

MARKETBEAT

U.S. Office Snapshot Q1 2016



U.S. OFFICE

Employment Indicators

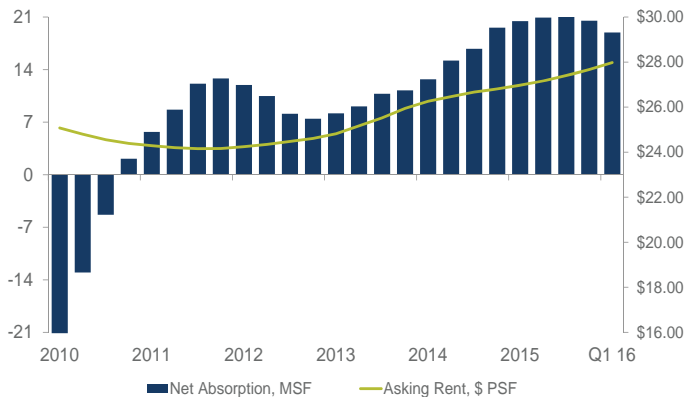
	Q1 15	Q1 16	12-Month Forecast
Total Nonfarm Employment	140.8M	143.5M	▲
Office-using Employment	30.2M	31.0M	▲
Unemployment	5.6%	4.9%	▼

Source: BLS

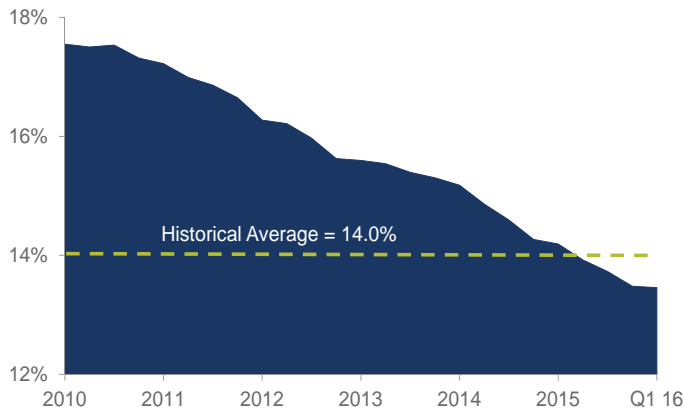
Market Indicators

	Q1 15	Q1 16	12-Month Forecast
Overall Vacancy	14.2%	13.5%	▼
Net Absorption	17.1M	9.7M	▲
Under Construction	96.6M	95.2M	▲
Weighted Asking Rent (FS)	\$27.27	\$28.45	▲

Net Absorption/Rent 4Q TRAILING AVERAGE



Overall Vacancy



Source: Cushman & Wakefield Research

Economy

The first quarter of 2016 started off with steep declines in equity and commodity markets. Those developments led to concerns about the state of the global economy and its potentially negative impact on the U.S. economic expansion. However, by end of the quarter most of those worries dissipated. By the end of March equity prices had fully recovered from the January swoon and market volatility had diminished to more normal levels.

One important reason for the improvement was the continuing healthy performance of the U.S. economy. Despite some concerns about business and consumer confidence, the U.S. added an average of 209,000 jobs per month during the first quarter as employers continued to hire at an above-trend rate. This rate of job growth was slower than the 282,000 jobs per month added in the fourth quarter of 2015, but it was still strong enough to push the unemployment rate down to 4.9% in January and February, although it ticked back upward to 5.0% in March.

Solid job growth coupled with virtually no inflation helped boost real (inflation-adjusted) after-tax income at an annual rate of 3.6% in the first two months of the year. The result was strong growth in retail sales. As of February 2016, real retail sales were 5.4% above their year-earlier level, the second-strongest 12-month increase in the past five years. Given the importance of consumer spending to the U.S. economy, as well as the continued strength in the employment data, the overall backdrop for the office sector remains healthy.

Market Overview

Somewhat slower job growth, increased financial market volatility and a marked slowdown in the tech sector contributed to a deceleration in demand for office space in the first quarter of 2016. A total of 9.7 million square feet (msf) was absorbed off the market across the U.S., less than half the 20.5 msf absorbed in the fourth quarter of 2015 and the smallest quarterly total since the first quarter of 2013. One reason for the slowdown was a softening of activity in many tech-driven markets. In Silicon Valley and Boston—two of the leading tech centers in the nation—absorption turned negative. Silicon Valley saw -429,000 square feet (sf) of negative absorption after five years during which absorption averaged 5.5 msf per year. On the other coast, Boston had -523,000 sf of negative absorption, the first negative absorption in that market since the third quarter of 2012. This softness was offset by continuing strength in many other U.S. metros. Some of the more notable markets boasting gains in first quarter absorption include Dallas/Fort Worth (+2.2 msf), Denver (+909,000 sf), Seattle (+612,000 sf), Miami (+907,000 sf), Phoenix (+703,000 sf) and Charlotte (+670,000 sf).

We are not seeing signs of overbuilding in the current cycle. New construction has continued to be relatively subdued across much of the nation as developers and lenders have remained disciplined throughout this cycle. In the first quarter, new construction deliveries totaled 9.7 msf and space under construction totaled 95.2 msf. Together this new construction

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accounts for 2.0% of U.S. inventory, well below the peak of 2.5% of 2008. Much of this construction is concentrated in a handful of cities. Six cities—New York, Dallas/Forth Worth, Silicon Valley, San Francisco, Seattle and Houston—account for 40.7 msf or 42% of all the new construction underway in the U.S. today. There are 17 markets in which there is currently no new construction underway.

With 9.7 msf of net absorption and 9.7 msf of construction completions, the first quarter 2016 national vacancy rate was flat at 13.5%, identical with the rate in the fourth quarter of 2015, but down 70 basis points (bps) from a year ago. Since the first quarter of 2010, the vacancy rate has declined or remained flat for 24 consecutive quarters, and the current national vacancy rate is the lowest since the second quarter of 2008 when the last recession was just beginning. San Francisco had the lowest vacancy in the nation of 5.7%, with Midtown South Manhattan the second lowest at 6.3%. There was substantial improvement in vacancy over the past year in Indianapolis where the vacancy rate fell by -360 bps, Colorado Springs (-310 bps) and Los Angeles (-280 bps). These developments show that as the economic expansion has broadened so has the improvement in office markets. In the first quarter the vacancy rate declined from a year ago in 69 of the 87 markets tracked by Cushman & Wakefield research.

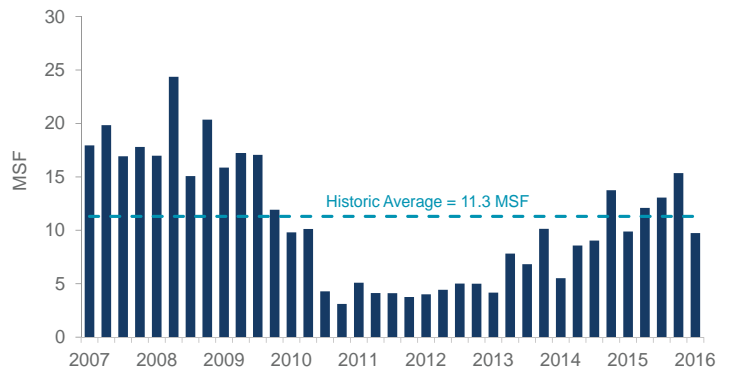
The national average asking rent reached a new record high of \$28.45 per square foot (psf) in the first quarter, up 4.3% from a year ago. As was the case with the improvement in vacancy, the rent growth in the U.S. was broad-based, with 67 of 87 markets recording a higher rent in the first quarter of 2016 compared to a year earlier. Midtown Manhattan remains home to the highest rents in the nation at \$78.42 (psf), but San Francisco has closed the gap with average asking rents of \$68.44 psf. As recently as the beginning of 2010, the difference between Midtown Manhattan and San Francisco was \$30.30, while today it is just shy of \$10.00.

Outlook

- The U.S. economy is expected to add jobs at a healthy pace in 2016, raising demand for office space throughout the year and keeping absorption positive.
- Even as uncertainty rises in the tech-centered cities that have been key drivers, the expansion continues to broaden, encompassing more metro areas.
- In an environment of constrained supply, greater demand should lead to further declines in vacancy, although the pace of decline may slow.
- The expansion in some tech markets will slow as they settle into more sustainable growth rates. Venture capital funding is a key metric to watch to gauge future rent trajectory for tech cities.

New Supply

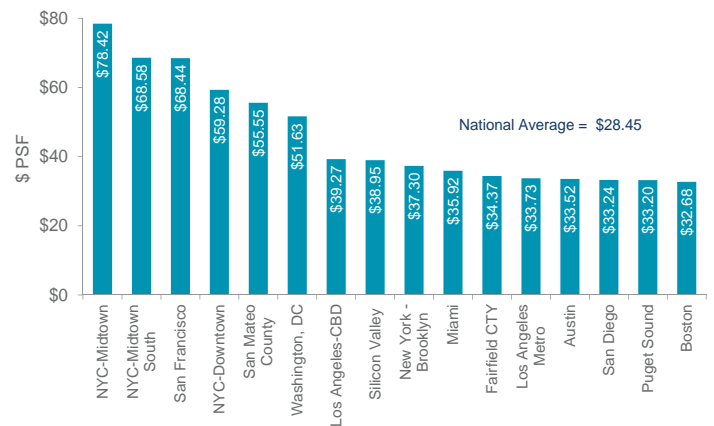
COMPLETIONS DIP BELOW LONG-TERM AVERAGE



Source: Cushman & Wakefield Research

Asking Rent by Market

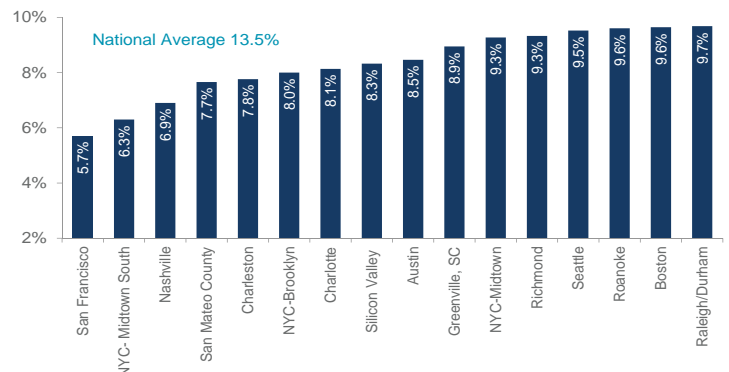
HIGHEST PRICED U.S. MARKETS



Source: Cushman & Wakefield Research

Vacancy by Market

TIGHTEST MARKETS IN THE U.S.



Source: Cushman & Wakefield Research

Demand Indicators (Overall)	Net Absorption				Net Absorption	Leasing Activity
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016p	
United States	17,149,069	22,776,679	21,542,548	20,543,434	9,729,895	60,045,986
Northeast	2,639,005	3,570,040	1,946,028	2,469,826	-1,522,790	14,791,745
Midwest	2,267,271	1,699,294	2,531,514	3,186,353	1,633,844	5,583,214
South	5,186,345	6,486,323	6,705,423	7,425,137	5,960,808	16,147,336
West	7,056,448	11,021,022	10,359,583	7,462,119	3,658,033	23,523,691

U.S. Office Report Markets	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Net Absorption	Leasing Activity
Atlanta, GA	869,521	760,539	576,532	817,010	245,168	2,045,850
Austin, TX	822,336	440,367	552,063	712,782	581,240	n/a
Baltimore, MD	201,416	91,964	269,398	454,405	106,787	601,550
Binghamton, NY	9,504	-30,851	-4,087	16,096	15,642	16,332
Birmingham, AL	-195,788	-107,887	-36,529	187,914	-32,279	111,356
Boston, MA	1,087,158	710,445	235,586	107,607	-522,642	3,034,475
Buffalo, NY	-188,213	653,665	506,067	58,005	-21,155	114,898
Charleston, SC	252,658	142,212	-224,415	77,581	44,472	88,771
Charlotte, NC	187,123	341,530	634,076	89,641	669,906	1,523,274
Chicago, IL	1,011,571	587,363	1,002,439	830,413	772,009	2,320,979
Cincinnati, OH	155,726	92,931	309,881	372,091	417,308	393,454
Cleveland, OH	242,631	445,569	119,499	301,092	219,433	367,285
Colorado Springs, CO	34,501	77,350	134,098	76,225	58,396	92,079
Columbus, OH	97,891	203,405	72,923	233,174	-53,818	297,987
Dallas/Fort Worth, TX	1,335,027	1,761,090	1,113,693	1,002,452	2,153,584	3,246,358
Dayton, OH	53,539	-10,728	38,831	-13,407	38,869	72,904
Denver, CO	49,076	577,856	1,249,060	-296,258	909,250	1,025,726
Detroit, MI	205,987	198,824	483,028	450,409	301,172	863,001
East Bay, CA	1,146,402	966,284	1,094,017	824,648	46,175	2,895,942
El Paso, TX	8,678	7,954	28,900	10,000	-11,000	10,000
Fairfield County, CT	22,652	-34,640	-162,624	73,798	-139,668	356,389
Fort Myers/Naples, FL	40,200	172,778	289,491	336,719	7,219	88,731
Fredericksburg, VA	-29,912	31,442	33,114	-52,187	1,152	15,962
Ft. Lauderdale, FL	103,875	89,462	84,584	101,886	506,893	441,624
Greenville, SC	293,052	86,766	52,555	-10,033	36,230	245,934
Hampton Roads, VA	28,125	58,064	261,553	-14,845	-77,547	214,618
Hartford, CT	-225,849	37,396	-5,293	-45,076	9,731	85,602
Houston, TX	-853,380	-449,815	143,733	67,887	360,872	1,201,977
Indianapolis, IN	9,737	119,135	12,151	27,403	81,486	253,088
Inland Empire CA	64,749	-55,119	111,646	36,213	64,552	187,946
Jacksonville, FL	-21,416	137,847	143,717	425,461	-297,957	323,653
Kansas City, MO	124,471	-45,321	9,739	243,042	-168,847	80,421
Las Vegas, NV	132,275	123,259	97,359	92,034	228,396	n/a
Long Island, NY	265,149	-35,993	170,949	-267,181	151,066	75,647
Los Angeles CBD	22,503	244,914	23,469	-51,899	252,285	259,936
Los Angeles Metro	513,372	1,122,707	570,532	1,423,146	42,488	2,476,238
Louisville, KY	37,118	69,644	8,485	191,694	120,596	199,096
Memphis, TN	277,936	-5,740	67,618	71,881	-10,322	171,377
Miami, FL	393,746	508,377	139,520	143,398	907,311	551,004
Milwaukee, WI	45,213	-161,387	121,389	43,029	338,654	516,026

Demand Indicators (Overall)	Net Absorption				Net Absorption	Leasing Activity
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016p	
Minneapolis/St. Paul, MN	366,139	-37,669	185,034	339,890	-34,828	n/a
Nashville, TN	261,888	452,368	506,134	325,855	72,338	n/a
New Haven, CT	109,210	-40,665	14,403	350,029	-36,256	67,931
New Jersey - Central	-86,135	339,717	285,282	139,300	-70,909	573,764
New Jersey - Northern	713,670	435,937	17,594	105,221	-128,367	1,033,970
New Orleans, LA	229,775	-125,141	-34,893	82,878	-69,741	39,967
New York - Brooklyn	58,794	-470,917	-611,199	-118,580	-305,430	242,244
New York - Downtown	-699,650	104,324	388,093	531,978	-632,269	1,038,140
New York - Midtown	1,670,858	933,191	-6,808	742,707	-425,776	4,141,643
New York - Midtown South	384,451	338,844	66,254	20,040	252,275	1,385,718
Oklahoma City, OK	13,755	-96,930	54,037	-45,658	-159,782	n/a
Omaha, NE	96,208	96,160	23,383	80,965	-63,369	103,186
Orange County, CA	166,942	171,059	990,402	145,480	238,658	1,305,148
Orlando, FL	98,633	464,112	490,966	322,162	-42,487	539,242
Palm Beach, FL	69,290	233,905	51,018	47,503	517,767	364,861
Philadelphia, PA	-667,924	324,154	629,925	578,400	817,900	1,173,053
Phoenix, AZ	46,939	849,545	880,227	1,501,456	702,999	1,932,181
Pittsburgh, PA	127,927	69,444	233,704	-14,519	-193,017	661,991
Portland, OR	182,742	135,140	86,794	328,984	137,851	441,160
Providence, RI	20,732	23,920	34,000	93,000	-8,900	111,770
Puget Sound - Eastside	186,216	427,453	-703,725	617,807	438,586	469,780
Raleigh/Durham, NC	245,891	827,703	465,242	502,033	165,443	530,820
Richmond, VA	66,275	108,307	301,960	114,205	28,110	196,837
Roanoke, VA	54,217	69,548	18,829	25,137	-27,294	24,535
Rochester, NY	-210,514	48,166	-47,537	99,534	-96,429	97,360
Sacramento, CA	270,813	-29,131	150,297	804,948	-279,266	1,060,726
Salt Lake City, UT	-5,769	367,804	418,841	195,251	51,364	314,883
San Antonio, TX	12,129	-18,953	83,970	167,714	108,905	259,253
San Diego, CA	177,613	187,057	197,461	651,242	81,055	1,397,430
San Francisco North Bay, CA	54,863	177,022	225,868	223,191	233,754	472,954
San Francisco, CA	811,723	-41,782	-116,508	253,181	358,678	1,132,322
San Juan, PR	-244,065	174,216	-16,106	-111,500	n/a	n/a
San Mateo County, CA	909,974	95,282	582,001	141,181	213,032	2,303,841
San Jose (Silicon Valley), CA	1,918,789	4,135,700	2,394,851	815,554	-428,845	4,857,828
Savannah, GA	n/a	-4,430	n/a	n/a	n/a	n/a
Seattle, WA	435,601	1,596,056	1,869,202	-467,257	611,761	739,333
Southern New Hampshire	31,332	84,725	114,099	-4,362	-109,069	111,057
St. Louis, MO	-141,842	211,012	153,217	278,252	169,544	314,883
St. Petersburg/Clearwater, FL	20,605	86,272	3,481	115,909	45,106	203,590
Suburban MD	78,678	-408,477	-5,300	219,057	141,012	554,150
Suburban VA	-49,928	219,642	231,507	150,018	-479,132	758,192
Syracuse, NY	95,115	281,829	305,209	122,996	15,284	103,598
Tampa, FL	33,336	-16,993	31,023	280,859	438,047	372,578
Tucson, AZ	-62,876	-107,434	103,691	146,992	172,875	158,238
Tulsa, OK	-62,876	-107,434	103,691	113,348	-173,250	n/a
Washington, DC	608,427	492,014	281,776	501,971	4,297	1,222,176
Westchester County, NY	120,738	-202,651	-217,589	-119,167	-82,808	366,163

p = preliminary

Vacancy Rate (All Classes)	Overall				Overall	Direct
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016p	
United States	14.2%	13.9%	13.7%	13.5%	13.5%	12.6%
Northeast	13.3%	12.9%	12.7%	12.6%	12.7%	11.7%
Midwest	16.2%	16.2%	16.1%	15.7%	15.4%	14.4%
South	14.5%	14.4%	14.3%	14.1%	14.4%	13.8%
West	13.4%	12.9%	12.4%	12.2%	11.8%	11.0%

U.S. Office Report Markets	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Overall	Direct
Atlanta, GA	17.6%	17.2%	16.8%	16.2%	16.2%	15.3%
Austin, TX	8.7%	9.7%	9.0%	9.1%	8.5%	7.3%
Baltimore, MD	14.0%	13.9%	13.5%	12.8%	14.6%	14.6%
Binghamton, NY	10.4%	10.3%	10.4%	10.2%	10.2%	7.2%
Birmingham, AL	14.0%	14.5%	14.7%	13.6%	13.8%	11.4%
Boston, MA	10.5%	9.9%	9.3%	10.0%	9.6%	8.8%
Buffalo, NY	18.8%	19.1%	18.2%	18.2%	18.6%	17.8%
Charleston, SC	6.9%	6.7%	8.1%	7.7%	7.8%	7.7%
Charlotte, NC	9.6%	9.4%	9.0%	8.7%	8.1%	7.9%
Chicago, IL	15.3%	15.6%	15.7%	15.1%	14.9%	14.0%
Cincinnati, OH	23.7%	23.6%	23.1%	22.1%	20.6%	19.3%
Cleveland, OH	11.9%	11.6%	11.9%	11.5%	12.0%	11.9%
Colorado Springs, CO	23.0%	22.6%	22.0%	20.6%	19.9%	18.4%
Columbus, OH	14.3%	15.8%	15.4%	14.4%	14.2%	12.8%
Dallas/Fort Worth, TX	16.6%	16.4%	16.5%	16.3%	16.0%	15.5%
Dayton, OH	26.3%	25.7%	25.4%	25.1%	25.6%	24.8%
Denver, CO	12.7%	12.6%	12.0%	12.8%	11.3%	10.6%
Detroit, MI	18.7%	18.5%	18.1%	17.9%	17.3%	18.5%
East Bay, CA	13.2%	12.2%	11.2%	9.9%	9.8%	9.1%
El Paso, TX	7.3%	7.3%	6.7%	6.7%	6.7%	6.5%
Fairfield County, CT	21.3%	20.9%	21.2%	20.6%	20.7%	18.9%
Fort Myers/Naples, FL	12.2%	11.6%	11.2%	10.7%	10.1%	9.9%
Fredericksburg, VA	14.4%	13.3%	13.9%	14.4%	14.6%	14.2%
Ft. Lauderdale, FL	12.4%	12.1%	13.5%	11.7%	14.7%	14.1%
Greenville, SC	9.2%	8.6%	8.5%	9.0%	8.9%	8.7%
Hampton Roads, VA	11.9%	12.1%	11.3%	11.4%	11.5%	11.4%
Hartford, CT	20.2%	19.9%	19.8%	19.9%	17.9%	17.3%
Houston, TX	13.7%	14.6%	15.9%	16.8%	16.8%	14.7%
Indianapolis, IN	19.2%	19.1%	19.1%	19.0%	15.6%	15.2%
Inland Empire CA	16.7%	16.7%	16.4%	16.1%	15.8%	15.1%
Jacksonville, FL	18.5%	18.5%	18.1%	16.4%	17.5%	17.1%
Kansas City, MO	17.6%	17.8%	18.0%	17.9%	17.7%	16.2%
Las Vegas, NV	25.7%	25.4%	25.7%	25.5%	18.3%	17.4%
Long Island, NY	17.0%	17.1%	16.6%	17.1%	16.6%	14.7%
Los Angeles CBD	20.8%	19.8%	19.5%	19.6%	18.0%	17.9%
Los Angeles Metro	15.3%	14.7%	14.4%	13.6%	13.7%	13.1%
Louisville, KY	13.7%	13.0%	12.9%	12.1%	11.7%	11.5%
Memphis, TN	21.7%	21.7%	21.8%	20.6%	21.6%	20.3%
Miami, FL	14.4%	13.6%	12.6%	12.2%	16.4%	15.8%
Milwaukee, WI	18.8%	20.0%	18.4%	18.4%	18.2%	17.6%

Vacancy Rate (All Classes)	Overall				Overall	Direct
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016p	
Minneapolis/St. Paul, MN	17.3%	17.4%	17.2%	16.9%	17.0%	16.0%
Nashville, TN	8.8%	8.1%	7.5%	6.9%	6.9%	6.9%
New Haven, CT	15.7%	15.3%	14.9%	15.8%	15.2%	14.3%
New Jersey - Central	18.5%	17.6%	16.9%	16.7%	16.6%	15.5%
New Jersey - Northern	21.3%	20.5%	20.5%	20.2%	20.4%	18.8%
New Orleans, LA	10.4%	10.8%	11.0%	10.7%	10.9%	10.8%
New York - Brooklyn	3.8%	6.2%	6.1%	6.7%	8.0%	7.6%
New York - Downtown	10.4%	10.3%	10.3%	9.4%	10.2%	9.5%
New York - Midtown	9.4%	8.9%	9.3%	8.8%	9.3%	7.9%
New York - Midtown South	7.0%	6.2%	5.8%	6.2%	6.3%	5.1%
Oklahoma City, OK	12.1%	12.6%	12.1%	12.1%	13.0%	11.6%
Omaha, NE	12.2%	11.9%	12.4%	12.7%	12.7%	12.6%
Orange County, CA	13.1%	12.7%	12.0%	11.5%	11.9%	11.4%
Orlando, FL	16.5%	15.5%	14.4%	13.6%	16.5%	15.5%
Palm Beach, FL	17.9%	17.5%	17.9%	17.4%	17.2%	16.7%
Philadelphia, PA	15.3%	14.7%	13.6%	13.1%	13.3%	12.9%
Phoenix, AZ	19.4%	19.3%	18.9%	18.7%	18.2%	17.5%
Pittsburgh, PA	8.8%	9.1%	9.6%	10.1%	10.0%	9.7%
Portland, OR	10.9%	10.9%	10.8%	10.3%	10.8%	10.3%
Providence, RI	13.4%	13.3%	13.1%	12.8%	13.0%	12.9%
Puget Sound - Eastside	10.0%	8.6%	9.7%	10.2%	9.7%	8.4%
Raleigh/Durham, NC	11.1%	10.6%	10.3%	9.4%	9.7%	8.7%
Richmond, VA	9.6%	9.3%	9.4%	9.5%	9.3%	9.1%
Roanoke, VA	9.0%	8.5%	8.4%	8.4%	9.6%	9.4%
Rochester, NY	16.5%	16.0%	16.3%	15.6%	16.3%	16.3%
Sacramento, CA	13.8%	13.8%	13.6%	12.7%	13.0%	12.8%
Salt Lake City, UT	11.9%	12.0%	11.5%	11.4%	11.8%	10.3%
San Antonio, TX	15.1%	14.7%	15.1%	14.5%	15.1%	14.9%
San Diego, CA	15.8%	15.9%	16.2%	15.6%	15.6%	13.4%
San Francisco North Bay, CA	14.3%	13.4%	11.5%	11.3%	10.7%	9.9%
San Francisco, CA	6.4%	6.4%	6.0%	5.9%	5.7%	4.6%
San Juan, PR	15.4%	14.2%	14.3%	15.4%	15.1%	15.1%
San Mateo County, CA	9.3%	9.1%	8.2%	8.0%	7.7%	5.9%
San Jose (Silicon Valley), CA	10.0%	9.0%	8.3%	8.3%	8.3%	7.3%
Savannah, GA	17.5%	18.1%	18.1%	17.9%	17.9%	17.9%
Seattle, WA	12.0%	9.6%	8.4%	9.4%	9.5%	8.3%
Southern New Hampshire	18.8%	18.3%	17.8%	17.0%	17.4%	16.4%
St. Louis, MO	14.8%	14.3%	14.1%	13.7%	13.2%	12.8%
St. Petersburg/Clearwater, FL	17.8%	17.0%	17.0%	15.9%	16.1%	16.0%
Suburban MD	21.3%	22.1%	21.6%	21.0%	20.8%	19.7%
Suburban VA	21.7%	21.2%	21.1%	21.2%	21.4%	20.1%
Syracuse, NY	16.0%	16.3%	16.5%	14.4%	14.4%	13.9%
Tampa, FL	15.2%	14.4%	13.7%	12.4%	11.1%	10.6%
Tucson, AZ	12.5%	12.5%	12.6%	12.2%	11.8%	11.6%
Tulsa, OK	16.1%	16.0%	16.3%	18.3%	19.5%	17.7%
Washington, DC	12.6%	12.0%	12.1%	11.6%	11.8%	11.1%
Westchester County, NY	19.6%	20.0%	20.4%	20.7%	20.9%	18.7%

p = preliminary

Weighted Average Asking Rent	Overall (All Classes)				Overall (All Classes)	Class A
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	
United States	\$27.27	\$27.42	\$27.90	\$28.10	\$28.45	\$35.61
Northeast	\$35.76	\$35.83	\$36.32	\$36.13	\$36.66	\$43.08
Midwest	\$20.52	\$20.75	\$20.97	\$21.07	\$21.20	\$26.34
South	\$25.13	\$25.26	\$25.61	\$25.84	\$26.00	\$32.09
West	\$27.54	\$27.93	\$28.92	\$29.39	\$29.90	\$38.18

U.S. Office Report Markets	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Overall	Class A
Atlanta, GA	\$21.91	\$22.02	\$22.27	\$22.23	\$22.44	\$26.09
Austin, TX	\$32.78	\$32.83	\$33.02	\$33.37	\$33.52	\$36.73
Baltimore, MD	\$22.82	\$22.64	\$23.32	\$22.79	\$22.53	\$25.46
Binghamton, NY	\$14.12	\$14.00	\$14.01	\$13.75	\$13.75	\$13.75
Birmingham, AL	\$18.52	\$18.58	\$18.43	\$18.44	\$18.82	\$20.79
Boston, MA	\$32.13	\$32.13	\$32.60	\$32.91	\$32.68	\$38.44
Buffalo, NY	\$17.34	\$17.34	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$21.16	\$20.53	\$21.12	\$19.96	\$19.88	\$25.57
Charlotte, NC	\$21.15	\$21.64	\$22.09	\$21.99	\$22.13	\$26.48
Chicago, IL	\$27.77	\$28.16	\$28.62	\$28.60	\$28.68	\$31.67
Cincinnati, OH	\$17.50	\$17.46	\$17.94	\$17.82	\$17.74	\$21.71
Cleveland, OH	\$16.49	\$16.53	\$16.57	\$16.79	\$16.91	\$21.33
Colorado Springs, CO	\$12.96	\$12.84	\$12.89	\$12.92	\$13.37	\$13.97
Columbus, OH	\$20.10	\$20.33	\$20.41	\$20.40	\$20.41	\$22.53
Dallas/Fort Worth, TX	\$21.65	\$22.22	\$22.76	\$24.15	\$25.44	\$31.20
Dayton, OH	\$15.36	\$15.41	\$15.44	\$15.40	\$15.04	\$19.38
Denver, CO	\$22.96	\$23.17	\$23.59	\$23.78	\$24.56	\$29.43
Detroit, MI	\$15.66	\$15.93	\$15.92	\$15.93	\$15.90	\$19.18
East Bay, CA	\$22.45	\$23.36	\$23.82	\$24.16	\$25.12	\$33.00
El Paso, TX	\$14.89	\$14.75	\$15.00	\$15.00	\$15.00	\$16.00
Fairfield County, CT	\$36.02	\$35.20	\$35.62	\$35.32	\$34.37	\$37.32
Fort Myers/Naples, FL	\$15.75	\$15.73	\$16.18	\$16.38	\$16.27	\$21.51
Fredericksburg, VA	\$22.72	\$22.56	\$22.71	\$20.04	\$20.09	\$23.58
Ft. Lauderdale, FL	\$26.94	\$26.61	\$26.68	\$26.27	\$26.69	\$33.93
Greenville, SC	\$16.17	\$16.18	\$16.57	\$16.57	\$16.26	\$22.06
Hampton Roads, VA	\$17.52	\$17.39	\$17.33	\$17.18	\$17.09	\$20.46
Hartford, CT	\$20.16	\$20.10	\$20.26	\$20.34	\$20.75	\$22.36
Houston, TX	\$27.58	\$27.70	\$28.37	\$29.17	\$28.37	\$37.92
Indianapolis, IN	\$18.07	\$18.11	\$18.10	\$18.13	\$17.54	\$20.03
Inland Empire CA	\$20.87	\$20.98	\$21.08	\$21.00	\$21.24	\$24.36
Jacksonville, FL	\$17.64	\$17.78	\$17.84	\$17.94	\$18.11	\$21.16
Kansas City, MO	\$18.51	\$18.63	\$18.69	\$18.61	\$18.79	\$22.50
Las Vegas, NV	\$22.44	\$22.59	\$22.72	\$22.78	\$23.14	\$30.94
Long Island, NY	\$29.30	\$29.73	\$29.82	\$29.54	\$29.66	\$33.21
Los Angeles CBD	\$38.50	\$38.78	\$38.72	\$38.68	\$39.27	\$39.89
Los Angeles Metro	\$31.43	\$31.87	\$32.73	\$33.02	\$33.73	\$37.63
Louisville, KY	\$16.78	\$16.85	\$16.82	\$16.51	\$16.57	\$20.86
Memphis, TN	\$17.32	\$17.42	\$17.51	\$17.75	\$17.69	\$21.13
Miami, FL	\$32.13	\$33.10	\$33.66	\$34.20	\$35.92	\$41.78
Milwaukee, WI	\$18.68	\$18.68	\$19.00	\$19.00	\$19.00	\$21.25

Weighted Average Asking Rent	Overall (All Classes)				Overall (All Classes)	Class A
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	
Minneapolis/St. Paul, MN	\$22.73	\$22.74	\$22.79	\$23.91	\$23.86	\$28.37
Nashville, TN	\$21.33	\$21.46	\$21.98	\$22.39	\$21.62	\$25.30
New Haven, CT	\$19.09	\$19.06	\$19.15	\$19.84	\$20.59	\$22.30
New Jersey - Central	\$24.18	\$24.55	\$24.30	\$24.34	\$24.20	\$27.67
New Jersey - Northern	\$26.51	\$26.85	\$27.16	\$27.24	\$27.34	\$30.44
New Orleans, LA	\$16.51	\$16.44	\$16.41	\$16.45	\$16.67	\$18.71
New York - Brooklyn	\$37.84	\$39.03	\$39.55	\$39.24	\$37.30	\$40.05
New York - Downtown	\$57.58	\$58.25	\$57.92	\$59.58	\$59.28	\$62.13
New York - Midtown	\$75.44	\$76.45	\$77.04	\$76.65	\$78.42	\$83.54
New York - Midtown South	\$63.28	\$66.86	\$67.05	\$69.66	\$68.58	\$74.83
Oklahoma City, OK	\$15.80	\$15.73	\$16.13	\$17.04	\$16.44	\$20.32
Omaha, NE	\$15.80	\$15.73	\$16.13	\$17.04	\$18.59	\$20.40
Orange County, CA	\$25.58	\$26.13	\$26.22	\$25.74	\$25.92	\$31.20
Orlando, FL	\$20.67	\$20.85	\$20.85	\$20.94	\$20.69	\$23.49
Palm Beach, FL	\$28.12	\$28.42	\$28.21	\$28.70	\$31.42	\$32.27
Philadelphia, PA	\$24.41	\$24.39	\$24.39	\$24.55	\$24.73	\$26.64
Phoenix, AZ	\$21.86	\$22.21	\$22.69	\$23.09	\$23.29	\$27.59
Pittsburgh, PA	\$20.33	\$20.47	\$18.66	\$19.70	\$18.07	\$24.72
Portland, OR	\$23.16	\$23.65	\$23.90	\$24.04	\$24.77	\$28.07
Providence, RI	\$18.28	\$18.31	\$18.36	\$18.36	\$18.31	\$23.95
Puget Sound - Eastside	\$30.06	\$29.25	\$32.40	\$33.17	\$33.20	\$36.83
Raleigh/Durham, NC	\$21.06	\$21.34	\$21.39	\$21.49	\$21.67	\$23.99
Richmond, VA	\$18.16	\$18.15	\$18.67	\$17.92	\$17.86	\$20.28
Roanoke, VA	\$14.66	\$13.79	\$13.99	\$13.69	\$13.75	\$20.70
Rochester, NY	\$18.53	\$19.75	\$19.75	\$19.75	\$19.75	\$21.94
Sacramento, CA	\$20.72	\$20.79	\$20.94	\$21.02	\$21.01	\$25.55
Salt Lake City, UT	\$21.80	\$22.15	\$22.38	\$22.48	\$22.85	\$28.00
San Antonio, TX	\$19.78	\$19.87	\$20.82	\$20.33	\$20.28	\$23.69
San Diego, CA	\$29.28	\$30.84	\$31.68	\$33.00	\$33.24	\$39.12
San Francisco North Bay, CA	\$24.92	\$25.10	\$25.04	\$25.04	\$25.70	\$30.98
San Francisco, CA	\$60.87	\$63.39	\$66.71	\$68.14	\$68.44	\$70.33
San Juan, PR	\$17.29	\$18.79	\$18.77	\$18.49	\$18.49	\$20.38
San Mateo County, CA	\$46.34	\$47.51	\$50.53	\$49.70	\$55.55	\$58.70
San Jose (Silicon Valley), CA	\$31.70	\$31.79	\$35.69	\$37.46	\$38.95	\$51.24
Savannah, GA	\$19.02	\$19.03	\$19.03	\$19.06	\$19.06	\$22.63
Seattle, WA	\$28.74	\$28.27	\$32.27	\$32.90	\$32.08	\$36.13
Southern New Hampshire	\$17.48	\$17.58	\$17.55	\$17.48	\$17.87	\$18.63
St. Louis, MO	\$18.99	\$19.05	\$18.96	\$19.15	\$19.57	\$22.59
St. Petersburg/Clearwater, FL	\$18.76	\$18.90	\$19.08	\$19.21	\$19.16	\$21.04
Suburban MD	\$26.72	\$26.87	\$26.78	\$26.26	\$26.91	\$30.63
Suburban VA	\$33.24	\$33.07	\$33.21	\$32.77	\$32.14	\$34.69
Syracuse, NY	\$15.71	\$15.78	\$15.70	\$14.73	\$14.48	\$15.48
Tampa, FL	\$22.54	\$22.61	\$22.71	\$22.79	\$22.88	\$27.32
Tucson, AZ	\$18.17	\$18.19	\$18.38	\$18.93	\$18.88	\$24.77
Tulsa, OK	\$13.64	\$13.64	\$13.41	\$13.46	\$13.42	\$18.21
Washington, DC	\$51.08	\$51.18	\$51.01	\$51.68	\$51.63	\$59.16
Westchester County, NY	\$29.81	\$29.73	\$30.17	\$29.81	\$29.81	\$30.42

p = preliminary

Inventory	Inventory	Deliveries YTD	Under Construction as of Q1 2016p
United States	5,149,466,233	9,736,335	95,183,125
Northeast	1,214,719,162	1,195,876	23,061,678
Midwest	804,707,855	1,939,249	9,053,398
South	1,735,781,539	4,401,443	30,269,452
West	1,394,257,677	2,199,767	32,798,597

U.S. Office Report Markets	Inventory	Deliveries YTD	Under Construction as of Q1 2016p
Atlanta, GA	139,099,383	43,777	1,589,500
Austin, TX	49,861,728	565,438	1,694,831
Baltimore, MD	78,715,765	437,770	1,867,476
Binghamton, NY	4,268,217	0	113,200
Birmingham, AL	18,616,567	0	150,000
Boston, MA	156,195,828	536,000	3,300,420
Buffalo, NY	21,812,469	0	394,000
Charleston, SC	23,259,866	43,384	333,626
Charlotte, NC	101,322,082	25,000	2,817,387
Chicago, IL	226,774,846	0	2,273,333
Cincinnati, OH	33,713,588	370,000	140,500
Cleveland, OH	144,107,985	0	794,972
Colorado Springs, CO	8,962,518	0	185,000
Columbus, OH	27,788,212	0	1,590,000
Dallas/Fort Worth, TX	215,036,427	1,355,324	6,523,553
Dayton, OH	14,258,955	0	0
Denver, CO	108,867,352	0	2,093,934
Detroit, MI	109,473,107	0	0
East Bay, CA	110,512,204	0	0
El Paso, TX	17,429,811	110,000	4,000
Fairfield County, CT	41,499,513	0	0
Fort Myers/Naples, FL	28,569,264	0	149,412
Fredericksburg, VA	8,816,806	7,000	0
Ft. Lauderdale, FL	28,226,624	0	0
Greenville, SC	23,748,592	0	212,000
Hampton Roads, VA	39,302,149	23,360	164,100
Hartford, CT	24,423,784	0	0
Houston, TX	181,984,462	751,790	3,367,302
Indianapolis, IN	28,550,434	0	424,500
Inland Empire CA	21,611,821	0	0
Jacksonville, FL	24,812,526	24,000	62,751
Kansas City, MO	49,819,799	11,232	1,146,160
Las Vegas, NV	43,633,403	0	231,555
Long Island, NY	34,097,497	0	232,917
Los Angeles CBD	27,076,998	0	356,141
Los Angeles Metro	169,344,331	0	1,596,342
Louisville, KY	19,992,491	0	368,359
Memphis, TN	19,796,094	0	52,000
Miami, FL	40,332,000	263,892	593,799
Milwaukee, WI	28,221,156	358,017	1,321,000
Minneapolis/St. Paul, MN	71,720,514	1,200,000	560,000
Nashville, TN	34,679,923	80,000	2,867,342
New Haven, CT	10,629,286	0	0

Inventory	Inventory	Deliveries YTD	Under Construction as of Q1 2016p
New Jersey - Central	79,645,047	0	1,235,000
New Jersey - Northern	110,048,135	36,432	185,000
New Orleans, LA	30,115,985	0	0
New York - Brooklyn	27,680,898	0	2,452,650
New York - Downtown	87,679,022	0	2,491,861
New York - Midtown	240,405,721	147,954	9,298,492
New York - Midtown South	66,650,951	77,000	243,283
Oklahoma City, OK	21,196,164	0	445,192
Omaha, NE	21,293,045	0	358,933
Orange County, CA	87,349,907	477,387	1,658,424
Orlando, FL	37,733,993	18,000	269,000
Palm Beach, FL	26,308,363	0	0
Philadelphia, PA	128,870,903	0	1,961,890
Phoenix, AZ	98,504,635	291,049	2,709,754
Pittsburgh, PA	90,100,628	398,490	281,781
Portland, OR	44,001,609	112,682	1,429,524
Providence, RI	18,901,000	0	386,000
Puget Sound - Eastside	34,421,018	180,000	1,148,000
Raleigh/Durham, NC	50,073,117	0	1,159,094
Richmond, VA	51,272,130	0	458,378
Roanoke, VA	16,034,626	6,000	66,500
Rochester, NY	14,069,668	0	150,000
Sacramento, CA	86,326,132	13,199	275,649
Salt Lake City, UT	34,144,663	148,060	2,150,993
San Antonio, TX	30,306,705	72,600	395,190
San Diego, CA	73,457,824	448,145	1,555,307
San Francisco North Bay, CA	21,768,186	128,000	0
San Francisco, CA	76,206,312	450,209	3,897,743
San Juan, PR	10,408,067	0	0
San Mateo County, CA	53,203,960	349,047	749,813
San Jose (Silicon Valley), CA	208,801,400	521,607	6,965,412
Savannah, GA	3,381,128	0	0
Seattle, WA	60,788,421	0	5,455,610
Southern New Hampshire	12,998,019	0	76,684
St. Louis, MO	48,986,214	0	444,000
St. Petersburg/Clearwater, FL	12,490,635	0	0
Suburban MD	56,647,416	135,000	99,000
Suburban VA	130,440,659	160,000	3,618,289
Syracuse, NY	15,839,325	0	258,500
Tampa, FL	31,945,174	0	175,998
Tucson, AZ	25,274,983	108,950	0
Tulsa, OK	24,694,207	0	524,250
Washington, DC	109,130,610	469,108	3,032,465
Westchester County, NY	28,903,251	0	0

p = preliminary

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. 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.

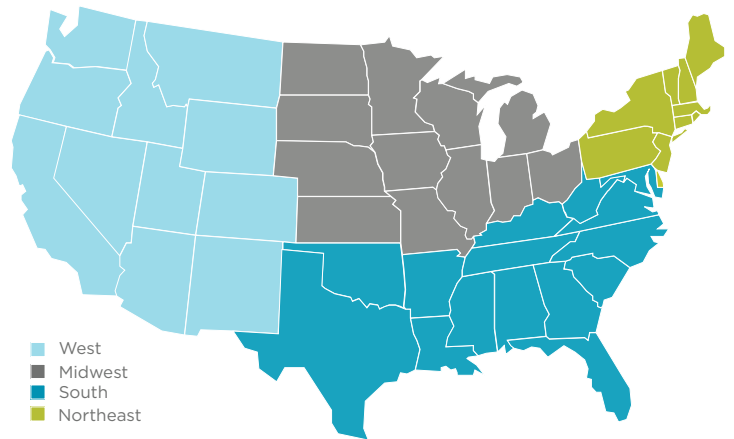
Methodology

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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