7 msf of new leases in the fourth quarter of 2018. Since 2016 new leasing has averaged 75.8 msf per quarter. The West region bore the brunt of most of the slowdown as new leasing declined 3.5 msf from the previous quarter, due largely to a 3.0 msf decline in leasing in Silicon Valley. Compared to a year ago national new leasing also dipped, down -6.3 msf (-8.2%). Here too the West region accounted for the lion's share of the decline (-5.1 msf).

Despite the slower leasing activity in Silicon Valley, the technology sector was still the largest lessor of office space accounting for approximately 25% of the top leases signed across the U.S. The sector with the second-highest leasing volume was financial services at 12.4%, followed by the real estate sector (largely co-working) at 7.9% and medical office at 6.3%. The tech-dominated West region accounted for a disproportionate share of leasing volume, representing 35% of total new leasing.

The slowdown in job growth was also evident in the absorption of space during the first quarter of 2019. A total of 6.7 msf was absorbed across the U.S. during the quarter—roughly one-third of the 19.7 msf of space absorbed in the fourth quarter of 2018. Because absorption tends to vary from quarter to quarter, the first-quarter slowdown is not, by itself, a concern. For example, absorption fell to slightly more than 7.0 msf in the first quarters of both 2017 and 2018 and then rebounded later in each of those years. More importantly, the first quarter of 2019 was the 34th consecutive quarter during which the U.S. office market recorded positive absorption—the longest string of positive absorption in more than two decades.

Vacancy remains flat and rents trend higher: The 6.7 msf of office space absorbed during the first quarter of 2019 was only 1.8 msf less than the 8.5 msf of new office space completed during the quarter, a small difference in the 5.3 billion sf national market, leaving the national vacancy rate unchanged from Q4 2018 at 13.1%. Since Q1 2016 the national vacancy rate has been in a very narrow range between 13.1% and 13.3%, as a total of 167.8 msf of new office space has been completed and 162.8 msf has been absorbed. Fifty-five of the 86 markets tracked by Cushman & Wakefield recorded a decline in vacancy rate from a year ago, the largest number in two years.

Maintaining an upward trajectory that began in early 2011, the average asking rent for the U.S. office market continued to trend higher, reaching a record high of \$31.97 per square foot (psf) in the first quarter of 2019. The national average asking

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rent was up 1.5% from the Q4 2018 and 3.9% year over year (YOY). Since reaching a trough in the second quarter of 2011, the national average rent has increased 29.7%. Seventy of the 86 markets tracked by Cushman & Wakefield recorded increases in asking rent YOY, the largest number of markets with rising rents since the end of 2015.

Pipeline increases pointing to higher deliveries this year:

A total of 8.5 msf of new office space was completed in the first quarter of 2019—the smallest amount since the third quarter of 2014. The pipeline of new construction, however, continued to grow. By the end of the first quarter 124.2 msf was under construction, the highest in the current expansion and up from 114.0 msf at the end of 2018, indicating that a total of 18.6 msf of space was started during Q1 2019. The 124.6 msf under construction represents 2.3% of national inventory. Cushman & Wakefield estimates that 64.8 msf of office space will be delivered to the market in 2019, up from 52.6 msf in 2018 and the largest volume of new construction completions since 2008.

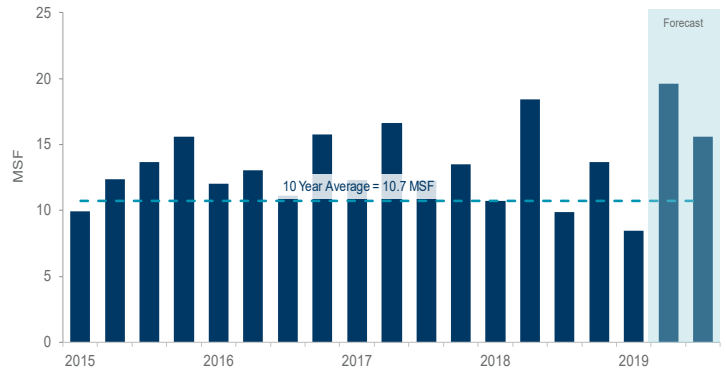
Regional trends: Among the major markets tracked, San Francisco boasted the lowest vacancy rate at the end of the first quarter of 2019 at 5.8%. It was followed by Puget Sound-Eastside in the Seattle region (5.9%), Inland Empire (7.2%), Seattle (7.8%) and Raleigh/Durham (8.0%). The West region recorded the lowest vacancy rate at 11.3%, down 70 basis points YOY.

Asking rents at the close of the first quarter of 2019 were highest in the Northeast led by the three Manhattan markets: Midtown South (\$80.62 psf), Midtown Manhattan (\$75.42) and Downtown Manhattan (\$63.27). Two Markets in northern California were also among the most expensive: San Francisco itself (\$77.26) and San Mateo County (\$60.67).

Markets with the strongest rent growth YOY were a virtual “who’s who” of tech-driven markets: Midtown South Manhattan (+16.6%), Silicon Valley (+10.0%), San Francisco (+8.2%) and Raleigh/Durham (+8.0%).

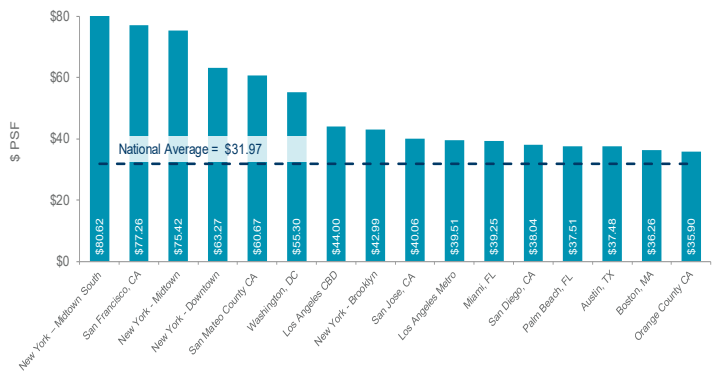
New construction remains concentrated in strong markets: Midtown Manhattan, (14.5 msf under construction) led the way followed by Silicon Valley (6.6 msf), Austin (5.6 msf), Chicago (5.0 msf) and Nashville (5.0 msf). The top 10 markets with the most construction include those five plus San Mateo County, Charlotte, Boston, Seattle and Atlanta, these 10 represent roughly 48% of all the new construction in the nation.

Office: New Supply



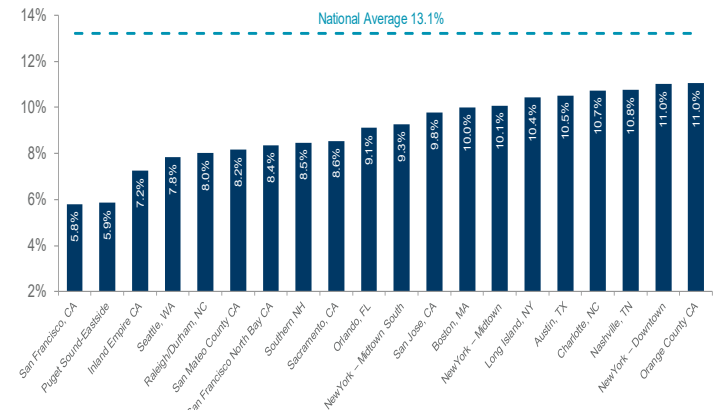
Source: Cushman & Wakefield Research

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

Looking Ahead

U.S. economic activity is expected to remain steady in 2019 which should lead to stronger leasing volume and net absorption; although, vacancy may tick up slightly due to the rising volume of construction. Asking rents are likely to continue to rise steadily, especially in tighter markets. We expect the tech sector to remain the largest lessor of space for the balance of the year.

Demand Indicators (Overall)	Net Absorption				Leasing Activity**	
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	YTD 2019p
United States	7,593,159	14,804,373	10,946,456	19,727,481	6,654,934	85,732,458
Northeast	265,018	4,924,632	3,175,502	5,089,338	-3,181,812	21,853,204
Midwest	1,005,866	2,047,723	526,620	2,423,521	850,930	10,924,228
South	115,183	2,795,455	1,790,705	6,869,380	4,526,837	24,234,353
West	6,207,092	5,036,563	5,453,629	5,345,242	4,458,979	28,720,673

U.S. Office Market Reports	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	YTD 2019p
Atlanta, GA	482,191	89,712	-261,207	755,561	333,379	2,132,756
Austin, TX	-86,161	-64,368	306,487	368,237	707,903	2,090,055
Baltimore, MD	-48,425	301,945	164,112	575,384	410,040	395,339
Binghamton, NY	8,358	7,353	8,955	32,272	-3,120	7,670
Birmingham, AL	-387,710	-292,771	38,965	89,026	34,108	161,988
Boston, MA	789,664	941,612	406,307	648,484	815,627	3,258,120
Buffalo, NY	118,058	-36,832	85,402	67,165	13,722	120,663
Charleston, SC	83,627	382,982	-196,512	114,905	433,865	227,474
Charlotte, NC	120,129	-133,684	764,464	712,520	288,140	1,102,913
Chicago, IL	375,861	521,090	-527,647	485,721	188,144	4,887,656
Cincinnati, OH	-688,648	1,471	6,195	-27,870	100,657	311,163
Cleveland, OH	652,292	-132,832	370,957	489,376	229,993	336,972
Colorado Springs, CO	-7,799	33,513	213,379	25,815	26,445	356,205
Columbus, OH	74,995	356,075	-245,428	238,716	24,822	401,983
Dallas/Fort Worth, TX	463,512	758,161	-235,488	519,116	885,052	3,454,478
Denver, CO	108,343	1,420,416	884,176	300,795	599,731	2,418,844
Detroit, MI	-23,504	297,216	522,848	401,123	-21,564	935,001
El Paso, TX	174,753	171,857	117,053	317,200	57,542	60,997
Fairfield County, CT	-444,060	425,403	-626,483	-433,700	-162,006	853,244
Fort Myers/Naples, FL	-88,290	-108,726	56,437	34,437	-119,080	187,764
Fredericksburg, VA	-1,039	25,319	-66,929	12,514	29,128	68,153
Ft. Lauderdale, FL	83,852	-92,109	22,571	-52,844	88,448	574,608
Greenville, SC	63,980	-88,102	77,102	-43,267	n/a	n/a
Hampton Roads, VA	218,483	194,768	-458,431	57,116	119,932	352,447
Hartford, CT	66,356	-180,443	-32,143	113,825	235,658	483,441
Houston, TX	-1,595,091	-729,169	403,426	1,730,319	354,120	2,682,826
Indianapolis, IN	21,164	148,105	32,059	144,335	92,236	363,007
Inland Empire CA	20,591	111,838	59,723	52,156	32,690	260,488
Jacksonville, FL	26,678	43,424	170,171	-145,545	-165,094	207,408
Kansas City, MO	391,484	291,917	136,082	-18,375	-19,182	852,418
Las Vegas, NV	219,554	225,197	-403,883	34,880	127,860	395,493
Long Island, NY	-155,834	348,898	432,891	-99,580	37,700	631,381
Los Angeles CBD	100,825	259,229	158,952	361,710	-26,701	319,501
Los Angeles Metro	41,751	588,956	561,367	926,389	334,400	4,130,670
Louisville, KY	-12,944	41,464	242,750	41,622	74,666	180,166
Memphis, TN	115,130	21,427	215,645	100,214	n/a	n/a
Miami, FL	517,999	272,523	-84,811	92,445	-246,600	676,672
Milwaukee, WI	209,598	111,563	18,087	13,851	195,032	399,329
Minneapolis/St. Paul, MN	-163,970	437,958	-30,768	296,227	153,755	1,365,201
Nashville, TN	-72,654	158,854	75,668	71,024	-270,267	374,802

Demand Indicators (Overall)	Net Absorption				Leasing Activity**	
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	YTD 2019p
New Haven, CT	-28,419	-11,991	96,508	-110,000	10,822	129,493
New Jersey - Central	-452,358	476,621	-154,026	537,844	341,843	1,245,919
New Jersey - Northern	-581,449	-57,951	561,162	370,423	1,033	1,664,074
New Orleans, LA	-69,504	51,339	-90,201	18,875	111,825	59,558
New York - Brooklyn	233,807	-145,636	-505,871	108,773	-337,381	268,223
New York - Downtown	84,629	876,759	-452,177	606,368	447,342	2,680,626
New York - Midtown	1,316,820	1,332,041	2,382,020	2,290,165	-2,225,945	5,429,736
New York - Midtown South	272,498	858,204	219,171	616,356	-1,500,896	1,203,204
Northern VA	359,647	328,468	110,109	404,533	492,368	2,286,280
Oakland/East Bay, CA*	-422,906	-175,361	419,804	224,951	-344,144	1,602,533
Omaha, NE	97,553	94,072	69,799	327,021	187,566	231,111
Orange County, CA	46,496	200,568	-81,668	131,191	212,594	2,275,405
Orlando, FL	-101,696	303,625	189,122	-168,210	-233,304	911,263
Palm Beach, FL	17,790	-137,318	353	79,692	78,134	330,950
Philadelphia, PA	-105,205	-319,417	271,168	1,009,196	-899,318	2,241,864
Phoenix, AZ	865,326	786,100	493,857	639,948	268,852	2,998,745
Pittsburgh, PA	-448,378	139,838	142,285	-85,436	-157,487	565,433
Portland, OR	-167,524	294,961	-80,102	-65,276	38,450	485,878
Providence, RI	7,000	20,000	20,000	25,000	-69,056	98,342
Puget Sound - Eastside	536,624	-80,388	347,223	247,205	168,385	1,133,076
Raleigh/Durham, NC	189,060	362,984	33,222	169,029	-74,842	575,315
Reno, NV	-54,952	6,743	57,106	-89,892	125,146	108,398
Richmond, VA	-277,478	230,435	131,145	6,193	147,976	286,738
Roanoke, VA	-85,873	-60,413	990	117,743	44,605	29,322
Rochester, NY	-307,934	180,621	142,101	-91,663	90,767	60,322
Sacramento, CA	273,859	142,513	167,273	-51,127	38,198	1,444,266
Salt Lake City, UT	50,079	287,769	76,732	869,962	351,856	413,290
San Antonio, TX	-162,460	-36,626	-7,640	146,943	-279,074	366,665
San Diego, CA	349,859	212,717	-235,062	-49,525	308,715	911,470
San Francisco North Bay, CA	-51,112	62,728	-46,843	115,114	-49,048	263,238
San Francisco, CA	2,201,032	1,392,816	1,028,671	216,148	829,531	2,669,985
San Juan, PR	n/a	n/a	n/a	n/a	n/a	n/a
San Mateo County, CA	76,484	-293,965	737,191	16,742	746,632	1,305,781
San Jose (Silicon Valley), CA*	605,427	-760,178	852,071	1,068,450	97,086	4,256,182
Savannah, GA	n/a	98,334	n/a	-36,340	n/a	n/a
Seattle, WA	1,357,121	232,029	201,498	411,728	376,305	898,487
Southern New Hampshire	-63,798	2,340	56,833	3,879	334,418	471,526
St. Louis, MO	59,041	-78,912	174,436	73,396	-280,529	840,387
St. Petersburg/Clearwater, FL	61,279	163,941	-62,901	43,523	-27,605	193,240
Suburban MD	-101,457	456,704	-6,225	54,697	108,005	617,363
Syracuse, NY	-983	167,651	17,747	-57,597	-86,651	152,145
Tampa, FL	70,402	153,413	-20,049	-67,575	141,366	727,385
Tucson, AZ	58,014	88,362	42,164	-42,122	195,996	72,738
Tulsa, OK	-107,618	-197,655	171,636	296,457	521,938	209,871
Washington, DC	265,071	124,717	-10,329	453,836	480,163	2,709,557
Westchester County, NY	-43,754	-100,439	103,652	-462,436	-68,884	287,778

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

Vacancy Rate (All Classes)	Overall					Direct
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
United States	13.2%	13.3%	13.3%	13.1%	13.1%	12.0%
Northeast	12.5%	12.6%	12.6%	12.6%	12.9%	11.3%
Midwest	14.1%	14.3%	14.4%	14.1%	13.8%	13.1%
South	14.4%	14.6%	14.6%	14.5%	14.5%	13.5%
West	12.0%	11.9%	11.8%	11.5%	11.3%	10.1%

U.S. Office Report Markets	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
Atlanta, GA	16.2%	16.2%	16.4%	16.2%	17.0%	15.9%
Austin, TX	10.5%	11.2%	11.4%	10.6%	10.5%	8.6%
Baltimore, MD	13.2%	13.1%	13.6%	13.4%	13.1%	12.5%
Binghamton, NY	8.9%	8.6%	8.6%	7.9%	7.9%	7.9%
Birmingham, AL	15.9%	17.1%	16.9%	16.5%	15.8%	14.5%
Boston, MA	10.0%	9.7%	9.5%	9.7%	10.0%	9.0%
Buffalo, NY	17.3%	17.4%	17.0%	16.8%	16.7%	16.0%
Charleston, SC	5.6%	5.7%	6.2%	6.2%	5.0%	4.4%
Charlotte, NC	8.1%	8.2%	7.5%	7.6%	10.7%	10.2%
Chicago, IL	17.2%	18.4%	18.8%	18.3%	18.5%	17.0%
Cincinnati, OH	21.6%	20.1%	19.9%	20.2%	18.9%	17.9%
Cleveland, OH	8.5%	8.6%	8.6%	8.2%	6.7%	6.5%
Colorado Springs, CO	10.4%	10.1%	9.7%	9.7%	9.2%	8.7%
Columbus, OH	13.7%	14.0%	14.9%	14.5%	14.3%	13.2%
Dallas/Fort Worth, TX	17.7%	18.5%	18.8%	18.5%	19.0%	17.6%
Denver, CO	16.3%	16.1%	15.7%	15.2%	15.4%	14.0%
Detroit, MI	13.5%	12.6%	12.4%	11.9%	12.1%	11.9%
El Paso, TX	7.2%	7.2%	7.2%	7.3%	5.6%	5.5%
Fairfield County, CT	24.2%	24.5%	24.6%	25.3%	26.5%	22.8%
Fort Myers/Naples, FL	5.8%	6.4%	5.6%	6.0%	6.1%	5.9%
Fredericksburg, VA	12.1%	11.6%	11.8%	11.6%	10.1%	10.0%
Ft. Lauderdale, FL	12.0%	11.7%	12.2%	12.8%	11.8%	11.4%
Greenville, SC	8.2%	9.3%	10.6%	8.1%	8.1%	7.6%
Hampton Roads, VA	9.6%	8.9%	9.6%	8.9%	8.4%	8.0%
Hartford, CT	16.4%	17.2%	17.3%	16.7%	16.7%	14.9%
Houston, TX	22.0%	22.4%	22.3%	21.7%	20.9%	18.7%
Indianapolis, IN	14.3%	17.2%	16.9%	15.9%	15.9%	15.4%
Inland Empire CA	8.7%	8.0%	7.8%	7.5%	7.2%	7.0%
Jacksonville, FL	13.0%	12.8%	12.6%	12.9%	13.3%	13.1%
Kansas City, MO	15.5%	14.4%	14.4%	14.4%	14.0%	13.3%
Las Vegas, NV	14.0%	13.8%	14.6%	14.6%	14.2%	13.3%
Long Island, NY	12.7%	11.7%	10.5%	10.7%	10.4%	8.4%
Los Angeles CBD	21.2%	20.3%	20.2%	18.6%	18.4%	18.0%
Los Angeles Metro	14.5%	14.6%	14.4%	13.9%	13.7%	12.8%
Louisville, KY	13.5%	13.5%	12.2%	12.6%	12.7%	12.0%
Memphis, TN	14.2%	14.4%	13.6%	13.5%	13.5%	13.1%
Miami, FL	12.1%	12.4%	12.9%	13.8%	13.3%	12.6%
Milwaukee, WI	16.2%	15.3%	15.0%	15.0%	15.0%	14.6%
Minneapolis/St. Paul, MN	17.6%	17.1%	17.5%	17.6%	17.4%	16.7%
Nashville, TN	8.5%	8.6%	9.8%	9.7%	10.8%	9.8%

Vacancy Rates

Vacancy Rate (All Classes)	Overall					Direct
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
New Haven, CT	13.7%	13.4%	13.0%	13.1%	13.2%	12.1%
New Jersey - Central	17.2%	16.5%	16.7%	16.0%	15.8%	13.5%
New Jersey - Northern	19.7%	19.8%	19.2%	18.8%	18.5%	16.8%
New Orleans, LA	9.5%	9.3%	9.3%	9.6%	9.1%	9.0%
New York - Brooklyn	10.5%	11.1%	13.2%	15.2%	16.8%	15.0%
New York - Downtown	9.0%	11.3%	12.0%	10.8%	11.0%	9.4%
New York - Midtown	9.3%	9.2%	9.2%	9.3%	10.1%	8.0%
New York - Midtown South	6.5%	6.7%	7.4%	7.2%	9.3%	7.1%
Northern VA	21.1%	20.5%	20.6%	20.3%	20.3%	19.3%
Oakland/East Bay, CA*	11.0%	11.4%	11.2%	11.0%	11.2%	9.1%
Omaha, NE	5.9%	5.7%	5.9%	6.2%	6.0%	5.6%
Orange County, CA	11.6%	11.3%	11.8%	11.5%	11.0%	10.4%
Orlando, FL	9.5%	9.3%	8.6%	8.9%	9.1%	8.5%
Palm Beach, FL	14.5%	13.7%	14.0%	13.7%	13.3%	12.7%
Philadelphia, PA	12.0%	12.6%	12.5%	12.5%	13.0%	12.3%
Phoenix, AZ	16.8%	16.1%	15.6%	15.6%	15.4%	14.4%
Pittsburgh, PA	10.7%	11.0%	11.1%	10.8%	11.4%	10.6%
Portland, OR	10.5%	10.5%	11.4%	11.8%	11.1%	10.6%
Providence, RI	12.1%	12.0%	11.6%	11.4%	10.1%	9.7%
Puget Sound - Eastside	8.1%	8.1%	7.0%	6.2%	5.9%	4.7%
Raleigh/Durham, NC	8.1%	7.6%	7.4%	7.7%	8.0%	7.5%
Reno, NV	12.9%	12.6%	12.3%	12.8%	11.9%	11.2%
Richmond, VA	6.7%	6.7%	6.6%	6.8%	6.5%	6.1%
Roanoke, VA	6.8%	6.8%	6.8%	6.1%	6.1%	6.0%
Rochester, NY	15.4%	14.2%	13.2%	13.8%	13.2%	13.2%
Sacramento, CA	9.6%	9.6%	9.5%	9.2%	8.6%	8.3%
Salt Lake City, UT	14.0%	13.3%	13.5%	12.4%	12.0%	10.4%
San Antonio, TX	13.9%	13.5%	13.2%	13.0%	14.6%	14.1%
San Diego, CA	12.9%	12.6%	13.4%	13.8%	14.0%	11.8%
San Francisco North Bay, CA	8.7%	8.4%	8.6%	8.0%	8.4%	6.9%
San Francisco, CA	7.6%	7.4%	6.8%	6.4%	5.8%	4.8%
San Juan, PR	11.6%	12.8%	12.9%	12.6%	13.0%	13.0%
San Mateo County, CA	8.1%	8.8%	8.5%	9.0%	8.2%	6.2%
San Jose (Silicon Valley), CA*	10.6%	10.7%	10.5%	9.9%	9.8%	7.7%
Savannah, GA	15.8%	12.9%	12.9%	14.0%	14.0%	14.0%
Seattle, WA	8.1%	8.7%	8.4%	8.0%	7.8%	7.0%
Southern New Hampshire	9.9%	10.3%	10.1%	9.6%	8.5%	7.7%
St. Louis, MO	11.4%	12.3%	12.0%	11.8%	12.4%	11.9%
St. Petersburg/Clearwater, FL	12.6%	11.7%	12.7%	11.9%	12.4%	11.5%
Suburban MD	19.4%	19.0%	18.7%	18.4%	18.6%	17.8%
Syracuse, NY	14.0%	12.4%	12.3%	12.7%	12.7%	11.6%
Tampa, FL	11.3%	10.9%	10.9%	11.9%	11.5%	10.3%
Tucson, AZ	8.9%	8.1%	8.1%	8.4%	8.4%	8.1%
Tulsa, OK	22.2%	23.2%	24.1%	23.2%	11.1%	10.1%
Washington, DC	12.4%	14.0%	14.1%	14.1%	13.3%	12.3%
Westchester County, NY	24.6%	25.7%	25.1%	26.5%	23.9%	22.0%

p = preliminary
*Includes R&D.

	Overall (All Classes)					Class A
Weighted Average Asking Rent	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
United States	\$30.79	\$31.10	\$31.36	\$31.51	\$31.97	\$38.01
Northeast	\$37.65	\$38.41	\$38.89	\$38.92	\$39.81	\$45.69
Midwest	\$23.68	\$23.81	\$23.84	\$24.04	\$24.23	\$28.32
South	\$28.16	\$28.32	\$28.52	\$28.50	\$28.79	\$33.38
West	\$33.31	\$33.67	\$34.08	\$34.50	\$34.69	\$41.87

U.S. Office Report Markets	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
Atlanta, GA	\$25.79	\$26.53	\$26.74	\$26.64	\$26.67	\$29.92
Austin, TX	\$36.39	\$36.54	\$35.81	\$36.26	\$37.48	\$41.83
Baltimore, MD	\$23.14	\$23.41	\$23.52	\$23.45	\$23.82	\$27.17
Binghamton, NY	\$12.84	\$12.84	\$12.93	\$13.20	\$13.81	\$13.81
Birmingham, AL	\$19.35	\$18.94	\$18.63	\$18.57	\$20.24	\$21.86
Boston, MA	\$35.82	\$36.05	\$36.87	\$36.97	\$36.26	\$40.11
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$22.11	\$23.35	\$25.50	\$23.55	\$23.64	\$28.42
Charlotte, NC	\$25.18	\$25.46	\$26.14	\$26.25	\$28.53	\$30.75
Chicago, IL	\$30.57	\$30.24	\$29.94	\$30.23	\$30.18	\$36.42
Cincinnati, OH	\$18.66	\$19.09	\$18.95	\$19.00	\$18.93	\$21.53
Cleveland, OH	\$17.25	\$17.50	\$17.31	\$17.66	\$17.59	\$22.15
Colorado Springs, CO	\$15.51	\$15.52	\$15.73	\$16.72	\$16.30	\$19.74
Columbus, OH	\$20.77	\$20.94	\$20.96	\$20.92	\$20.89	\$23.06
Dallas/Fort Worth, TX	\$27.31	\$26.43	\$26.47	\$26.39	\$27.19	\$30.78
Denver, CO	\$27.41	\$27.50	\$27.72	\$28.21	\$28.49	\$32.09
Detroit, MI	\$19.52	\$19.61	\$19.59	\$19.65	\$19.70	\$22.26
El Paso, TX	\$16.25	\$16.50	\$16.50	\$16.50	\$15.30	\$16.80
Fairfield County, CT	\$32.55	\$32.47	\$32.21	\$32.47	\$31.96	\$35.43
Fort Myers/Naples, FL	\$14.97	\$14.85	\$15.09	\$15.02	\$14.79	\$18.44
Fredericksburg, VA	\$20.12	\$22.83	\$22.46	\$22.55	\$22.52	\$25.34
Ft. Lauderdale, FL	\$30.35	\$30.48	\$30.72	\$30.18	\$31.45	\$37.53
Greenville, SC	\$19.39	\$19.25	\$19.11	\$19.37	\$19.37	\$23.53
Hampton Roads, VA	\$17.75	\$18.19	\$18.82	\$18.37	\$18.36	\$21.60
Hartford, CT	\$20.55	\$20.59	\$20.91	\$20.99	\$20.42	\$22.28
Houston, TX	\$29.44	\$29.04	\$29.37	\$29.25	\$28.85	\$35.89
Indianapolis, IN	\$19.53	\$19.24	\$19.60	\$19.74	\$19.76	\$22.06
Inland Empire CA	\$22.36	\$22.72	\$22.91	\$22.92	\$22.89	\$27.43
Jacksonville, FL	\$19.07	\$19.00	\$19.64	\$19.50	\$19.94	\$23.08
Kansas City, MO	\$19.73	\$20.20	\$20.26	\$20.69	\$21.00	\$24.17
Las Vegas, NV	\$19.92	\$19.68	\$19.68	\$20.28	\$20.40	\$28.44
Long Island, NY	\$29.46	\$29.96	\$29.78	\$29.22	\$31.29	\$35.08
Los Angeles CBD	\$42.23	\$42.25	\$42.35	\$42.45	\$44.00	\$45.13
Los Angeles Metro	\$39.24	\$39.31	\$39.72	\$39.59	\$39.51	\$43.50
Louisville, KY	\$16.96	\$16.82	\$16.40	\$16.70	\$17.27	\$20.79
Memphis, TN	\$17.87	\$17.82	\$17.91	\$18.10	\$18.10	\$19.66
Miami, FL	\$38.49	\$38.03	\$38.86	\$38.69	\$39.25	\$44.48
Milwaukee, WI	\$19.00	\$19.00	\$20.13	\$20.27	\$20.29	\$23.79
Minneapolis/St. Paul, MN	\$25.49	\$25.32	\$25.65	\$25.48	\$25.84	\$31.16
Nashville, TN	\$26.45	\$26.20	\$26.78	\$26.71	\$26.92	\$30.54

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019p	Q1 2019p
New Haven, CT	\$21.35	\$21.37	\$21.56	\$21.72	\$21.99	\$23.80
New Jersey - Central	\$26.45	\$26.58	\$26.57	\$26.71	\$26.49	\$29.26
New Jersey - Northern	\$30.13	\$30.79	\$30.84	\$31.09	\$31.16	\$35.82
New Orleans, LA	\$18.57	\$18.69	\$18.86	\$18.63	\$18.51	\$19.65
New York - Brooklyn	\$41.15	\$42.56	\$41.37	\$43.24	\$42.99	\$54.07
New York - Downtown	\$59.67	\$62.92	\$63.72	\$63.57	\$63.27	\$67.74
New York - Midtown	\$77.06	\$77.44	\$76.12	\$75.03	\$75.42	\$82.04
New York - Midtown South	\$69.13	\$71.07	\$76.42	\$76.82	\$80.62	\$95.06
Northern VA	\$32.63	\$32.69	\$32.79	\$32.87	\$33.15	\$35.95
Oakland/East Bay, CA*	\$31.04	\$31.99	\$32.71	\$33.39	\$33.46	\$39.92
Omaha, NE	\$20.18	\$20.29	\$20.76	\$21.22	\$20.88	\$27.58
Orange County, CA	\$34.03	\$34.36	\$35.55	\$35.66	\$35.90	\$40.07
Orlando, FL	\$21.57	\$22.36	\$22.46	\$22.85	\$23.22	\$27.15
Palm Beach, FL	\$36.87	\$36.79	\$36.89	\$37.04	\$37.51	\$46.87
Philadelphia, PA	\$25.64	\$25.52	\$26.07	\$26.80	\$26.86	\$28.92
Phoenix, AZ	\$25.22	\$25.28	\$25.43	\$25.83	\$25.33	\$29.70
Pittsburgh, PA	\$18.99	\$19.20	\$19.42	\$19.92	\$19.86	\$25.65
Portland, OR	\$27.81	\$27.99	\$29.44	\$29.45	\$29.64	\$33.06
Providence, RI	\$18.60	\$18.62	\$18.64	\$18.65	\$19.13	\$27.60
Puget Sound - Eastside	\$34.65	\$34.96	\$35.78	\$35.56	\$34.91	\$38.40
Raleigh/Durham, NC	\$24.35	\$25.28	\$25.60	\$26.24	\$26.29	\$28.52
Reno, NV	\$19.44	\$19.44	\$19.08	\$19.80	\$20.52	\$25.68
Richmond, VA	\$19.04	\$18.94	\$19.40	\$19.14	\$19.06	\$21.81
Roanoke, VA	\$16.31	\$15.50	\$15.55	\$15.51	\$16.21	\$18.10
Rochester, NY	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$20.66
Sacramento, CA	\$22.16	\$22.50	\$22.84	\$22.69	\$23.02	\$27.78
Salt Lake City, UT	\$24.18	\$24.37	\$24.66	\$24.31	\$23.99	\$30.83
San Antonio, TX	\$22.05	\$22.05	\$22.43	\$22.34	\$22.58	\$26.48
San Diego, CA	\$36.24	\$36.24	\$36.36	\$36.96	\$38.04	\$43.44
San Francisco North Bay, CA	\$30.49	\$31.32	\$32.29	\$32.53	\$31.36	\$36.25
San Francisco, CA	\$71.40	\$72.30	\$74.72	\$75.57	\$77.26	\$81.92
San Juan, PR	\$19.92	\$18.05	\$18.11	\$18.05	\$18.05	\$20.06
San Mateo County, CA	\$58.06	\$58.69	\$57.98	\$60.82	\$60.67	\$62.85
San Jose (Silicon Valley), CA*	\$36.42	\$36.71	\$37.65	\$39.23	\$40.06	\$57.47
Savannah, GA	\$19.79	\$20.02	\$20.02	\$20.45	\$20.45	\$24.23
Seattle, WA	\$33.99	\$34.40	\$35.10	\$34.68	\$35.74	\$40.21
Southern New Hampshire	\$17.09	\$16.85	\$16.96	\$16.92	\$17.53	\$18.49
St. Louis, MO	\$18.75	\$18.90	\$19.11	\$19.40	\$20.02	\$22.69
St. Petersburg/Clearwater, FL	\$22.00	\$21.97	\$22.97	\$22.99	\$23.75	\$26.50
Suburban MD	\$26.92	\$27.27	\$27.85	\$27.62	\$27.81	\$31.29
Syracuse, NY	\$15.82	\$16.59	\$16.93	\$17.08	\$16.96	\$18.73
Tampa, FL	\$24.83	\$25.39	\$26.21	\$26.07	\$26.59	\$29.86
Tucson, AZ	\$19.56	\$18.85	\$19.16	\$19.16	\$18.68	\$24.10
Tulsa, OK	\$13.43	\$15.27	\$15.58	\$15.26	\$15.46	\$18.89
Washington, DC	\$54.75	\$55.01	\$54.41	\$54.34	\$55.30	\$61.59
Westchester County, NY	28.34	27.85	27.45	27.59	\$28.64	29.58

p = preliminary
*Includes R&D

Inventory	Inventory	Deliveries YTD 2019	Under Construction as of Q1 2019p
United States	5,323,868,293	8,464,883	124,162,230
Northeast	1,248,548,530	440,290	26,304,243
Midwest	844,912,498	399,721	13,634,371
South	1,747,936,750	4,827,064	46,826,086
West	1,482,470,515	2,797,808	37,397,530

U.S. Office Report Markets	Inventory	Deliveries YTD 2019	Under Construction as of Q1 2019p
Atlanta, GA	144,212,388	954,272	4,138,437
Austin, TX	51,963,993	820,457	5,586,122
Baltimore, MD	76,938,846	162,894	850,964
Binghamton, NY	4,642,804	0	0
Birmingham, AL	19,841,737	30,000	98,000
Boston, MA	172,706,437	365,000	4,544,608
Buffalo, NY	22,183,301	0	282,000
Charleston, SC	25,548,523	41,470	701,159
Charlotte, NC	50,939,878	100,000	4,594,360
Chicago, IL	233,465,942	109,097	4,964,634
Cincinnati, OH	34,070,417	0	30,000
Cleveland, OH	151,107,251	16,400	308,214
Colorado Springs, CO	28,604,224	0	141,331
Columbus, OH	29,085,384	50,000	803,067
Dallas/Fort Worth, TX	235,323,150	626,451	3,119,362
Denver, CO	116,770,147	540,639	1,756,929
Detroit, MI	110,279,286	0	525,356
El Paso, TX	19,214,799	35,044	314,750
Fairfield County, CT	38,828,311	0	532,258
Fort Myers/Naples, FL	22,803,529	0	626,626
Fredericksburg, VA	10,284,515	0	30,000
Ft. Lauderdale, FL	28,309,744	0	703,121
Greenville, SC	26,784,146		143,057
Hampton Roads, VA	42,485,139	21,000	1,129,616
Hartford, CT	24,248,156	0	24,900
Houston, TX	185,396,359	0	2,384,591
Indianapolis, IN	37,240,007	0	724,470
Inland Empire CA	21,827,191	0	31,500
Jacksonville, FL	23,896,824	0	343,700
Kansas City, MO	52,909,051	0	638,223
Las Vegas, NV	45,828,976	0	61,146
Long Island, NY	35,343,274	0	48,000
Los Angeles CBD	27,574,918	0	0
Los Angeles Metro	173,394,527	0	3,433,671
Louisville, KY	20,294,790	129,840	181,932
Memphis, TN	30,339,948		120,000
Miami, FL	45,657,206	0	1,996,820
Milwaukee, WI	28,552,181	0	815,817
Minneapolis/St. Paul, MN	74,757,067	0	2,462,700
Nashville, TN	39,308,950	258,500	4,959,332
New Haven, CT	10,713,686	0	0
New Jersey - Central	82,527,536	0	0
New Jersey - Northern	109,123,917	0	1,000,000

Inventory	Inventory	Deliveries YTD 2019	Under Construction as of Q1 2019p
New Orleans, LA	25,807,022	0	0
New York - Brooklyn	28,709,983	0	1,582,378
New York - Downtown	89,729,615	0	273,876
New York - Midtown	242,426,712	0	14,539,081
New York - Midtown South	68,953,936	0	600,260
Northern VA	133,588,353	446,380	1,916,031
Oakland/East Bay, CA*	108,454,417	0	2,164,222
Omaha, NE	44,642,442	224,224	904,774
Orange County, CA	90,529,041	0	1,126,151
Orlando, FL	36,579,210	0	368,744
Palm Beach, FL	23,549,703	46,233	506,943
Philadelphia, PA	134,149,134	62,000	805,333
Phoenix, AZ	103,340,220	230,388	2,522,738
Pittsburgh, PA	90,781,763	13,290	1,739,988
Portland, OR	49,674,847	55,854	949,318
Providence, RI	25,068,099	0	191,000
Puget Sound - Eastside	34,879,976	0	718,257
Raleigh/Durham, NC	54,577,154	517,500	2,091,081
Reno, NV	8,106,562	66,985	0
Richmond, VA	53,700,275	34,000	1,262,764
Roanoke, VA	12,608,928	0	0
Rochester, NY	14,069,668	0	45,000
Sacramento, CA	88,510,154	0	2,324,551
Salt Lake City, UT	37,272,250	62,572	1,298,467
San Antonio, TX	38,301,132	68,000	1,618,537
San Diego, CA	79,646,121	374,470	1,997,949
San Francisco North Bay, CA	20,892,680	0	17,091
San Francisco, CA	83,191,067	751,500	2,428,333
San Juan, PR	10,323,867	0	0
San Mateo County, CA	56,538,585	335,670	4,909,649
San Jose (Silicon Valley), CA*	216,750,485	0	6,560,405
Savannah, GA	3,423,381	0	67,892
Seattle, WA	64,036,298	194,530	4,413,169
Southern New Hampshire	14,666,183	0	0
St. Louis, MO	48,803,470	0	1,457,116
St. Petersburg/Clearwater, FL	11,965,403	0	0
Suburban MD	60,137,738	176,000	2,025,787
Syracuse, NY	16,103,631	0	95,561
Tampa, FL	31,181,259	0	730,051
Tucson, AZ	26,647,829	185,200	542,653
Tulsa, OK	42,748,633	0	286,156
Washington, DC	109,900,228	359,023	3,930,151
Westchester County, NY	23,572,384	0	0

p = preliminary
*Includes R&D



About Cushman & Wakefield

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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.

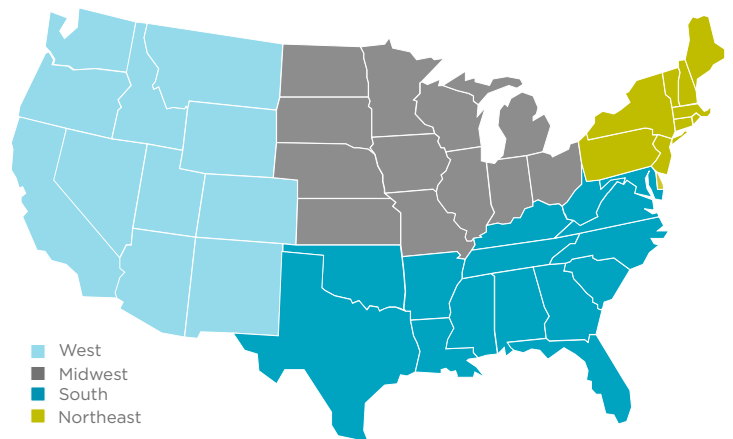
Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

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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