

MARKETBEAT

U.S. Office

Q2 2017



U.S. OFFICE

Employment Indicators

	Q2 16	Q2 17	12-Month Forecast
Total Nonfarm Employment	143.9M	146.2M	▲
Office-using Employment	30.1M	31.8M	▲
Unemployment	4.9%	4.4%	■

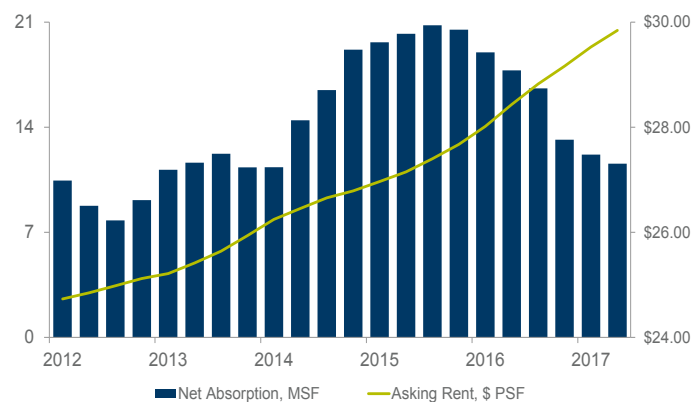
Source: BLS

Market Indicators (Overall)

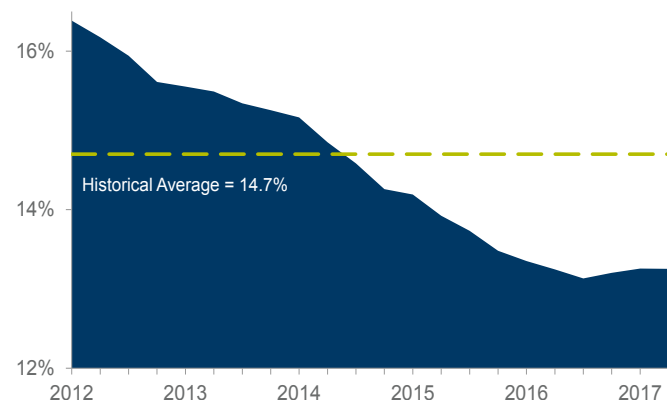
	Q2 16	Q2 17	12-Month Forecast
Vacancy Rate	13.2%	13.3%	■
Net Absorption	18.0M	15.6M	▼
Under Construction	101.3M	109.1M	▲
Weighted Asking Rent (FS)	\$29.09	\$30.35	▲

Net Absorption/Rent

4-QTR TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

The U.S. economic expansion turned eight years old in June, and is showing no signs of slowing down. After a sluggish first quarter during which real gross domestic product (GDP) grew at a 1.4% annual rate, the U.S. economy gained momentum during the second quarter of 2017. Current estimates suggest GDP growth doubled to an annual rate of approximately 3.0% in the second quarter as consumer spending and business investment accelerated from the first quarter's slow pace. GDP data for the two quarters combined indicate that average economic growth remains in the 2.0% range, consistent with the average growth rate observed throughout this cycle.

This steady growth was also reflected in the labor markets. The number job gains in office-using employment—the sum of employment in the financial services, information and professional and business services—remained steady in the second quarter of the year, as the economy added 162,000 jobs in those sectors during the second quarter – very close to the 169,000 jobs added in the first quarter. Office-using employment has remained strong throughout the current expansion, growing faster than total employment. In fact, at the end of the Q2 2017, office-using employment accounted for a record high 21.8% of all nonfarm payroll jobs in the U.S.

Most of the leading indicators that correlate well with future job creation remain healthy. Job openings currently total over 5.7 million, near record highs. Wage growth is accelerating and is broadening. Although unemployment is tightening—down to 4.4% as of June—the labor markets continue to prove that they still have runway. This bodes well for future office space demand.

Market Overview

This improved economic performance was reflected in the activity in the U.S. office sector. In the 87 markets tracked by Cushman & Wakefield, total absorption—the net change in occupied space—was 15.6 million square feet (msf) in the second quarter of 2017, more than double the absorption total in the first quarter of the year and the highest level of absorption since the third quarter of 2016. Certain tech markets, which looked a bit sleepy in 2016, appear to be regaining some momentum. San Jose, Seattle and Boston all placed in the top 10 in terms of net absorption for Q2 2017. Other strong performers in the quarter include mostly Sunbelt markets: Dallas, Charlotte and Raleigh/Durham. But the biggest story of the second quarter was not greater absorption, but new construction. In Q2 2017, 16.1 msf of new construction was completed—the largest amount since the second quarter of 2009. That brought total construction completions so far this year to 28.4 msf. These new construction deliveries offset the higher absorption and, as a result, the vacancy rate in the second quarter remained at 13.3%, identical with that registered in the first quarter.

That rate of 13.3% incorporates vacancy in a wide range of markets. Fairfield County, CT had the highest vacancy at 23.2% while Nashville, TN posted the lowest at 6.9%. As has been the case throughout most of the current expansion, the tightest markets continue to be those with a strong technology

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presence including Richmond, VA (7.2%), Charlotte, NC (7.5%), Midtown South, Manhattan (7.5%) and Seattle, WA (7.7%). After Fairfield County, markets with the highest vacancy rates in the country include Dayton, OH (22.7%), Cincinnati, OH (21.4%), Northern VA (20.8%), and Houston, TX (20.7%).

The amount of new office space under construction is expected to continue to ramp up during 2017. Cushman & Wakefield estimates that new deliveries of office space in 2017 will reach 71.8 MSF, which would represent the largest amount of new space completed in the U.S. since 2008. Cushman & Wakefield is currently tracking slightly more than 109 MSF of new construction across the U.S.—equivalent to approximately 2.1% of the 5.2 billion square feet of U.S. inventory. Much of this pipeline is concentrated in cities that have experienced the strongest job creation and absorption levels throughout the cycle, including Dallas/Fort Worth, TX (6.2 MSF), San Francisco (5.1 MSF), Seattle, WA (5.0 MSF) and Denver, CO (4.2 MSF). Markets with a significant amount of new construction relative to inventory include Brooklyn, NY (9.4%) Seattle, WA (7.9%), San Mateo County, CA (6.9%), Nashville, TN (6.7%), San Francisco, CA (6.6%) and Austin, TX (5.3%). With the exception of Seattle, all of these markets have experienced an increase in vacancy in the past year.

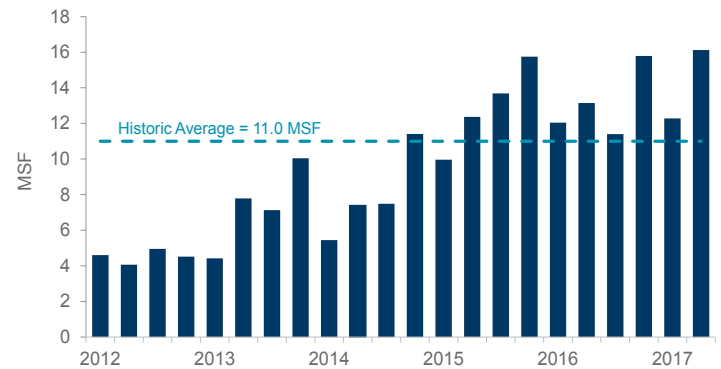
Asking rents continue to increase steadily. In the second quarter of 2017 the national weighted average asking rent was at a cyclical high of \$30.35 per square foot, a 0.9% increase from the first quarter and up 4.3% from a year ago. Asking rents in the Midwest region rose 6.1% from a year ago, powered by Chicago which saw rents increase by 6.8%. Across the nation, the largest rent increase from a year ago was in one of the country's hottest office markets, Oakland/East Bay, where average asking rents jumped 16.1%. Other markets that have experienced strong asking rent growth in the second quarter include Palm Beach, FL (+12.7%), Orange County, CA (12.5%), Boston, MA (12.4%) and Nashville, TN (9.9%). Most markets continued to experience rent growth from Q2 2016 to Q2 2017 with 74 of the 87 markets tracked registering increases and only 14 recording declines (rents in the remaining markets were unchanged).

Outlook

- After a sluggish start, demand for office space is picking back up. All signs point to healthy office-using job creation going forward, which will keep absorption levels solid.
- New supply has topped absorption for three consecutive quarters and this trend will continue.
- Individual markets will continue to be driven by their own supply demand dynamics, but it is likely that national trends will show rental growth rates decelerate as the latest wave of supply comes online.

New Supply

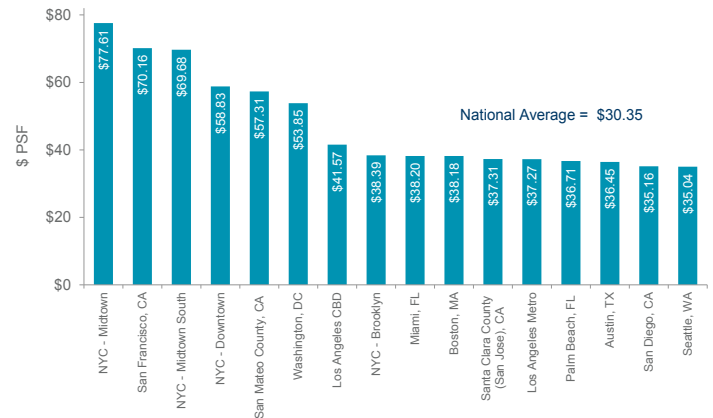
COMPLETIONS REMAIN ABOVE LONG-TERM AVERAGE



Source: Cushman & Wakefield Research

Asking Rent by Market

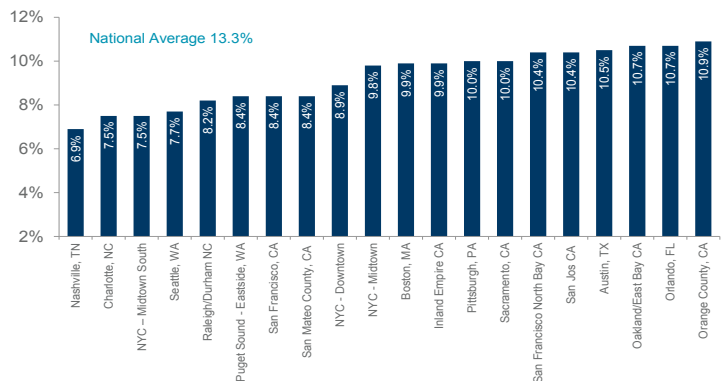
HIGHEST PRICED U.S. MARKETS



Source: Cushman & Wakefield Research

Vacancy by Market

SELECT MARKETS IN THE U.S.



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
United States	18,029,746	16,618,357	6,845,371	7,195,126	15,623,908	68,591,976
Northeast	6,535,074	4,311,539	-1,163,350	577,750	1,597,620	16,660,372
Midwest	3,927,694	3,191,228	1,960,766	186,536	1,808,460	7,465,013
South	4,709,784	3,879,086	3,555,515	2,937,046	7,644,917	17,252,506
West	2,857,194	5,236,504	2,492,440	3,493,794	4,572,911	27,214,085

U.S. Office Market Reports	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Atlanta, GA	274,375	554,439	344,563	-83,476	405,038	1,318,889
Austin, TX	653,778	419,518	455,749	78,291	227,728	1,139,401
Baltimore, MD	189,284	158,539	1,063,486	351,760	620,959	631,229
Binghamton, NY	4,317	4,317	34,933	40,032	31,553	40,048
Birmingham, AL	-111,059	257,811	29,332	24,300	44,206	147,445
Boston, MA	87,409	562,955	-116,535	-207,654	545,323	1,907,072
Buffalo, NY	200,510	-101,539	-7,971	233,183	117,669	281,452
Charleston, SC	149,455	191,397	-75,697	-130,212	-19,246	219,625
Charlotte, NC	701,059	406,890	467,458	335,111	1,079,999	1,499,877
Chicago, IL	1,183,228	831,723	683,871	138,490	211,276	2,452,382
Cincinnati, OH	-14,499	317,050	43,364	-349,426	122,574	247,744
Cleveland, OH	416,958	680,332	581,078	253,690	87,323	518,018
Colorado Springs, CO	48,818	52,013	70,736	82,858	9,983	115,572
Columbus, OH	212,171	70,287	219,608	88,396	-79,903	386,768
Dallas/Fort Worth, TX	1,031,110	248,866	-512,763	1,614,016	1,438,379	2,226,883
Dayton, OH	-11,746	51,265	57,996	90,859	150,877	227,703
Denver, CO	-500,236	-379,858	69,441	-180,447	-55,086	1,632,575
Detroit, MI	865,437	956,302	-29,328	-43,988	237,050	804,562
El Paso, TX	34,350	92,639	82,099	126,075	-36,103	27,988
Fairfield County, CT	-380,776	27,856	48,586	-464,252	-85,016	473,881
Fort Myers/Naples, FL	210,828	244,266	94,488	236,811	214,112	175,555
Fredericksburg, VA	16,493	73,076	61,620	24,677	73,256	55,113
Ft. Lauderdale, FL	166,037	111,417	317,323	-107,397	289,304	253,488
Greenville, SC	-43,568	63,853	-66,597	201,786	352,378	349,920
Hampton Roads, VA	104,724	155,570	-51,058	-17,252	254,613	160,247
Hartford, CT	414,426	112,379	-79,724	141,710	13,055	463,377
Houston, TX	-372,634	-1,083,732	-590,191	-827,451	-737,930	1,767,745
Indianapolis, IN	264,622	158,972	-153,832	21,151	52,134	487,762
Inland Empire CA	-44,682	72,398	129,678	116,763	61,225	355,059
Jacksonville, FL	343,114	82,351	53,281	207,077	76,438	388,145
Kansas City, MO	306,847	-88,228	248,616	-19,610	355,609	1,007,346
Las Vegas, NV	19,421	472,247	312,460	185,620	125,089	n/a
Long Island, NY	493,005	144,125	300,707	191,312	-175,374	336,424
Los Angeles CBD	62,418	42,193	-181,888	43,520	31,867	433,563
Los Angeles Metro	978,635	697,780	445,179	5,113	177,224	2,161,081
Louisville, KY	94,692	-54,793	71,547	-95,374	162,968	287,023
Memphis, TN	-95,632	33,254	-62,738	-2,641	432,082	149,658
Miami, FL	17,166	-34,833	120,783	182,296	482,897	490,657
Milwaukee, WI	90,980	150,722	52,817	8,597	100,371	348,831
Minneapolis/St. Paul, MN	168,456	-89,059	-126,142	-155,881	304,736	n/a

Demand Indicators (Overall)	Net Absorption					Leasing Activity	
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p	
Nashville, TN	59,782	395,157	191,246	-224,455	667,025	849,334	
New Haven, CT	39,393	23,294	28,424	38,391	42,583	177,840	
New Jersey - Central	634,675	1,441,401	61,430	-651,916	235,975	1,116,846	
New Jersey - Northern	540,509	637,026	-76,569	-208,166	-486,907	779,884	
New Orleans, LA	-174,374	278,368	-39,806	156,347	-62,724	91,196	
New York - Brooklyn	102,365	88,784	-781,065	242,667	367,061	92,799	
New York - Downtown	428,340	81,834	-226,920	1,164,717	156,348	1,087,616	
New York - Midtown	2,327,392	867,100	-199,914	489,109	346,879	5,324,008	
New York - Midtown South	253,329	-142,723	47,621	-392,213	208,455	1,359,083	
Northern VA	370,820	442,988	-431,410	-194,557	650,110	1,153,583	
Oakland/East Bay, CA*	354,708	-316,344	-1,122,942	71,499	-331,766	1,845,406	
Oklahoma City, OK	-230,557	11,521	-2,958	-185,618	-307,279	n/a	
Omaha, NE	114,364	-1,831	180,895	124,213	46,428	499,646	
Orange County, CA	-3,818	513,013	57,780	357,213	26,822	1,401,303	
Orlando, FL	258,412	92,427	25,325	128,304	48,185	456,955	
Palm Beach, FL	129,378	299,567	101,621	420	22,877	148,588	
Philadelphia, PA	1,222,825	409,215	298,667	414,213	-177,810	1,717,955	
Phoenix, AZ	1,004,896	1,103,127	795,236	621,567	374,466	1,657,096	
Pittsburgh, PA	366,523	238,526	-571,614	-518,763	116,172	517,750	
Portland, OR	254,089	275,911	11,640	-55,842	262,009	489,297	
Providence, RI	31,650	22,823	-12,700	18,000	17,000	182,000	
Puget Sound - Eastside	-252,940	397,535	502,163	660,590	117,818	716,988	
Raleigh/Durham, NC	109,472	336,035	242,852	473,308	718,353	517,877	
Richmond, VA	-46,098	-8,369	309,007	-4,664	304,132	263,480	
Roanoke, VA	18,963	92,240	98,481	171,404	91,362	24,883	
Rochester, NY	175,648	33,806	-105,309	-27,510	203,255	41,804	
Sacramento, CA	201,875	333,313	483,824	-107,347	290,147	1,568,120	
Salt Lake City, UT	289,327	131,588	338,366	237,340	-32,280	491,897	
San Antonio, TX	201,177	-17,626	696,235	205,430	198,467	333,631	
San Diego, CA	163,854	435,726	733,592	251,384	263,662	2,103,898	
San Francisco North Bay, CA	102,466	146,449	40,250	-46,863	34,413	259,233	
San Francisco, CA	270,745	263,471	-335,105	-335,609	-115,236	1,332,664	
San Juan, PR	n/a	n/a	n/a	n/a	n/a	n/a	
San Mateo County, CA	15,429	264,417	411,289	65,158	-452,578	1,547,984	
San Jose (Silicon Valley), CA*	-600,987	-222,176	-1,699,229	1,190,771	2,771,453	7,241,637	
Savannah, GA	40,101	1,762	-22,958	n/a	8,689	30,000	
Seattle, WA	483,663	880,035	1,299,222	299,868	939,857	1,534,633	
Southern New Hampshire	0	n/a	n/a	44,067	17,721	142,443	
St. Louis, MO	330,876	153,693	201,823	30,045	219,985	484,251	
St. Petersburg/Clearwater, FL	149,301	-136,638	-12,618	83,982	-11,928	209,319	
Suburban MD	67,205	-7,974	458,366	85,370	-211,728	303,667	
Syracuse, NY	-3,743	-58,011	-101,130	-12,004	-32,200	81,107	
Tampa, FL	101,789	87,543	47,380	125,070	14,981	577,650	
Tucson, AZ	9,513	73,666	130,748	30,638	73,822	326,079	
Tulsa, OK	-184,624	-17,000	-113,566	-45,048	-62,037	n/a	
Washington, DC	475,465	108,557	205,633	43,356	215,354	1,003,455	
Westchester County, NY	-402,723	-81,629	295,733	42,827	135,878	536,983	

p = preliminary
*Includes R&D

Vacancy Rate (All Classes)	Overall					Direct
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
United States	13.2%	13.1%	13.2%	13.3%	13.3%	12.2%
Northeast	12.5%	12.3%	12.4%	12.5%	12.4%	11.1%
Midwest	15.0%	14.9%	14.8%	14.7%	14.9%	14.3%
South	14.1%	14.1%	14.1%	14.2%	14.1%	13.2%
West	11.8%	11.7%	11.9%	11.9%	12.0%	10.7%

U.S. Office Report Markets	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Atlanta, GA	16.0%	15.8%	15.8%	16.0%	16.7%	15.7%
Austin, TX	9.0%	8.8%	8.2%	9.8%	10.5%	8.4%
Baltimore, MD	14.6%	12.9%	14.0%	13.0%	12.8%	12.5%
Binghamton, NY	9.9%	9.9%	10.3%	10.2%	9.3%	9.3%
Birmingham, AL	14.4%	13.0%	12.9%	12.6%	12.3%	11.4%
Boston, MA	9.9%	9.7%	9.7%	10.0%	9.9%	8.9%
Buffalo, NY	17.8%	18.4%	19.1%	18.1%	18.1%	17.0%
Charleston, SC	7.0%	6.7%	7.0%	7.7%	6.9%	6.8%
Charlotte, NC	7.9%	7.9%	8.0%	8.3%	7.5%	7.3%
Chicago, IL	14.4%	14.6%	14.8%	15.3%	16.3%	15.3%
Cincinnati, OH	20.8%	20.5%	20.2%	21.3%	21.4%	19.2%
Cleveland, OH	11.5%	11.3%	11.1%	10.7%	11.0%	10.9%
Colorado Springs, CO	19.9%	21.6%	21.1%	19.1%	18.1%	17.0%
Columbus, OH	13.3%	13.4%	12.4%	12.2%	13.4%	11.8%
Dallas/Fort Worth, TX	15.7%	16.1%	16.6%	16.5%	16.0%	15.3%
Dayton, OH	24.8%	24.5%	24.2%	23.3%	22.7%	21.9%
Denver, CO	11.4%	12.1%	13.6%	14.5%	14.8%	13.4%
Detroit, MI	17.6%	16.7%	16.5%	14.4%	14.4%	14.2%
El Paso, TX	7.5%	7.2%	7.2%	6.4%	6.8%	6.8%
Fairfield County, CT	21.8%	21.5%	21.2%	23.1%	23.2%	20.9%
Fort Myers/Naples, FL	9.1%	8.6%	8.1%	7.2%	6.5%	6.4%
Fredericksburg, VA	14.0%	13.8%	13.3%	12.9%	11.4%	11.0%
Ft. Lauderdale, FL	15.3%	14.0%	12.9%	13.0%	12.5%	11.9%
Greenville, SC	8.5%	8.1%	8.6%	8.7%	8.1%	7.4%
Hampton Roads, VA	10.8%	10.6%	10.8%	11.1%	10.6%	10.2%
Hartford, CT	18.7%	18.1%	17.9%	17.2%	15.9%	15.4%
Houston, TX	18.1%	19.2%	19.1%	20.1%	20.7%	18.0%
Indianapolis, IN	14.2%	13.5%	13.8%	14.8%	14.5%	14.3%
Inland Empire CA	11.9%	11.9%	10.9%	10.5%	9.9%	9.5%
Jacksonville, FL	15.4%	15.3%	14.8%	14.7%	13.4%	13.0%
Kansas City, MO	17.3%	17.1%	17.0%	17.0%	16.8%	15.3%
Las Vegas, NV	17.1%	16.3%	15.5%	15.1%	14.9%	14.3%
Long Island, NY	15.1%	14.7%	13.8%	13.3%	13.8%	12.3%
Los Angeles CBD	19.9%	19.2%	20.4%	19.9%	20.3%	19.4%
Los Angeles Metro	13.5%	13.1%	13.1%	13.5%	13.6%	12.9%
Louisville, KY	12.7%	12.8%	12.3%	12.9%	12.7%	12.4%
Memphis, TN	20.7%	20.1%	20.5%	20.4%	20.5%	19.0%
Miami, FL	13.6%	13.5%	12.8%	12.5%	12.2%	11.8%
Milwaukee, WI	18.0%	16.8%	16.7%	16.7%	16.5%	16.1%
Minneapolis/St. Paul, MN	16.6%	16.6%	17.4%	17.4%	17.0%	16.7%

Vacancy Rate (All Classes)	Overall					Direct
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Nashville, TN	5.2%	4.5%	5.4%	6.9%	6.9%	6.3%
New Haven, CT	15.3%	12.0%	11.7%	12.1%	10.8%	10.4%
New Jersey - Central	16.6%	15.5%	15.4%	16.7%	16.4%	14.0%
New Jersey - Northern	19.3%	18.8%	18.9%	19.0%	19.3%	16.9%
New Orleans, LA	10.2%	10.3%	10.5%	9.4%	10.1%	9.7%
New York - Brooklyn	6.8%	8.7%	11.4%	11.8%	12.9%	11.6%
New York - Downtown	9.8%	9.9%	10.2%	9.4%	8.9%	7.9%
New York - Midtown	9.2%	9.5%	9.6%	10.1%	9.8%	8.1%
New York - Midtown South	6.3%	6.7%	6.7%	7.7%	7.5%	5.4%
Northern VA	21.6%	21.1%	21.3%	21.3%	20.8%	19.8%
Oakland/East Bay, CA*	9.2%	9.5%	10.5%	10.4%	10.7%	9.5%
Oklahoma City, OK	12.5%	13.0%	13.0%	14.8%	16.2%	15.5%
Omaha, NE	11.6%	12.0%	10.9%	11.2%	10.9%	10.5%
Orange County, CA	11.4%	11.3%	11.2%	11.0%	10.9%	10.4%
Orlando, FL	12.0%	11.7%	11.8%	11.0%	10.7%	10.4%
Palm Beach, FL	18.5%	17.4%	16.0%	13.8%	12.7%	12.3%
Philadelphia, PA	12.9%	12.3%	11.9%	11.5%	11.8%	11.4%
Phoenix, AZ	18.0%	17.8%	17.6%	17.6%	17.6%	16.6%
Pittsburgh, PA	9.2%	9.0%	9.7%	9.6%	10.0%	9.7%
Portland, OR	10.8%	10.8%	11.1%	11.7%	11.2%	10.4%
Providence, RI	12.8%	12.7%	12.7%	12.6%	12.5%	12.5%
Puget Sound - Eastside	10.5%	9.3%	8.8%	8.8%	8.4%	7.5%
Raleigh/Durham, NC	8.8%	9.4%	7.8%	8.4%	8.2%	7.9%
Richmond, VA	8.1%	8.1%	7.8%	7.6%	7.2%	7.0%
Roanoke, VA	9.8%	9.7%	9.1%	8.8%	8.7%	8.7%
Rochester, NY	15.0%	14.8%	15.6%	15.7%	14.3%	14.3%
Sacramento, CA	12.6%	12.0%	11.4%	10.4%	10.0%	9.8%
Salt Lake City, UT	11.4%	11.4%	12.2%	13.4%	13.4%	11.1%
San Antonio, TX	15.4%	12.9%	12.1%	11.2%	12.1%	11.7%
San Diego, CA	15.5%	15.1%	14.5%	14.4%	14.1%	11.8%
San Francisco North Bay, CA	10.8%	9.9%	9.9%	10.6%	10.4%	9.5%
San Francisco, CA	7.3%	7.7%	8.0%	8.7%	8.4%	6.7%
San Juan, PR	15.1%	15.0%	14.6%	15.1%	13.0%	13.0%
San Mateo County, CA	7.6%	7.5%	7.7%	7.7%	8.4%	6.0%
San Jose (Silicon Valley), CA*	9.0%	9.1%	10.2%	9.9%	10.4%	7.6%
Savannah, GA	16.7%	16.6%	17.2%	17.2%	16.9%	16.9%
Seattle, WA	8.9%	8.6%	7.8%	7.7%	7.7%	7.0%
Southern New Hampshire	15.5%	14.9%	13.9%	11.1%	10.5%	11.0%
St. Louis, MO	12.8%	13.2%	12.2%	12.1%	11.8%	11.6%
St. Petersburg/Clearwater, FL	14.9%	14.4%	16.3%	14.5%	14.2%	14.0%
Suburban MD	21.2%	21.2%	20.6%	19.6%	19.8%	18.9%
Syracuse, NY	14.1%	14.4%	14.9%	14.5%	13.6%	12.8%
Tampa, FL	12.2%	11.0%	11.9%	12.2%	12.5%	11.3%
Tucson, AZ	11.1%	11.0%	10.5%	10.6%	10.0%	9.9%
Tulsa, OK	18.4%	19.7%	19.9%	21.9%	21.7%	20.2%
Washington, DC	11.7%	11.9%	12.1%	12.3%	12.3%	11.3%
Westchester County, NY	22.4%	22.8%	21.2%	20.0%	19.4%	18.4%

p = preliminary
*Includes R&D

	Overall (All Classes)					Class A
Weighted Average Asking Rent	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
United States	\$29.09	\$29.46	\$29.47	\$30.10	\$30.35	\$37.39
Northeast	\$37.27	\$38.14	\$38.03	\$39.07	\$38.62	\$45.46
Midwest	\$21.72	\$21.92	\$22.31	\$22.64	\$23.04	\$27.48
South	\$26.43	\$26.55	\$26.67	\$26.95	\$27.29	\$33.06
West	\$30.97	\$31.38	\$30.99	\$31.90	\$32.70	\$40.65

U.S. Office Report Markets	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Atlanta, GA	\$23.07	\$23.38	\$23.39	\$23.51	\$24.10	\$27.75
Austin, TX	\$33.54	\$34.00	\$34.19	\$35.45	\$36.45	\$39.19
Baltimore, MD	\$21.56	\$23.10	\$23.59	\$23.29	\$23.36	\$27.08
Binghamton, NY	\$13.52	\$13.52	\$13.30	\$13.31	\$12.65	\$12.65
Birmingham, AL	\$19.18	\$19.91	\$19.72	\$19.31	\$18.75	\$20.90
Boston, MA	\$33.98	\$34.45	\$34.38	\$37.89	\$38.18	\$43.26
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$19.62	\$19.39	\$20.67	\$21.12	\$20.82	\$25.83
Charlotte, NC	\$22.51	\$22.70	\$22.61	\$22.80	\$23.46	\$27.77
Chicago, IL	\$28.69	\$28.99	\$29.68	\$30.13	\$30.65	\$33.75
Cincinnati, OH	\$17.98	\$17.89	\$17.89	\$17.97	\$18.17	\$22.09
Cleveland, OH	\$16.94	\$17.20	\$17.30	\$17.21	\$17.29	\$22.33
Colorado Springs, CO	\$13.47	\$13.50	\$13.48	\$13.67	\$13.68	\$14.54
Columbus, OH	\$20.49	\$20.43	\$20.51	\$20.51	\$20.58	\$22.76
Dallas/Fort Worth, TX	\$25.39	\$25.76	\$25.64	\$26.15	\$26.19	\$31.20
Dayton, OH	\$14.73	\$14.96	\$14.96	\$14.75	\$14.87	\$19.00
Denver, CO	\$24.80	\$25.09	\$25.69	\$25.80	\$26.62	\$30.98
Detroit, MI	\$19.18	\$19.11	\$19.30	\$19.29	\$19.32	\$21.43
El Paso, TX	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$17.00
Fairfield County, CT	\$34.72	\$34.61	\$34.25	\$34.17	\$33.98	\$39.79
Fort Myers/Naples, FL	\$16.31	\$16.36	\$15.75	\$15.14	\$15.36	\$17.34
Fredericksburg, VA	\$19.52	\$19.45	\$19.32	\$19.31	\$19.74	\$23.67
Ft. Lauderdale, FL	\$27.33	\$26.65	\$26.92	\$28.64	\$29.43	\$36.46
Greenville, SC	\$16.41	\$16.97	\$17.20	\$17.36	\$17.63	\$23.18
Hampton Roads, VA	\$16.95	\$17.19	\$17.16	\$17.22	\$17.29	\$20.80
Hartford, CT	\$20.87	\$20.80	\$20.89	\$21.23	\$21.11	\$22.50
Houston, TX	\$29.17	\$29.20	\$28.85	\$29.29	\$29.52	\$37.56
Indianapolis, IN	\$18.29	\$17.75	\$18.14	\$19.15	\$19.16	\$21.32
Inland Empire CA	\$21.24	\$21.12	\$21.37	\$21.68	\$21.68	\$26.22
Jacksonville, FL	\$18.22	\$18.78	\$18.92	\$18.91	\$18.91	\$21.57
Kansas City, MO	\$19.04	\$19.10	\$19.26	\$19.45	\$19.79	\$23.45
Las Vegas, NV	\$21.08	\$21.37	\$21.45	\$20.96	\$21.60	\$29.76
Long Island, NY	\$29.79	\$30.14	\$29.86	\$29.73	\$29.93	\$33.16
Los Angeles CBD	\$39.54	\$40.23	\$40.50	\$41.07	\$41.57	\$41.97
Los Angeles Metro	\$34.06	\$34.72	\$35.12	\$36.77	\$37.27	\$41.93
Louisville, KY	\$17.10	\$16.73	\$16.52	\$16.81	\$16.54	\$20.38
Memphis, TN	\$18.00	\$17.90	\$17.69	\$17.58	\$17.76	\$20.41
Miami, FL	\$35.87	\$34.61	\$35.84	\$37.21	\$38.20	\$45.94
Milwaukee, WI	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$21.75
Minneapolis/St. Paul, MN	\$24.07	\$24.51	\$24.69	\$24.79	\$25.21	\$30.58

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017p	Q2 2017p
Nashville, TN	\$23.21	\$23.84	\$24.94	\$26.37	\$25.50	\$28.25
New Haven, CT	\$20.73	\$20.83	\$20.86	\$20.69	\$20.96	\$22.71
New Jersey - Central	\$24.53	\$24.23	\$24.52	\$25.10	\$25.22	\$29.53
New Jersey - Northern	\$27.61	\$27.94	\$27.88	\$28.10	\$28.66	\$32.98
New Orleans, LA	\$16.99	\$17.01	\$17.34	\$17.66	\$18.04	\$19.16
New York - Brooklyn	\$37.36	\$45.29	\$42.30	\$42.28	\$38.39	\$57.58
New York - Downtown	\$59.14	\$59.13	\$59.30	\$58.66	\$58.83	\$61.72
New York - Midtown	\$79.18	\$79.91	\$78.39	\$78.81	\$77.61	\$83.95
New York - Midtown South	\$68.62	\$70.29	\$70.86	\$71.26	\$69.68	\$85.79
Northern VA	\$32.70	\$31.88	\$32.23	\$32.06	\$32.16	\$34.96
Oakland/East Bay, CA*	\$25.68	\$25.69	\$27.66	\$29.96	\$29.82	\$36.87
Oklahoma City, OK	\$17.59	\$17.44	\$17.76	\$17.74	\$18.17	\$18.17
Omaha, NE	\$18.72	\$18.63	\$18.97	\$18.71	\$19.27	\$21.32
Orange County, CA	\$26.28	\$27.56	\$28.12	\$28.09	\$29.57	\$34.75
Orlando, FL	\$20.61	\$20.57	\$20.68	\$20.82	\$21.11	\$24.26
Palm Beach, FL	\$32.56	\$33.75	\$34.70	\$35.11	\$36.71	\$42.94
Philadelphia, PA	\$25.11	\$25.29	\$25.38	\$25.71	\$25.98	\$28.22
Phoenix, AZ	\$23.52	\$23.95	\$24.26	\$24.76	\$24.87	\$29.01
Pittsburgh, PA	\$18.48	\$18.11	\$19.12	\$19.56	\$19.94	\$25.04
Portland, OR	\$25.20	\$25.79	\$26.32	\$25.92	\$26.04	\$29.00
Providence, RI	\$18.34	\$18.36	\$18.42	\$18.45	\$18.40	\$24.15
Puget Sound - Eastside	\$32.81	\$33.08	\$33.55	\$34.26	\$34.27	\$38.74
Raleigh/Durham, NC	\$21.97	\$22.15	\$22.47	\$22.64	\$23.12	\$25.51
Richmond, VA	\$18.40	\$18.26	\$18.14	\$18.15	\$18.63	\$20.92
Roanoke, VA	\$13.71	\$13.93	\$13.13	\$15.53	\$15.06	\$24.69
Rochester, NY	\$19.75	\$19.75	\$19.75	\$19.75	\$19.75	\$21.94
Sacramento, CA	\$21.24	\$21.36	\$20.46	\$21.52	\$21.60	\$25.92
Salt Lake City, UT	\$22.93	\$23.09	\$23.34	\$23.46	\$23.49	\$28.28
San Antonio, TX	\$20.50	\$21.22	\$21.00	\$20.68	\$20.77	\$24.32
San Diego, CA	\$33.48	\$34.32	\$33.48	\$33.36	\$35.16	\$39.36
San Francisco North Bay, CA	\$26.85	\$27.20	\$27.66	\$27.53	\$27.95	\$35.40
San Francisco, CA	\$69.30	\$69.21	\$69.77	\$69.66	\$70.16	\$72.32
San Juan, PR	\$18.02	\$18.03	\$18.03	\$17.94	\$17.90	\$19.70
San Mateo County, CA	\$55.95	\$56.55	\$57.82	\$57.91	\$57.31	\$61.21
San Jose (Silicon Valley), CA*	\$40.08	\$39.60	\$32.86	\$34.78	\$37.31	\$56.94
Savannah, GA	\$19.05	\$19.16	\$19.28	\$19.28	\$19.50	\$23.11
Seattle, WA	\$32.87	\$33.99	\$34.30	\$35.60	\$35.04	\$40.01
Southern New Hampshire	\$17.40	\$17.36	\$17.36	\$17.51	\$17.58	\$18.40
St. Louis, MO	\$19.54	\$19.41	\$19.43	\$19.37	\$19.47	\$22.34
St. Petersburg/Clearwater, FL	\$19.24	\$19.76	\$21.26	\$20.75	\$21.30	\$23.52
Suburban MD	\$26.77	\$26.06	\$26.33	\$26.04	\$26.75	\$30.15
Syracuse, NY	\$14.35	\$14.51	\$14.86	\$15.33	\$15.52	\$17.66
Tampa, FL	\$23.15	\$23.40	\$23.09	\$24.05	\$24.14	\$28.46
Tucson, AZ	\$18.63	\$18.67	\$18.61	\$18.86	\$18.68	\$23.61
Tulsa, OK	\$13.42	\$13.41	\$13.42	\$13.42	\$13.43	\$18.20
Washington, DC	\$51.74	\$51.93	\$52.96	\$53.21	\$53.85	\$63.01
Westchester County, NY	\$29.83	\$29.95	\$29.69	\$29.90	\$29.15	\$29.73

p = preliminary
*Includes R&D

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q2 2017p
United States	5,234,812,553	28,400,382	109,051,375
Northeast	1,221,978,144	2,911,908	22,927,355
Midwest	818,128,440	2,724,292	11,127,343
South	1,766,105,425	10,801,797	41,050,748
West	1,428,600,544	11,962,385	33,945,929

U.S. Office Report Markets	Inventory	Deliveries YTD 2017	Under Construction as of Q2 2017p
Atlanta, GA	140,828,095	1,371,761	3,154,549
Austin, TX	49,743,006	1,178,135	2,647,609
Baltimore, MD	74,933,929	572,580	1,130,629
Binghamton, NY	4,536,122	0	107,500
Birmingham, AL	18,586,168	0	300,000
Boston, MA	158,712,833	436,595	3,585,768
Buffalo, NY	22,034,598	133,000	185,000
Charleston, SC	23,994,078	181,201	600,917
Charlotte, NC	103,127,202	1,074,658	3,060,206
Chicago, IL	233,028,178	1,222,507	1,993,950
Cincinnati, OH	33,998,711	0	301,600
Cleveland, OH	146,641,310	151,171	799,917
Colorado Springs, CO	8,962,518	0	88,000
Columbus, OH	28,108,723	218,000	1,461,660
Dallas/Fort Worth, TX	223,433,026	1,782,363	6,159,330
Dayton, OH	14,037,359	0	25,014
Denver, CO	112,275,678	1,159,525	4,216,959
Detroit, MI	110,327,632	307,400	92,430
El Paso, TX	17,872,572	0	214,000
Fairfield County, CT	39,606,962	0	0
Fort Myers/Naples, FL	29,339,397	67,000	132,426
Fredericksburg, VA	9,114,730	0	0
Ft. Lauderdale, FL	28,775,674	67,429	214,000
Greenville, SC	25,616,588	180,986	1,004,319
Hampton Roads, VA	40,172,219	90,000	104,151
Hartford, CT	24,247,761	0	33,700
Houston, TX	185,461,990	1,452,124	1,588,908
Indianapolis, IN	31,308,606	0	481,000
Inland Empire CA	21,885,514	0	0
Jacksonville, FL	24,727,357	0	160,857
Kansas City, MO	50,296,382	255,160	249,170
Las Vegas, NV	46,130,191	0	286,876
Long Island, NY	34,139,695	0	232,917
Los Angeles CBD	27,218,777	0	356,141
Los Angeles Metro	171,181,530	732,635	2,080,971
Louisville, KY	20,136,632	125,800	152,500
Memphis, TN	20,207,684	552,258	727,571
Miami, FL	46,616,501	20,000	1,136,976
Milwaukee, WI	28,116,378	162,000	1,495,400
Minneapolis/St. Paul, MN	72,440,866	189,575	1,210,405
Nashville, TN	36,992,284	868,475	2,462,941
New Haven, CT	10,629,286	0	110,000
New Jersey - Central	81,874,884	555,000	0

Inventory	Inventory	Deliveries YTD 2017	Under Construction as of Q2 2017p
New Jersey - Northern	109,816,332	45,000	690,000
New Orleans, LA	31,320,932	0	0
New York - Brooklyn	27,218,670	1,177,000	2,558,035
New York - Downtown	88,501,255	0	2,491,861
New York - Midtown	242,878,613	0	9,509,487
New York - Midtown South	67,310,128	79,518	1,042,818
Northern VA	130,274,770	64,800	4,715,061
Oakland/East Bay, CA*	109,175,251	19,800	1,276,767
Oklahoma City, OK	21,871,067	0	840,026
Omaha, NE	21,052,144	72,800	569,139
Orange County, CA	87,672,852	211,200	2,557,671
Orlando, FL	37,489,975	0	250,700
Palm Beach, FL	23,578,786	0	101,000
Philadelphia, PA	130,004,073	171,232	1,321,921
Phoenix, AZ	102,400,557	1,118,477	912,048
Pittsburgh, PA	89,967,908	273,563	582,348
Portland, OR	45,731,031	27,525	1,474,169
Providence, RI	18,901,000	0	386,000
Puget Sound - Eastside	35,499,718	724,700	729,300
Raleigh/Durham, NC	50,647,333	732,253	2,324,308
Richmond, VA	52,685,865	95,352	1,159,125
Roanoke, VA	16,252,570	5,000	0
Rochester, NY	14,069,668	0	45,000
Sacramento, CA	87,857,600	0	369,294
Salt Lake City, UT	36,302,610	732,115	1,235,907
San Antonio, TX	31,867,980	229,622	864,339
San Diego, CA	76,443,789	555,606	1,605,540
San Francisco North Bay, CA	22,058,294	0	0
San Francisco, CA	78,124,234	0	5,135,515
San Juan, PR	10,382,974	0	0
San Mateo County, CA	55,107,908	320,812	3,779,292
San Jose (Silicon Valley), CA*	214,771,509	5,139,486	2,734,502
Savannah, GA	3,419,220	0	0
Seattle, WA	63,789,935	1,204,233	5,045,977
Southern New Hampshire	13,022,628	20,000	0
St. Louis, MO	48,772,151	145,679	2,447,658
St. Petersburg/Clearwater, FL	12,110,685	0	0
Suburban MD	59,443,604	0	490,000
Syracuse, NY	15,822,477	21,000	45,000
Tampa, FL	31,601,556	0	150,000
Tucson, AZ	26,011,048	16,271	61,000
Tulsa, OK	25,060,607	90,000	157,850
Washington, DC	108,418,369	0	5,046,450
Westchester County, NY	28,683,251	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 45,000 employees in more than 70 countries help occupiers and investors 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 \$6 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. 2017 marks the 100-year anniversary of the Cushman & Wakefield brand. 100 years of taking our clients' ideas and putting them into action. To learn more, visit www.cushwakecentennial.com, www.cushmanwakefield.com or follow @CushWake on Twitter.

Methodology

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

Explanation of Terms

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

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

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

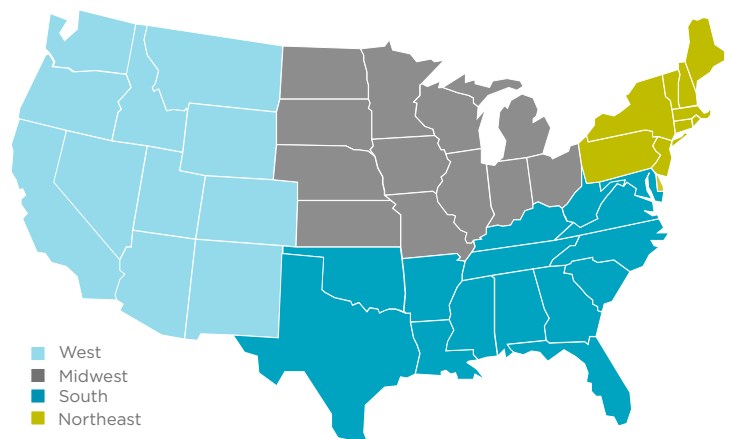
Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

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

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

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

Regional Map



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