

MARKETBEAT

United States

Office 2Q 2016



U.S. OFFICE

Employment Indicators

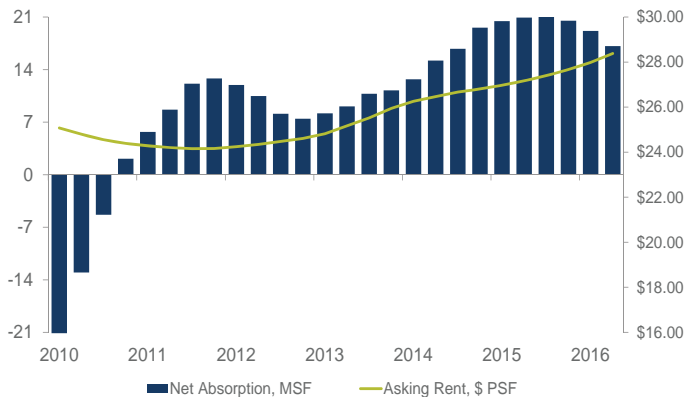
	2Q 15	2Q 16	12-Month Forecast
Total Nonfarm Employment	141.5M	143.9M	▲
Office-using Employment	30.4M	31.2M	▲
Unemployment	5.4%	4.9%	▼

Source: BLS

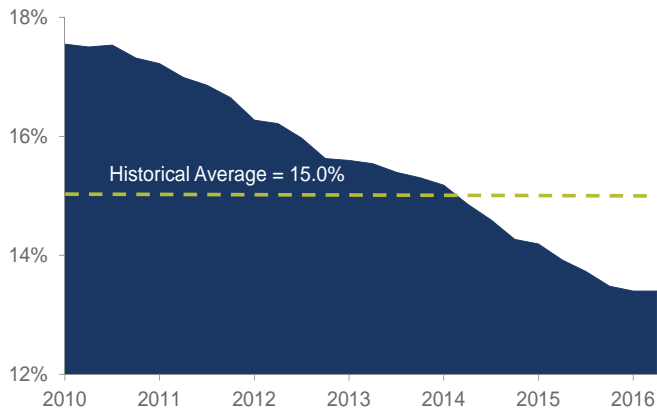
Market Indicators

	2Q 15	2Q 16	12-Month Forecast
Overall Vacancy	13.9%	13.4%	▼
Net Absorption	22.8M	14.7M	▲
Under Construction	94.3M	98.9M	▲
Weighted Asking Rent (FS)	\$27.42	\$29.00	▲

Net Absorption/Rent 4Q TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

The U.S. economy shook off the uncertainty and sluggish growth of the first quarter of 2016 and expanded at a steady clip in the second quarter of the year. Overall gross domestic product (GDP) growth is tracking at a rate of 2.5% in 2Q 2016, up from 1.1% in the first quarter. Consumers continued to lead the way; in May, real (inflation-adjusted) retail sales increased by 4.7% from year-earlier level.

Despite the expected acceleration in second-quarter GDP growth, payroll employment—a key driver of the office market—has been on a bit of a roller coaster ride. In the first two months of the quarter, total nonfarm payroll employment increased by an average of just 77,500 jobs per month, down 60% from the first quarter's pace. May's employment report was particularly worrisome as just 11,000 net new jobs were created, and the economy actually shed 7,000 office-using jobs. Although May's figures skewed downward primarily because of striking Verizon workers, even when adding those jobs back in, job growth was clearly trending in the wrong direction. Fortunately, the labor markets stormed back in June, with businesses adding a hefty 287,000 net new nonfarm payroll jobs, with 98,000 of those in the office-using category. The June jobs report also reflected positive trends in higher labor force participation and firmer wage growth. Looking past the monthly volatility, U.S. job growth remains solid. The 12-month moving average shows the U.S. economy is generating 200,000 net new jobs per month. This is supportive of continued healthy absorption in the office sector.

As the quarter ended, global uncertainty grew following the unexpected vote by the United Kingdom electorate to exit the European Union. While the so-called "Brexit" is expected to have only a modest impact on the U.S. economy, it is likely to keep decisions by the Federal Reserve on any further interest-rate increases on hold until the impact of the uncertainty in Europe is better understood.

Market Overview

Continuing healthy growth in office-using employment boosted the absorption of office space across the U.S. to approximately 14.7 million square feet (MSF) in 2Q 2016, an increase from 11.8 MSF in the first quarter. Despite the uptick, total absorption of 26.5 MSF in the first half of 2016 was -34.0% below the 40.0 MSF absorbed in the first half of 2015. Overall, 72 of the 87 markets tracked by Cushman & Wakefield recorded positive absorption in the first half of the year. Significantly, secondary markets have begun to shine, with strong positive absorption in Philadelphia (1.8 MSF), Phoenix (1.7 MSF) and Miami (1.5 MSF). Tech-dominated markets were mixed in the first half of 2016, with strong absorption in Austin (1.2 MSF) and Seattle (1.1 MSF), while Boston (-600,000 square feet) and Silicon Valley (-1.2 MSF) experienced substantial negative absorption as the amount of sublease space on the market increased and leasing volume slowed.

The second quarter also saw approximately 13 MSF of new office space completed in the 87 markets tracked by Cushman & Wakefield. This addition to the national inventory roughly

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matched the absorption of space during the 2Q 2016 and left the national vacancy rate unchanged at 13.4%. National vacancy is still down 50 basis points from a year ago—reflecting strong job growth over the past 12 months. Among the markets tracked, Nashville boasts the lowest vacancy rate in the nation of 5.5%, followed by Midtown South in Manhattan (6.3%) and Brooklyn (6.8%). Vacancy rates declined or were unchanged in 58 markets and rose in 29 over the quarter.

The steady decline in vacancy over the past several years has gradually placed upward pressure on asking rents. In the second quarter of 2016 the national average asking rent reached a record high of \$29.00 per square foot (PSF), a 5.8% increase from a year ago and the largest increase in the current expansion. Significant rent growth occurred in Silicon Valley (+28.4%), San Mateo County, CA (+17.8%), Seattle (+16.3%), Dallas/Fort Worth (+14.3%) and Puget Sound/Eastside (+12.2%). The markets achieving the highest rents in the nation remain Midtown Manhattan, where average asking rents were \$79.18 PSF, followed by San Francisco (\$69.30 PSF), Midtown South Manhattan (\$68.62 PSF), Downtown Manhattan (\$59.14 PSF), San Mateo (\$55.95 PSF) and Washington, DC (\$51.74 PSF). This is the first time in history that we have seen six major markets with asking rents topping \$50.00 PSF.

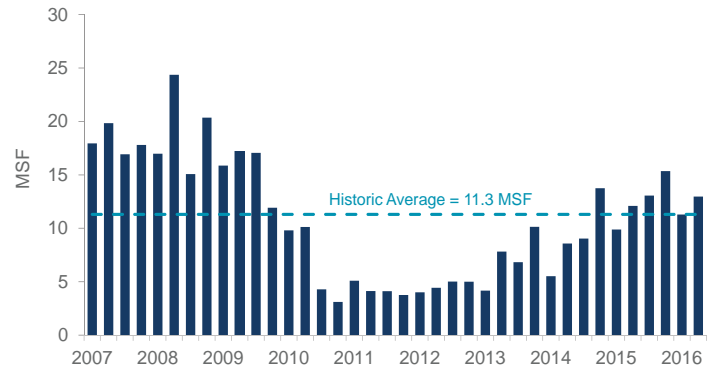
In the wake of the Brexit vote in the United Kingdom and potential for contagion, risks have shifted to the downside. However, it is worth remembering that the U.S. economy and office sector have weathered multiple shocks throughout this expansion. Although job growth is expected to decelerate as the U.S. economy nears full employment, the construction cycle continues to lag. As a result, expect vacancy rates to continue to tighten in most markets and U.S. rents to appreciate at an accelerating rate for the balance of the year.

Outlook

- Even as uncertainty rises in the tech-centered cities that have been key drivers, the expansion continues to broaden, encompassing more metro areas.
- As the economy nears full employment, job growth will slow. Expect weaker absorption levels in most markets from this point forward.
- Vacancy will continue to tighten over the next 12-18 months, but will begin rising in 2018 as supply catches up with demand.

New Supply

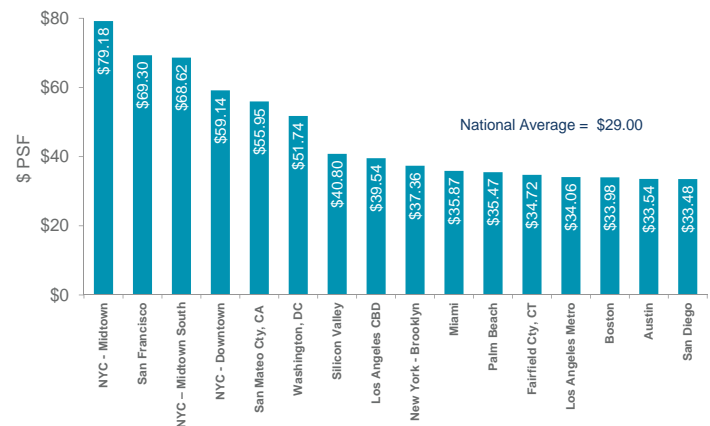
COMPLETIONS SURPASS LONG-TERM AVERAGE



Source: Cushman & Wakefield Research

Asking Rent by Market

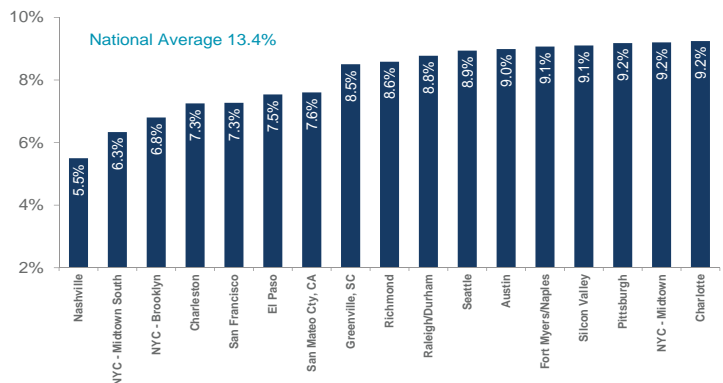
HIGHEST PRICED U.S. MARKETS



Source: Cushman & Wakefield Research

Vacancy by Market

TIGHTEST MARKETS IN THE U.S.



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption					Leasing Activity
	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
United States	22,842,204	21,391,152	20,543,434	11,752,071	14,683,893	61,149,513
Northeast	3,570,040	1,946,028	2,469,826	-1,759,769	4,652,240	14,305,651
Midwest	1,699,294	2,531,514	3,186,353	2,324,830	3,870,994	6,994,194
South	6,785,145	6,979,609	7,425,137	5,858,981	4,639,152	18,777,464
West	11,111,463	10,286,915	7,462,119	5,328,029	1,521,507	21,072,204

U.S. Office Report Markets	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
Atlanta, GA	760,539	576,532	817,010	264,521	262,581	1,729,326
Austin, TX	440,367	552,063	712,782	581,240	653,778	700,998
Baltimore, MD	91,964	269,398	454,405	106,787	189,284	652,791
Binghamton, NY	-30,851	-4,087	16,096	15,642	4,317	16,360
Birmingham, AL	-107,887	-36,529	187,914	-32,279	-111,059	822,755
Boston, MA	710,445	235,586	107,607	-689,333	87,409	2,366,598
Buffalo, NY	653,665	506,067	58,005	-21,155	200,510	117,399
Charleston, SC	142,212	-224,415	77,581	44,034	82,298	230,177
Charlotte, NC	341,530	634,076	89,641	669,906	499,864	1,745,687
Chicago, IL	587,363	1,002,439	830,413	887,725	1,254,658	2,409,221
Cincinnati, OH	92,931	309,881	372,091	467,647	23,403	282,768
Cleveland, OH	445,569	119,499	301,092	377,037	243,168	420,562
Colorado Springs, CO	77,350	134,098	76,225	58,396	48,818	144,758
Columbus, OH	203,405	72,923	233,174	-53,818	212,171	1,198,365
Dallas/Fort Worth, TX	1,761,090	1,113,693	1,002,452	2,148,273	860,595	2,934,487
Dayton, OH	-10,728	38,831	-13,407	45,929	57,754	125,277
Denver, CO	577,856	1,249,060	-296,258	1,188,102	-453,355	1,945,751
Detroit, MI	198,824	483,028	450,409	237,206	612,837	492,793
East Bay, CA*	966,284	1,094,017	824,648	-42,815	136,647	2,481,987
El Paso, TX	7,954	28,900	10,000	-11,000	34,350	34,350
Fairfield County, CT	-34,640	-162,624	73,798	-65,637	-397,880	502,974
Fort Myers/Naples, FL	172,778	289,491	336,719	69,465	183,142	180,882
Fredericksburg, VA	31,442	33,114	-52,187	1,602	54,834	43,526
Ft. Lauderdale, FL	89,462	84,584	101,886	-62,190	-100,881	243,383
Greenville, SC	86,766	52,555	-10,033	36,230	72,679	96,087
Hampton Roads, VA	58,064	261,553	-14,845	-77,547	17,061	200,126
Hartford, CT	37,396	-5,293	-45,076	-61,334	213,458	n/a
Houston, TX	-449,815	143,733	67,887	407,672	-70,572	1,087,578
Indianapolis, IN	119,135	12,151	27,403	81,486	264,622	671,354
Inland Empire CA	-55,119	111,646	36,213	139,862	12,614	364,523
Jacksonville, FL	137,847	143,717	425,461	-4,864	239,212	358,730
Kansas City, MO	-45,321	9,739	243,042	-192,037	306,847	394,015
Las Vegas, NV	123,259	97,359	92,034	219,033	16,745	n/a
Long Island, NY	-35,993	170,949	-267,181	151,066	493,005	497,573
Los Angeles CBD	244,914	23,469	-51,899	106,464	15,654	230,213
Los Angeles Metro	1,122,707	570,532	1,423,146	239,590	514,257	2,594,662
Louisville, KY	69,644	8,485	191,694	121,166	57,186	382,606
Memphis, TN	-5,740	67,618	71,881	-32,747	-73,766	421,334
Miami, FL	508,377	139,520	143,398	919,088	538,300	467,775
Milwaukee, WI	-161,387	121,389	43,029	338,654	142,303	391,012

Demand Indicators (Overall)	Net Absorption				Leasing Activity	
	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
Minneapolis/St. Paul, MN	-37,669	185,034	339,890	-34,828	168,456	n/a
Nashville, TN	452,368	506,134	325,855	417,782	90,349	775,631
New Haven, CT	-40,665	14,403	350,029	45,400	39,393	n/a
New Jersey - Central	339,717	285,282	139,300	-21,299	581,984	986,115
New Jersey - Northern	435,937	17,594	105,221	-109,234	295,949	1,364,252
New Orleans, LA	-125,141	-34,893	82,878	-73,069	-142,148	43,772
New York - Brooklyn	-470,917	-611,199	-118,580	-284,676	-172,103	221,271
New York - Downtown	104,324	388,093	531,978	-625,078	406,331	854,397
New York - Midtown	933,191	-6,808	742,707	-1,051,480	2,737,325	3,317,039
New York - Midtown South	338,844	66,254	20,040	319,196	88,044	1,340,881
Oklahoma City, OK	-96,930	54,037	-45,658	-159,782	-230,557	217,231
Omaha, NE	96,160	23,383	80,965	-29,240	104,559	287,150
Orange County, CA	171,059	990,402	145,480	489,012	-4,832	919,782
Orlando, FL	464,112	490,966	322,162	192,538	31,083	591,889
Palm Beach, FL	233,905	51,018	47,503	115,607	15,461	178,678
Philadelphia, PA	324,154	629,925	578,400	794,015	1,037,119	1,181,028
Phoenix, AZ	849,545	880,227	1,501,456	702,999	1,004,896	1,895,680
Pittsburgh, PA	69,444	233,704	-14,519	260,883	406,523	868,939
Portland, OR	135,140	86,794	328,984	137,851	254,089	396,224
Providence, RI	23,920	34,000	93,000	-8,900	31,650	137,750
Puget Sound - Eastside	427,453	-703,725	617,807	438,586	-252,940	834,200
Raleigh/Durham, NC	827,703	465,242	502,033	165,443	109,472	746,214
Richmond, VA	108,307	301,960	114,205	-29,845	126,341	348,627
Roanoke, VA	69,548	18,829	25,137	-38,272	140,317	44,211
Rochester, NY	48,166	-47,537	99,534	-96,429	175,648	19,325
Sacramento, CA	-29,131	150,297	804,948	-162,330	201,875	504,731
Salt Lake City, UT	367,804	418,841	195,251	51,364	289,327	392,198
San Antonio, TX	-18,953	83,970	167,714	176,859	-2,161	240,372
San Diego, CA	187,057	197,461	651,242	158,670	163,854	1,253,539
San Francisco North Bay, CA	177,022	225,868	223,191	190,078	-47,142	571,872
San Francisco, CA	-41,782	-116,508	253,181	329,494	343,434	1,338,435
San Juan, PR	174,216	-16,106	-111,500	n/a	n/a	n/a
San Mateo County, CA	95,282	582,001	141,181	215,834	23,980	982,814
San Jose (Silicon Valley), CA*	4,135,700	2,394,851	815,554	-338,974	-869,338	2,400,119
Savannah, GA	-4,430	0	n/a	n/a	40,101	55,630
Seattle, WA	1,596,056	1,869,202	-467,257	611,761	483,663	1,710,247
Southern New Hampshire	84,725	114,099	-4,362	-109,069	n/a	n/a
St. Louis, MO	211,012	153,217	278,252	198,681	355,211	321,677
St. Petersburg/Clearwater, FL	86,272	3,481	115,909	29,111	87,862	98,405
Suburban MD	-408,477	-5,300	219,057	133,913	118,279	645,102
Suburban VA	219,642	231,507	150,018	-319,132	370,820	1,260,178
Syracuse, NY	-41,909	-47,705	122,996	15,284	-3,743	186,069
Tampa, FL	281,829	305,209	280,859	537,759	-205,358	507,580
Tucson, AZ	-16,993	31,023	146,992	172,875	72,373	110,469
Tulsa, OK	-107,434	103,691	113,348	-173,250	-184,624	n/a
Washington, DC	492,014	281,776	501,971	50,886	475,307	691,346
Westchester County, NY	-202,651	-217,589	-119,167	-76,165	-404,946	327,681

p = preliminary
*Includes R&D

Vacancy Rate (All Classes)	Overall					Direct
	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
United States	13.9%	13.7%	13.5%	13.4%	13.4%	12.4%
Northeast	12.9%	12.7%	12.6%	12.7%	12.5%	11.6%
Midwest	16.2%	16.1%	15.7%	15.4%	15.1%	13.9%
South	14.4%	14.3%	14.1%	14.2%	14.3%	13.6%
West	12.9%	12.4%	12.2%	11.8%	11.8%	10.9%

U.S. Office Report Markets	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
Atlanta, GA	17.2%	16.8%	16.2%	16.2%	16.0%	15.1%
Austin, TX	9.7%	9.0%	9.1%	8.5%	9.0%	7.2%
Baltimore, MD	13.9%	13.5%	12.8%	14.6%	14.6%	14.6%
Binghamton, NY	10.3%	10.4%	10.2%	10.2%	9.9%	6.9%
Birmingham, AL	14.5%	14.7%	13.6%	13.8%	14.4%	12.3%
Boston, MA	9.9%	9.3%	10.0%	9.6%	9.9%	8.9%
Buffalo, NY	19.1%	18.2%	18.2%	18.6%	17.8%	17.4%
Charleston, SC	6.7%	8.1%	7.7%	6.8%	7.3%	7.0%
Charlotte, NC	9.4%	9.0%	8.7%	8.1%	9.2%	8.7%
Chicago, IL	15.6%	15.7%	15.1%	14.9%	14.4%	13.5%
Cincinnati, OH	23.6%	23.1%	22.1%	20.6%	20.8%	19.0%
Cleveland, OH	11.6%	11.9%	11.5%	12.0%	12.3%	11.3%
Colorado Springs, CO	22.6%	22.0%	20.6%	19.9%	19.9%	18.8%
Columbus, OH	15.8%	15.4%	14.4%	14.2%	13.3%	12.2%
Dallas/Fort Worth, TX	16.4%	16.5%	16.3%	16.0%	15.7%	15.3%
Dayton, OH	25.7%	25.4%	25.1%	25.6%	24.8%	24.3%
Denver, CO	12.6%	12.0%	12.8%	11.3%	11.4%	10.6%
Detroit, MI	18.5%	18.1%	17.9%	17.2%	16.9%	18.0%
East Bay, CA*	12.2%	11.2%	9.9%	9.6%	9.5%	8.6%
El Paso, TX	7.3%	6.7%	6.7%	6.7%	7.5%	10.9%
Fairfield County, CT	20.9%	21.2%	20.6%	20.7%	21.8%	19.9%
Fort Myers/Naples, FL	11.6%	11.2%	10.7%	10.1%	9.1%	9.0%
Fredericksburg, VA	13.3%	13.9%	14.4%	14.6%	14.0%	13.6%
Ft. Lauderdale, FL	12.1%	13.5%	11.7%	14.7%	15.3%	14.1%
Greenville, SC	8.6%	8.5%	9.0%	8.9%	8.5%	8.2%
Hampton Roads, VA	12.1%	11.3%	11.4%	11.5%	11.4%	11.2%
Hartford, CT	19.9%	19.8%	19.9%	17.7%	16.8%	16.0%
Houston, TX	14.6%	15.9%	16.8%	16.8%	18.1%	15.8%
Indianapolis, IN	19.1%	19.1%	19.0%	15.6%	14.2%	14.2%
Inland Empire CA	16.7%	16.4%	16.1%	13.7%	11.9%	11.8%
Jacksonville, FL	18.5%	18.1%	16.4%	17.5%	15.4%	15.0%
Kansas City, MO	17.8%	18.0%	17.9%	17.7%	17.3%	15.9%
Las Vegas, NV	25.4%	25.7%	25.5%	18.1%	17.8%	17.2%
Long Island, NY	17.1%	16.6%	17.1%	16.6%	15.1%	14.0%
Los Angeles CBD	19.8%	19.5%	19.6%	19.9%	19.9%	19.2%
Los Angeles Metro	14.7%	14.4%	13.6%	13.7%	13.5%	13.0%
Louisville, KY	13.0%	12.9%	12.1%	11.7%	12.7%	12.5%
Memphis, TN	21.7%	21.8%	20.6%	20.4%	20.7%	19.7%
Miami, FL	13.6%	12.6%	12.2%	13.7%	13.6%	13.1%
Milwaukee, WI	20.0%	18.4%	18.4%	18.2%	17.5%	17.0%

Vacancy Rate (All Classes)	Overall					Direct
	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
Minneapolis/St. Paul, MN	17.4%	17.2%	16.9%	17.0%	16.6%	15.6%
Nashville, TN	8.1%	7.5%	6.9%	5.8%	5.5%	5.5%
New Haven, CT	15.3%	14.9%	15.8%	15.6%	15.3%	14.8%
New Jersey - Central	17.6%	16.9%	16.7%	16.6%	16.6%	15.6%
New Jersey - Northern	20.5%	20.5%	20.2%	20.4%	19.3%	17.8%
New Orleans, LA	10.8%	11.0%	10.7%	9.7%	10.2%	10.8%
New York - Brooklyn	6.2%	6.1%	6.7%	8.0%	6.8%	6.5%
New York - Downtown	10.3%	10.3%	9.4%	10.2%	9.8%	9.1%
New York - Midtown	8.9%	9.3%	8.8%	9.3%	9.2%	8.0%
New York - Midtown South	6.2%	5.8%	6.2%	6.3%	6.3%	4.9%
Oklahoma City, OK	12.6%	12.1%	12.1%	13.0%	17.4%	11.6%
Omaha, NE	11.9%	12.4%	12.7%	11.8%	11.6%	11.4%
Orange County, CA	12.7%	12.0%	11.5%	11.9%	11.4%	11.0%
Orlando, FL	15.5%	14.4%	13.6%	12.8%	12.0%	11.7%
Palm Beach, FL	17.5%	17.9%	17.4%	18.6%	18.5%	18.1%
Philadelphia, PA	14.7%	13.6%	13.1%	13.3%	12.9%	12.5%
Phoenix, AZ	19.3%	18.9%	18.7%	18.2%	18.0%	17.3%
Pittsburgh, PA	9.1%	9.6%	10.1%	10.0%	9.2%	8.8%
Portland, OR	10.9%	10.8%	10.3%	10.8%	10.8%	10.3%
Providence, RI	13.3%	13.1%	12.8%	13.0%	12.8%	12.7%
Puget Sound - Eastside	8.6%	9.7%	10.2%	9.7%	10.5%	9.8%
Raleigh/Durham, NC	10.6%	10.3%	9.4%	9.7%	8.8%	8.2%
Richmond, VA	9.3%	9.4%	9.5%	8.8%	8.6%	8.3%
Roanoke, VA	8.5%	8.4%	8.4%	9.6%	9.8%	9.6%
Rochester, NY	16.0%	16.3%	15.6%	16.3%	15.0%	15.0%
Sacramento, CA	13.8%	13.6%	12.7%	12.8%	12.6%	12.3%
Salt Lake City, UT	12.0%	11.5%	11.4%	11.8%	11.4%	9.5%
San Antonio, TX	14.7%	15.1%	14.5%	15.1%	15.4%	15.1%
San Diego, CA	15.9%	16.2%	15.6%	15.6%	15.5%	13.3%
San Francisco North Bay, CA	13.4%	11.5%	11.3%	10.9%	11.1%	10.4%
San Francisco, CA	6.4%	6.0%	5.9%	5.7%	7.3%	5.3%
San Juan, PR	14.2%	14.3%	15.4%	15.1%	15.1%	15.1%
San Mateo County, CA	9.1%	8.2%	8.0%	7.7%	7.6%	5.7%
San Jose (Silicon Valley), CA*	9.0%	8.3%	8.3%	8.3%	9.1%	7.8%
Savannah, GA	18.1%	18.1%	17.9%	17.9%	16.7%	16.7%
Seattle, WA	9.6%	8.4%	9.4%	9.5%	8.9%	8.5%
Southern New Hampshire	18.3%	17.8%	17.0%	16.6%	15.5%	14.8%
St. Louis, MO	14.3%	14.1%	13.7%	13.2%	12.6%	12.1%
St. Petersburg/Clearwater, FL	17.0%	17.0%	15.9%	16.1%	14.9%	14.6%
Suburban MD	22.1%	21.6%	21.0%	20.8%	21.2%	20.5%
Suburban VA	21.2%	21.1%	21.2%	21.4%	21.6%	20.5%
Syracuse, NY	16.3%	16.5%	14.4%	14.4%	14.1%	13.0%
Tampa, FL	14.4%	13.7%	12.4%	11.1%	12.2%	11.4%
Tucson, AZ	12.5%	12.6%	12.2%	11.8%	11.1%	11.0%
Tulsa, OK	16.0%	16.3%	18.3%	19.5%	18.4%	16.7%
Washington, DC	12.0%	12.1%	11.6%	11.8%	11.7%	10.9%
Westchester County, NY	20.0%	20.4%	20.7%	20.9%	22.4%	20.6%

p = preliminary
*Includes R&D

	Overall (All Classes)					Class A
Weighted Average Asking Rent	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
United States	\$27.42	\$27.90	\$28.10	\$28.52	\$29.00	\$35.75
Northeast	\$35.83	\$36.32	\$36.13	\$36.66	\$37.32	\$40.09
Midwest	\$20.75	\$20.97	\$21.07	\$21.18	\$21.22	\$29.96
South	\$25.26	\$25.61	\$25.84	\$26.06	\$26.38	\$32.56
West	\$27.93	\$28.92	\$29.39	\$30.10	\$31.00	\$40.35

U.S. Office Report Markets	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
Atlanta, GA	\$22.02	\$22.27	\$22.23	\$22.44	\$23.07	\$26.88
Austin, TX	\$32.83	\$33.02	\$33.37	\$33.52	\$33.54	\$36.36
Baltimore, MD	\$22.64	\$23.32	\$22.79	\$22.53	\$21.56	\$24.61
Binghamton, NY	\$14.00	\$14.01	\$13.75	\$13.75	\$13.52	\$13.52
Birmingham, AL	\$18.58	\$18.43	\$18.44	\$18.82	\$19.18	\$20.29
Boston, MA	\$32.13	\$32.60	\$32.91	\$32.62	\$33.98	\$33.98
Buffalo, NY	\$17.34	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$20.53	\$21.12	\$19.96	\$19.37	\$19.59	\$26.88
Charlotte, NC	\$21.64	\$22.09	\$21.99	\$22.13	\$22.51	\$26.77
Chicago, IL	\$28.16	\$28.62	\$28.60	\$28.68	\$28.69	\$31.89
Cincinnati, OH	\$17.46	\$17.94	\$17.82	\$17.74	\$17.98	\$21.59
Cleveland, OH	\$16.53	\$16.57	\$16.79	\$16.91	\$16.91	\$21.60
Colorado Springs, CO	\$12.84	\$12.89	\$12.92	\$13.37	\$13.47	\$14.19
Columbus, OH	\$20.33	\$20.41	\$20.40	\$20.41	\$20.49	\$22.62
Dallas/Fort Worth, TX	\$22.22	\$22.76	\$24.15	\$25.44	\$25.39	\$31.12
Dayton, OH	\$15.41	\$15.44	\$15.40	\$15.04	\$14.73	\$19.73
Denver, CO	\$23.17	\$23.59	\$23.78	\$24.56	\$24.80	\$29.56
Detroit, MI	\$15.93	\$15.92	\$15.93	\$15.95	\$16.00	\$20.83
East Bay, CA*	\$23.36	\$23.82	\$24.16	\$25.04	\$25.50	\$33.95
El Paso, TX	\$14.75	\$15.00	\$15.00	\$15.00	\$16.00	\$17.00
Fairfield County, CT	\$35.20	\$35.62	\$35.32	\$34.37	\$34.72	\$37.97
Fort Myers/Naples, FL	\$15.73	\$16.18	\$16.38	\$16.27	\$16.31	\$20.57
Fredericksburg, VA	\$22.56	\$22.71	\$20.04	\$20.09	\$19.52	\$23.53
Ft. Lauderdale, FL	\$26.61	\$26.68	\$26.27	\$26.69	\$27.08	\$33.42
Greenville, SC	\$16.18	\$16.57	\$16.57	\$16.26	\$16.41	\$21.64
Hampton Roads, VA	\$17.39	\$17.33	\$17.18	\$17.09	\$16.98	\$20.16
Hartford, CT	\$20.10	\$20.26	\$20.34	\$20.79	\$20.87	\$22.36
Houston, TX	\$27.70	\$28.37	\$29.17	\$28.37	\$29.17	\$38.13
Indianapolis, IN	\$18.11	\$18.10	\$18.13	\$17.54	\$18.29	\$20.13
Inland Empire CA	\$20.98	\$21.08	\$21.00	\$21.24	\$21.24	\$25.20
Jacksonville, FL	\$17.78	\$17.84	\$17.94	\$18.11	\$18.22	\$21.05
Kansas City, MO	\$18.63	\$18.69	\$18.61	\$18.79	\$19.04	\$22.66
Las Vegas, NV	\$22.59	\$22.72	\$22.78	\$23.30	\$23.28	\$30.79
Long Island, NY	\$29.73	\$29.82	\$29.54	\$29.66	\$29.79	\$33.17
Los Angeles CBD	\$38.78	\$38.72	\$38.68	\$39.27	\$39.54	\$40.09
Los Angeles Metro	\$31.87	\$32.73	\$33.02	\$33.73	\$34.06	\$38.15
Louisville, KY	\$16.85	\$16.82	\$16.51	\$16.57	\$17.10	\$20.89
Memphis, TN	\$17.42	\$17.51	\$17.75	\$17.69	\$18.00	\$20.75
Miami, FL	\$33.10	\$33.66	\$34.20	\$35.92	\$35.87	\$43.86
Milwaukee, WI	\$18.68	\$19.00	\$19.00	\$19.00	\$19.00	\$21.25

Weighted Average Asking Rent	Overall (All Classes)					Class A
	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016p	2Q 2016p
Minneapolis/St. Paul, MN	\$22.74	\$22.79	\$23.91	\$23.86	\$24.07	\$28.71
Nashville, TN	\$21.46	\$21.98	\$22.39	\$22.74	\$22.75	\$25.82
New Haven, CT	\$19.06	\$19.15	\$19.84	\$20.61	\$20.73	\$22.30
New Jersey - Central	\$24.55	\$24.30	\$24.34	\$24.20	\$24.53	\$27.91
New Jersey - Northern	\$26.85	\$27.16	\$27.24	\$27.34	\$27.61	\$31.04
New Orleans, LA	\$16.44	\$16.41	\$16.45	\$16.83	\$16.99	\$18.79
New York - Brooklyn	\$39.03	\$39.55	\$39.24	\$37.30	\$37.36	\$43.79
New York - Downtown	\$58.25	\$57.92	\$59.58	\$59.28	\$59.14	\$61.95
New York - Midtown	\$76.45	\$77.04	\$76.65	\$78.42	\$79.18	\$84.03
New York - Midtown South	\$66.86	\$67.05	\$69.66	\$68.58	\$68.62	\$77.95
Oklahoma City, OK	\$15.73	\$16.13	\$17.04	\$16.44	\$16.50	\$20.61
Omaha, NE	\$15.73	\$16.13	\$17.04	\$18.79	\$18.72	\$20.04
Orange County, CA	\$26.13	\$26.22	\$25.74	\$25.92	\$26.28	\$31.32
Orlando, FL	\$20.85	\$20.85	\$20.94	\$20.69	\$20.61	\$23.89
Palm Beach, FL	\$28.42	\$28.21	\$28.70	\$31.42	\$35.47	\$29.85
Philadelphia, PA	\$24.39	\$24.39	\$24.55	\$24.73	\$25.11	\$27.36
Phoenix, AZ	\$22.21	\$22.69	\$23.09	\$23.29	\$23.52	\$28.05
Pittsburgh, PA	\$20.47	\$18.66	\$19.70	\$18.07	\$18.48	\$24.38
Portland, OR	\$23.65	\$23.90	\$24.04	\$24.77	\$25.20	\$28.43
Providence, RI	\$18.31	\$18.36	\$18.36	\$18.31	\$18.34	\$23.98
Puget Sound - Eastside	\$29.25	\$32.40	\$33.17	\$33.20	\$32.81	\$36.70
Raleigh/Durham, NC	\$21.34	\$21.39	\$21.49	\$21.67	\$21.97	\$24.59
Richmond, VA	\$18.15	\$18.67	\$17.92	\$18.06	\$18.04	\$20.36
Roanoke, VA	\$13.79	\$13.99	\$13.69	\$13.75	\$13.71	\$20.69
Rochester, NY	\$19.75	\$19.75	\$19.75	\$19.75	\$19.75	\$21.94
Sacramento, CA	\$20.79	\$20.94	\$21.02	\$21.04	\$21.24	\$25.86
Salt Lake City, UT	\$22.15	\$22.38	\$22.48	\$22.85	\$22.93	\$27.96
San Antonio, TX	\$19.87	\$20.82	\$20.33	\$20.28	\$20.50	\$23.66
San Diego, CA	\$30.84	\$31.68	\$33.00	\$33.24	\$33.48	\$39.24
San Francisco North Bay, CA	\$25.10	\$25.04	\$25.04	\$25.65	\$26.89	\$32.29
San Francisco, CA	\$63.39	\$66.71	\$68.14	\$68.44	\$69.30	\$71.09
San Juan, PR	\$18.79	\$18.77	\$18.49	\$18.49	\$18.02	\$19.76
San Mateo County, CA	\$47.51	\$50.53	\$49.70	\$55.55	\$55.95	\$59.22
San Jose (Silicon Valley), CA*	\$31.79	\$35.69	\$37.46	\$39.24	\$40.80	\$53.88
Savannah, GA	\$19.03	\$19.03	\$19.06	\$19.06	\$19.05	\$22.57
Seattle, WA	\$28.27	\$32.27	\$32.90	\$32.08	\$32.87	\$38.14
Southern New Hampshire	\$17.58	\$17.55	\$17.48	\$17.81	\$17.40	\$18.63
St. Louis, MO	\$19.05	\$18.96	\$19.15	\$19.57	\$19.52	\$22.60
St. Petersburg/Clearwater, FL	\$18.90	\$19.08	\$19.21	\$19.16	\$19.24	\$21.33
Suburban MD	\$26.87	\$26.78	\$26.26	\$26.91	\$26.77	\$29.98
Suburban VA	\$33.07	\$33.21	\$32.77	\$32.14	\$32.70	\$35.72
Syracuse, NY	\$15.78	\$15.70	\$14.73	\$14.48	\$14.35	\$16.03
Tampa, FL	\$22.61	\$22.71	\$22.79	\$22.88	\$23.15	\$27.30
Tucson, AZ	\$18.19	\$18.38	\$18.93	\$18.99	\$18.63	\$23.98
Tulsa, OK	\$13.64	\$13.41	\$13.46	\$13.42	\$13.42	\$18.19
Washington, DC	\$51.18	\$51.01	\$51.68	\$51.63	\$51.74	\$59.41
Westchester County, NY	\$29.73	\$30.17	\$29.81	\$29.81	\$29.83	\$30.46

p = preliminary
*Includes R&D

Inventory	Inventory	Deliveries YTD	Under Construction as of 2Q 2016p
United States	5,167,021,133	24,258,264	98,931,881
Northeast	1,216,757,902	3,985,826	23,402,534
Midwest	805,194,130	2,630,851	8,523,579
South	1,745,351,992	9,695,833	35,606,822
West	1,399,717,109	7,945,754	31,398,946

U.S. Office Report Markets	Inventory	Deliveries YTD	Under Construction as of 2Q 2016p
Atlanta, GA	138,959,309	43,777	3,137,093
Austin, TX	51,306,066	842,379	1,515,476
Baltimore, MD	78,886,744	596,770	2,346,128
Binghamton, NY	4,273,417	5,200	68,000
Birmingham, AL	18,616,567	0	150,000
Boston, MA	155,716,323	624,000	4,102,721
Buffalo, NY	21,851,417	0	394,000
Charleston, SC	23,582,812	321,154	251,050
Charlotte, NC	101,694,077	537,196	3,240,499
Chicago, IL	227,366,182	0	3,781,009
Cincinnati, OH	33,843,156	370,000	199,378
Cleveland, OH	145,110,636	0	853,802
Colorado Springs, CO	8,962,518	0	185,000
Columbus, OH	27,788,212	0	1,120,000
Dallas/Fort Worth, TX	215,192,875	1,795,595	7,902,772
Dayton, OH	14,086,989	0	0
Denver, CO	109,029,194	61,717	3,023,106
Detroit, MI	109,660,067	0	0
East Bay, CA*	110,556,869	0	0
El Paso, TX	17,877,811	344,000	547,000
Fairfield County, CT	41,505,969	0	0
Fort Myers/Naples, FL	28,708,777	5,856	213,688
Fredericksburg, VA	8,877,773	28,583	0
Ft. Lauderdale, FL	28,261,288	0	0
Greenville, SC	23,129,608	15,000	197,000
Hampton Roads, VA	39,365,749	23,360	282,100
Hartford, CT	17,421,908	0	0
Houston, TX	182,871,829	1,947,350	2,171,742
Indianapolis, IN	28,581,434	31,000	393,500
Inland Empire CA	21,674,026	0	0
Jacksonville, FL	24,812,526	24,000	62,751
Kansas City, MO	50,008,805	322,232	284,360
Las Vegas, NV	43,838,484	7,894	223,611
Long Island, NY	34,099,397	0	232,917
Los Angeles CBD	27,100,285	0	356,141
Los Angeles Metro	169,768,734	295,651	1,710,121
Louisville, KY	20,278,828	270,017	101,000
Memphis, TN	19,733,028	52,000	0
Miami, FL	46,830,289	263,892	747,799
Milwaukee, WI	28,122,470	513,017	1,166,000
Minneapolis/St. Paul, MN	71,350,095	1,200,000	841,000
Nashville, TN	34,774,354	176,210	3,795,488
New Haven, CT	10,629,286	0	0

Inventory	Inventory	Deliveries YTD	Under Construction as of 2Q 2016p
New Jersey - Central	80,540,397	0	1,235,000
New Jersey - Northern	109,496,106	36,432	185,000
New Orleans, LA	30,079,342	0	0
New York - Brooklyn	27,635,898	0	2,584,750
New York - Downtown	87,679,022	0	2,491,861
New York - Midtown	242,168,613	1,892,954	9,308,683
New York - Midtown South	66,681,979	77,000	419,198
Oklahoma City, OK	21,547,370	282,572	0
Omaha, NE	21,076,509	134,950	341,961
Orange County, CA	87,377,764	477,387	958,424
Orlando, FL	37,733,993	18,000	135,000
Palm Beach, FL	24,056,987	0	0
Philadelphia, PA	129,530,102	639,969	1,321,921
Phoenix, AZ	99,492,506	1,278,920	2,455,592
Pittsburgh, PA	89,801,993	710,271	271,898
Portland, OR	44,229,216	591,042	945,930
Providence, RI	18,901,000	0	386,000
Puget Sound - Eastside	34,421,018	180,000	1,148,000
Raleigh/Durham, NC	50,285,275	25,000	1,488,694
Richmond, VA	53,116,385	191,095	329,000
Roanoke, VA	16,109,171	6,000	83,300
Rochester, NY	14,069,668	0	150,000
Sacramento, CA	87,037,896	56,584	329,231
Salt Lake City, UT	34,359,608	419,876	1,925,715
San Antonio, TX	30,095,639	167,600	300,190
San Diego, CA	73,585,056	575,377	1,436,677
San Francisco North Bay, CA	21,908,561	128,000	0
San Francisco, CA	77,182,157	1,426,054	3,826,515
San Juan, PR	10,408,067	n/a	n/a
San Mateo County, CA	53,118,974	349,047	1,428,731
San Jose (Silicon Valley), CA*	201,342,079	1,849,254	6,458,850
Savannah, GA	3,381,128	n/a	n/a
Seattle, WA	60,928,421	140,000	5,565,497
Southern New Hampshire	12,998,019	0	76,684
St. Louis, MO	48,727,866	59,652	558,832
St. Petersburg/Clearwater, FL	12,769,409	0	0
Suburban MD	56,710,165	156,000	103,550
Suburban VA	130,922,599	635,809	3,142,480
Syracuse, NY	15,852,261	0	258,500
Tampa, FL	32,082,479	175,998	0
Tucson, AZ	25,363,256	108,950	15,000
Tulsa, OK	24,694,207	0	524,250
Washington, DC	109,154,672	926,830	3,513,353
Westchester County, NY	28,903,251	0	0

p = preliminary
*Includes R&D

About Cushman & Wakefield

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

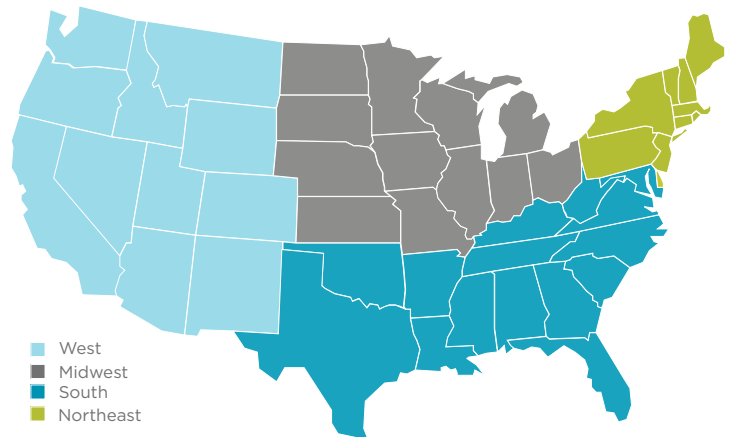
Methodology

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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