

MARKETBEAT

U.S. Office

Q4 2018



U.S. OFFICE

Employment Indicators

	Q4 17	Q4 18	12-Month Forecast
Total Nonfarm Employment	147.4M	149.9M	▲
Office-using Employment	31.8M	32.4M	▲
Unemployment	4.1%	3.7%	▼

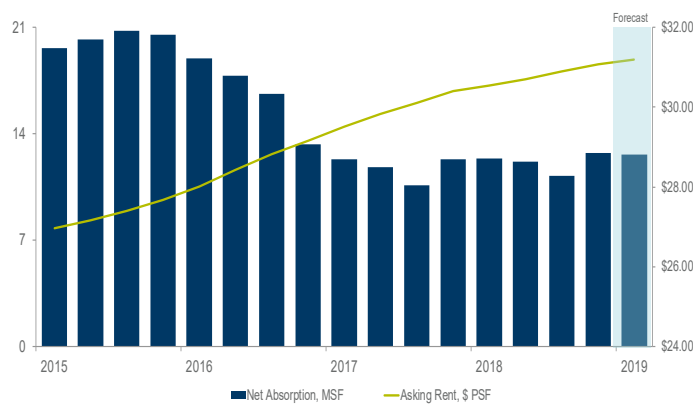
Source: BLS

Market Indicators (Overall)

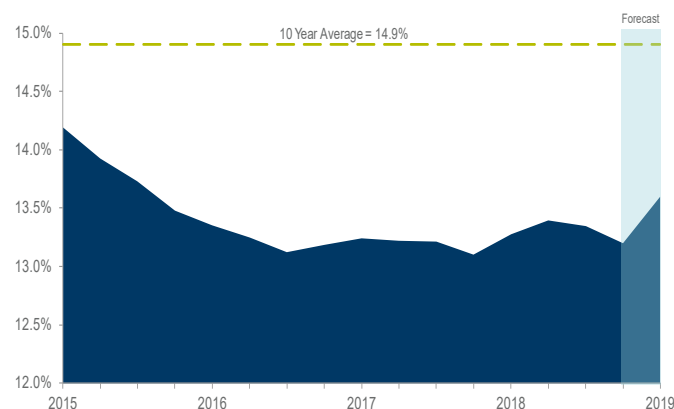
	Q4 17	Q4 18	12-Month Forecast
Vacancy Rate	13.1%	13.2%	▲
Net Absorption	13.8M	20.0M	▼
Under Construction	103.0M	114.2M	▼
Weighted Asking Rent (FS)	\$30.59	\$31.45	▲
Rent Growth (Yr/Yr % Chg.)	4.2%	2.2%	▼

Office: Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Office: Overall Vacancy



Source: Cushman & Wakefield Research

U.S. Office Market Was Driven by the Tech Sector in the Fourth Quarter of 2018

U.S. office markets remained active in the fourth quarter of 2018 with new leasing volume totaling 74.7 million square feet (msf). Although this was slightly less than the 80.2 msf of new leasing recorded in the third quarter of the year, it was greater than the 73.4 msf recorded in the fourth quarter of 2017. New leasing volume for 2018 was 311.9 msf, only slightly lower than the cyclical high of 314.8 msf in 2017. In the fourth quarter the tech sector accounted for slightly more than one-third (34.4%) of the leasing volume, well ahead of the 18.8% share secured by the financial services sector. The real estate sector captured the third largest share of leasing volume in the fourth quarter—approximately 5.6%—largely a reflection of the co-working sector's rapid growth. For all of 2018, tech leases accounted for an estimated 29.3% of activity, followed by financial services at 20.7% and real estate at 6.3%.

The importance of the tech sector is evident in the geographic distribution of leasing activity. Cities with strong local technology sectors were among those boasting the highest leasing volume. In its Tech Cities 2.0 report, Cushman & Wakefield identified 21 U.S. metropolitan areas where the technology sector is an important factor in local economies. Those metropolitan areas account for approximately 59.2% of the total inventory tracked by Cushman & Wakefield. In the fourth quarter of 2018, they captured 72.5% of the new leasing activity, and 70.7% of activity for the year.

Absorption exceeds construction completions, vacancy declines and the pipeline grows: The U.S. economy added 762,000 net new nonfarm payroll jobs during the fourth quarter of 2018, the largest number of job gains in any quarter last year. This strong employment growth led to an increase in net absorption—defined as the net change in occupied space. Net absorption nearly doubled in the fourth quarter, rising to 20.0 msf from 11.0 msf in the third quarter, and the highest level since the fourth quarter of 2015. On the supply side, 13.7 msf of new office space was completed and delivered to the market during the fourth quarter, up from 9.8 msf in the third quarter. With demand for space (absorption) exceeding new supply, the national vacancy rate declined slightly, from 13.4% in the third quarter of 2018 to 13.2% in the fourth quarter. However, that vacancy rate was still slightly higher than the 13.1% vacancy rate recorded a year ago. In fact, the U.S. vacancy rate has remained relatively flat for the past three years, hovering in a narrow range between 13.1% and 13.4% since the first quarter of 2016. Over those three years a total of 157.2 msf was absorbed while 159.4 msf was completed. This balance between absorption and construction completions has held the vacancy rate flat.

Despite the increase in new construction completions, the amount of space under construction in the U.S. continued to rise. At the end of 2018, 114.2 msf was under construction in the U.S., up from 103.0 msf at the end of 2017. That is the highest volume in the current cycle, representing 2.1% of the total inventory of the U.S., the largest share in the current cycle. Much of this new construction is in cities and markets where demand is strong. In fact, the 15 markets with the highest volume of space under construction were also among the strongest markets for net absorption during 2018. At the end of the year, the top 15 new construction markets accounted for 66.7 msf—or 58.3%—of the national construction pipeline.

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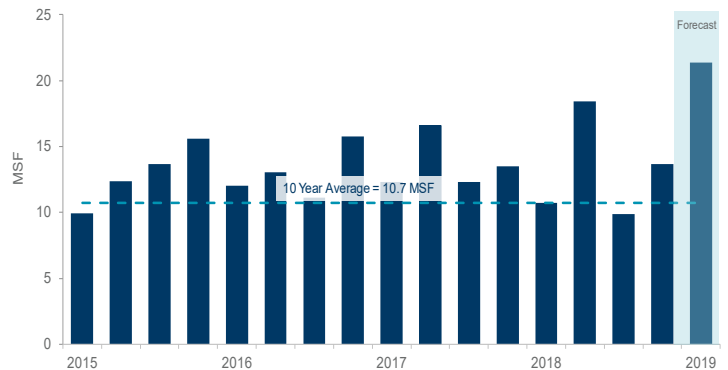
These same markets accounted for 29.5 msf—or 54.8%—of net absorption during the year. Markets where the construction pipeline represents a significant share of existing inventory include San Mateo County CA (8.0%), Austin TX (7.8%), Nashville TN (7.6%), Seattle WA (6.8%) and Midtown Manhattan (6.0%).

Tech markets tighten: Given these leasing and absorption data, it is not surprising that the markets with the lowest vacancy were also a “Who’s Who” of tech-driven regions. Among major markets, those with the lowest vacancy rate were Puget Sound-Eastside (Seattle) with a 6.2% vacancy rate, San Francisco (6.4%), Midtown South Manhattan (7.2%), Charlotte, NC (7.6%) and Raleigh/Durham, NC (7.7%). But the low vacancy environment was not limited to a few tech markets. In the fourth quarter of 2018, 29 markets registered vacancy rates below 10%—the highest number of sub-10% vacancy rate markets since the end of 2000.

Rents rise, but the pace slows: The average asking rent for office space in the U.S. increased to a record \$31.45 per square foot (psf) in the fourth quarter of 2018. While average asking rent was 2.2% higher than a year ago, it was the smallest year-over-year increase since 2014 when rents rose only 2.0%. Fifty markets recorded an increase in asking rents from the third to the fourth quarter of 2018, the smallest number of quarter-over-quarter increases since the first quarter of 2018.

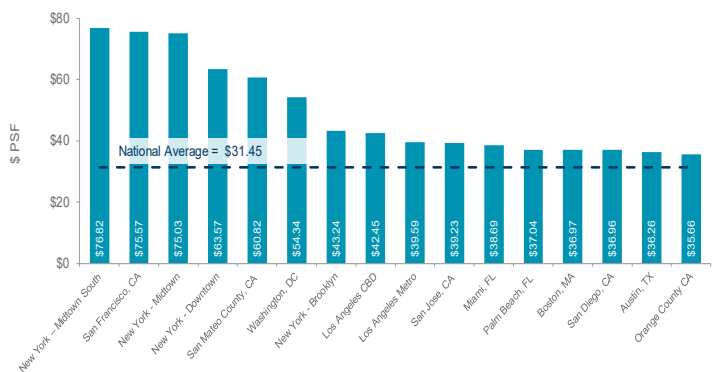
Among major markets, the largest year-over-year rent growth was in Orange County CA—average asking rents in that market rose 12.1%. The second-fastest growth was in Midtown South/Manhattan (+11.5%), followed by San Francisco/North Bay (+9.5%), Raleigh/Durham (+9.1%) and Portland OR (+7.7%). For a second consecutive quarter Midtown South/Manhattan boasted the highest average asking rent—a weighted average of \$76.82 psf. Following was San Francisco at \$75.57 psf, Midtown Manhattan (\$75.03 psf), Downtown Manhattan (\$63.57 psf) and San Mateo County CA (\$60.82 psf).

Office: New Supply



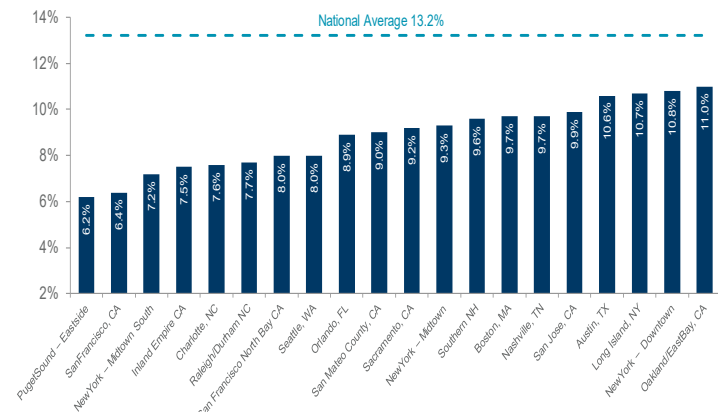
Source: Cushman & Wakefield Research

Office: Asking Rent by Market Highest Priced U.S. Markets



Source: Cushman & Wakefield Research

Office: Vacancy by Market Select Markets in the U.S.



Source: Cushman & Wakefield Research

Looking Ahead

The U.S. economy accelerated in 2018 fueled by tax cuts, rising optimism and synchronized global growth. This led to faster job growth and greater demand for office space as absorption increased. At the center of this growth was the tech sector which dominated new leasing. Tech-driven markets also experienced strong absorption during the year. Offsetting the impact of strong demand growth was rising new construction: 52.7 msf of new office space was completed in 2018—a fourth consecutive year during which completions topped 50.0 msf. The pipeline continues to build, reaching a cyclical high of 114 msf. This new supply will weigh on markets during 2019. While Cushman & Wakefield expects continuing job growth, the overall trend in vacancy is expected to be flat. That will create pockets of opportunity for occupiers in some markets across the U.S. this year where the supply/demand balance is tilted more toward tenants. Overall, 2019 is expected to be another year of balanced growth in both supply and demand.

Demand Indicators (Overall)	Net Absorption					Leasing Activity**	
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p	
United States	13,849,881	7,986,723	14,815,061	10,967,950	19,962,916	381,613,730	
Northeast	3,370,397	265,018	4,924,632	3,175,502	5,089,338	91,829,836	
Midwest	566,234	1,032,599	2,095,426	522,205	2,436,889	45,006,275	
South	3,793,716	115,183	2,795,455	1,790,705	6,869,380	107,840,769	
West	6,119,534	6,573,923	4,999,548	5,479,538	5,567,309	136,936,850	

U.S. Office Market Reports	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Atlanta, GA	905,671	482,191	89,712	-261,207	755,561	12,092,543
Austin, TX	-90,292	-86,161	-64,368	306,487	368,237	6,820,256
Baltimore, MD	63,522	-48,425	301,945	164,112	575,384	2,237,006
Binghamton, NY	29,482	8,358	7,353	8,955	32,272	62,083
Birmingham, AL	-271,466	-387,710	-292,771	38,965	89,026	887,400
Boston, MA	1,714,728	789,664	941,612	406,307	648,484	14,835,950
Buffalo, NY	180,711	118,058	-36,832	85,402	67,165	825,652
Charleston, SC	-31,793	83,627	382,982	-196,512	114,905	846,496
Charlotte, NC	-277,551	120,129	-133,684	764,464	712,520	3,466,337
Chicago, IL	-87,431	375,861	521,090	-527,647	485,721	19,088,075
Cincinnati, OH	6,132	-688,648	1,471	6,195	-27,870	1,632,570
Cleveland, OH	-33,348	652,292	-132,832	370,957	489,376	1,478,727
Colorado Springs, CO	41,005	-7,799	33,513	213,379	25,815	1,101,348
Columbus, OH	121,938	74,995	356,075	-245,428	238,716	1,662,328
Dallas/Fort Worth, TX	651,472	463,512	758,161	-235,488	519,116	10,489,562
Dayton, OH	34,949	26,733	47,703	-4,415	13,368	478,495
Denver, CO	276,809	108,343	1,420,416	884,176	300,795	12,376,523
Detroit, MI	-149,900	-23,504	297,216	522,848	401,123	3,593,693
El Paso, TX	206,180	174,753	171,857	117,053	317,200	331,756
Fairfield County, CT	158,904	-444,060	425,403	-626,483	-433,700	3,353,129
Fort Myers/Naples, FL	5,296	-88,290	-108,726	56,437	34,437	958,763
Fredericksburg, VA	-41,100	-1,039	25,319	-66,929	12,514	256,657
Ft. Lauderdale, FL	192,477	83,852	-92,109	22,571	-52,844	2,337,029
Greenville, SC	-29,702	63,980	-88,102	77,102	-43,267	553,766
Hampton Roads, VA	182,887	218,483	194,768	-458,431	57,116	1,112,329
Hartford, CT	-22,471	66,356	-180,443	-32,143	113,825	1,515,472
Houston, TX	-76,018	-1,595,091	-729,169	403,426	1,730,319	13,914,400
Indianapolis, IN	106,407	21,164	148,105	32,059	144,335	2,878,933
Inland Empire CA	63,707	20,591	111,838	59,723	52,156	1,233,329
Jacksonville, FL	-177,795	26,678	43,424	170,171	-145,545	1,484,634
Kansas City, MO	12,877	391,484	291,917	136,082	-18,375	5,042,654
Las Vegas, NV	753,700	531,433	194,925	-320,868	167,055	2,646,384
Long Island, NY	635,282	-155,834	348,898	432,891	-99,580	1,287,723
Los Angeles CBD	125,536	100,825	259,229	158,952	361,710	2,216,429
Los Angeles Metro	324,649	41,751	588,956	561,367	926,389	14,452,526
Louisville, KY	56,968	-12,944	41,464	242,750	41,622	905,348
Memphis, TN	45,706	115,130	21,427	215,645	100,214	883,564
Miami, FL	149,150	517,999	272,523	-84,811	92,445	3,071,809
Milwaukee, WI	6,799	209,598	111,563	18,087	13,851	1,186,070
Minneapolis/St. Paul, MN	372,274	-163,970	437,958	-30,768	296,227	3,635,117

Demand Indicators (Overall)	Net Absorption					Leasing Activity**
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Nashville, TN	-31,019	-72,654	158,854	75,668	71,024	2,324,658
New Haven, CT	-420,840	-28,419	-11,991	96,508	-110,000	419,181
New Jersey - Central	-200,094	-452,358	476,621	-154,026	537,844	4,991,706
New Jersey - Northern	-679,405	-581,449	-57,951	561,162	370,423	6,623,405
New Orleans, LA	-153,754	-69,504	51,339	-90,201	18,875	357,024
New York - Brooklyn	452,500	233,807	-145,636	-505,871	108,773	1,152,217
New York - Downtown	161,963	84,629	876,759	-452,177	606,368	6,206,240
New York - Midtown	1,497,959	1,316,820	1,332,041	2,382,020	2,290,165	28,301,624
New York - Midtown South	551,254	272,498	858,204	219,171	616,356	7,582,878
Northern VA	1,011,923	359,647	328,468	110,109	404,533	11,472,870
Oakland/East Bay, CA*	418,281	-422,906	-175,361	419,804	224,951	9,103,788
Omaha, NE	-106,784	97,553	94,072	69,799	327,021	1,131,751
Orange County, CA	176,349	46,496	200,568	-81,668	131,191	8,164,796
Orlando, FL	165,766	-101,696	303,625	189,122	-168,210	2,713,749
Palm Beach, FL	74,486	17,790	-137,318	353	79,692	1,560,715
Philadelphia, PA	-726,020	-105,205	-319,417	271,168	1,009,196	7,590,878
Phoenix, AZ	383,458	865,326	786,100	493,857	639,948	8,117,957
Pittsburgh, PA	-72,103	-448,378	139,838	142,285	-85,436	2,915,365
Portland, OR	228,906	-167,524	294,961	-80,102	-65,276	2,325,479
Providence, RI	40,000	7,000	20,000	20,000	25,000	1,093,500
Puget Sound - Eastside	13,064	536,624	-80,388	347,223	247,205	5,314,113
Raleigh/Durham, NC	480,412	189,060	362,984	33,222	169,029	1,801,768
Richmond, VA	262,192	-277,478	230,435	131,145	6,193	2,262,230
Roanoke, VA	5,235	-85,873	-60,413	990	117,743	375,362
Rochester, NY	147,176	-307,934	180,621	142,101	-91,663	375,108
Sacramento, CA	428,813	273,859	142,513	167,273	-51,127	5,115,744
Salt Lake City, UT	543,049	50,079	287,769	76,732	869,962	2,432,492
San Antonio, TX	-128,901	-162,460	-36,626	-7,640	146,943	1,233,552
San Diego, CA	393,547	349,859	212,717	-235,062	-49,525	6,074,794
San Francisco North Bay, CA	106,126	-51,112	62,728	-46,843	115,114	1,120,851
San Francisco, CA	253,149	2,201,032	1,392,816	1,028,671	216,148	10,470,028
San Juan, PR	n/a	n/a	n/a	n/a	n/a	n/a
San Mateo County, CA	-51,390	76,484	-293,965	737,191	16,742	8,481,786
San Jose (Silicon Valley), CA*	-95,694	605,427	-760,178	852,071	1,068,450	29,641,560
Savannah, GA	38,194	n/a	98,334	n/a	-36,340	65,000
Seattle, WA	1,618,836	1,357,121	232,029	201,498	411,728	6,000,285
Southern New Hampshire	14,847	-63,798	2,340	56,833	3,879	589,870
St. Louis, MO	282,321	59,041	-78,912	174,436	73,396	3,197,862
St. Petersburg/Clearwater, FL	67,506	61,279	163,941	-62,901	43,523	805,889
Suburban MD	90,173	-101,457	456,704	-6,225	54,697	3,640,642
Syracuse, NY	17,895	-983	167,651	17,747	-57,597	784,553
Tampa, FL	214,245	70,402	153,413	-20,049	-67,575	4,361,569
Tucson, AZ	117,634	58,014	88,362	42,164	-42,122	546,638
Tulsa, OK	n/a	-107,618	-197,655	171,636	296,457	841,453
Washington, DC	233,646	265,071	124,717	-10,329	453,836	11,374,633
Westchester County, NY	-111,371	-43,754	-100,439	103,652	-462,436	1,323,302

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

Vacancy Rate (All Classes)	Overall					Direct
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
United States	13.1%	13.2%	13.4%	13.4%	13.2%	12.0%
Northeast	12.2%	12.5%	12.6%	12.6%	12.6%	11.1%
Midwest	14.5%	14.3%	14.5%	14.6%	14.3%	13.5%
South	14.0%	14.4%	14.6%	14.6%	14.5%	13.4%
West	12.0%	11.9%	11.8%	11.7%	11.4%	10.1%

U.S. Office Report Markets	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Atlanta, GA	16.5%	16.2%	16.2%	16.4%	16.2%	15.2%
Austin, TX	10.4%	10.5%	11.2%	11.4%	10.6%	8.4%
Baltimore, MD	12.7%	13.2%	13.1%	13.6%	13.4%	12.8%
Binghamton, NY	9.0%	8.9%	8.6%	8.6%	7.9%	7.9%
Birmingham, AL	12.9%	15.9%	17.1%	16.9%	16.5%	13.9%
Boston, MA	10.1%	10.0%	9.7%	9.5%	9.7%	8.5%
Buffalo, NY	17.3%	17.3%	17.4%	17.0%	16.8%	16.0%
Charleston, SC	6.3%	5.6%	5.7%	6.2%	6.2%	5.9%
Charlotte, NC	8.0%	8.1%	8.2%	7.5%	7.6%	7.2%
Chicago, IL	16.8%	17.2%	18.4%	18.8%	18.3%	16.7%
Cincinnati, OH	21.1%	21.6%	20.1%	19.9%	20.2%	19.3%
Cleveland, OH	9.6%	8.5%	8.6%	8.6%	8.2%	8.0%
Colorado Springs, CO	18.1%	10.4%	10.1%	9.7%	9.7%	9.3%
Columbus, OH	14.3%	13.7%	14.0%	14.9%	14.5%	13.1%
Dallas/Fort Worth, TX	16.7%	17.7%	18.5%	18.8%	18.5%	17.2%
Dayton, OH	21.9%	22.6%	22.1%	22.3%	22.0%	21.9%
Denver, CO	15.6%	16.3%	16.1%	15.7%	15.2%	13.9%
Detroit, MI	13.6%	13.5%	12.6%	12.4%	11.9%	11.7%
El Paso, TX	6.3%	7.2%	7.2%	7.2%	7.3%	7.1%
Fairfield County, CT	23.1%	24.2%	24.5%	24.6%	25.3%	22.1%
Fort Myers/Naples, FL	6.2%	5.8%	6.4%	5.6%	6.0%	5.8%
Fredericksburg, VA	12.4%	12.1%	11.6%	11.8%	11.6%	11.1%
Ft. Lauderdale, FL	11.6%	12.0%	11.7%	12.2%	12.8%	12.0%
Greenville, SC	7.8%	8.2%	9.3%	10.6%	8.1%	7.6%
Hampton Roads, VA	9.8%	9.6%	8.9%	9.6%	8.9%	8.8%
Hartford, CT	16.1%	16.4%	17.2%	17.3%	16.7%	14.9%
Houston, TX	20.2%	22.0%	22.4%	22.3%	21.7%	19.2%
Indianapolis, IN	14.3%	14.3%	17.2%	16.9%	15.9%	15.4%
Inland Empire CA	8.8%	8.7%	8.0%	7.8%	7.5%	7.3%
Jacksonville, FL	13.5%	13.0%	12.8%	12.6%	12.9%	12.3%
Kansas City, MO	16.3%	15.5%	14.4%	14.4%	14.4%	13.5%
Las Vegas, NV	12.3%	11.9%	11.9%	12.4%	12.4%	11.7%
Long Island, NY	12.3%	12.7%	11.7%	10.5%	10.7%	8.5%
Los Angeles CBD	21.2%	21.2%	20.3%	20.2%	18.6%	17.9%
Los Angeles Metro	14.1%	14.5%	14.6%	14.4%	13.9%	12.9%
Louisville, KY	13.2%	13.5%	13.5%	12.2%	12.6%	11.9%
Memphis, TN	20.0%	14.2%	14.4%	13.6%	13.5%	13.1%
Miami, FL	12.1%	12.1%	12.4%	12.9%	13.8%	13.0%
Milwaukee, WI	16.8%	16.2%	15.3%	15.0%	15.0%	14.6%
Minneapolis/St. Paul, MN	17.4%	17.6%	17.1%	17.5%	17.6%	16.8%

Vacancy Rates

Vacancy Rate (All Classes)	Overall					Direct
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Nashville, TN	8.5%	8.5%	8.6%	9.8%	9.7%	9.1%
New Haven, CT	14.6%	13.7%	13.4%	13.0%	13.1%	12.3%
New Jersey - Central	16.5%	17.2%	16.5%	16.7%	16.0%	13.8%
New Jersey - Northern	18.4%	19.7%	19.8%	19.2%	18.8%	17.2%
New Orleans, LA	8.8%	9.5%	9.3%	9.3%	9.6%	9.5%
New York - Brooklyn	10.5%	10.5%	11.1%	13.2%	15.2%	13.5%
New York - Downtown	8.7%	9.0%	11.3%	12.0%	10.8%	9.4%
New York - Midtown	9.5%	9.3%	9.2%	9.2%	9.3%	7.5%
New York - Midtown South	6.9%	6.5%	6.7%	7.4%	7.2%	5.6%
Northern VA	21.6%	21.1%	20.5%	20.6%	20.3%	19.2%
Oakland/East Bay, CA*	10.6%	11.0%	11.4%	11.2%	11.0%	9.3%
Omaha, NE	7.7%	6.8%	6.6%	6.8%	6.6%	6.2%
Orange County, CA	11.1%	11.6%	11.3%	11.8%	11.5%	11.0%
Orlando, FL	9.3%	9.5%	9.3%	8.6%	8.9%	8.7%
Palm Beach, FL	12.9%	14.5%	13.7%	14.0%	13.7%	13.0%
Philadelphia, PA	11.4%	12.0%	12.6%	12.5%	12.5%	11.9%
Phoenix, AZ	17.4%	16.8%	16.1%	15.6%	15.6%	14.5%
Pittsburgh, PA	10.4%	10.7%	11.0%	11.1%	10.8%	9.8%
Portland, OR	10.3%	10.5%	10.5%	11.4%	11.8%	11.2%
Providence, RI	12.0%	12.1%	12.0%	11.6%	11.4%	11.2%
Puget Sound - Eastside	8.4%	8.1%	8.1%	7.0%	6.2%	5.1%
Raleigh/Durham, NC	8.1%	8.1%	7.6%	7.4%	7.7%	7.2%
Richmond, VA	7.1%	6.7%	6.7%	6.6%	6.8%	6.4%
Roanoke, VA	6.2%	6.8%	6.8%	6.8%	6.1%	6.1%
Rochester, NY	13.3%	15.4%	14.2%	13.2%	13.8%	13.8%
Sacramento, CA	9.6%	9.6%	9.6%	9.5%	9.2%	9.1%
Salt Lake City, UT	13.9%	14.0%	13.3%	13.5%	12.4%	10.9%
San Antonio, TX	13.9%	13.9%	13.5%	13.2%	13.0%	12.6%
San Diego, CA	13.3%	12.9%	12.6%	13.4%	13.8%	11.4%
San Francisco North Bay, CA	8.4%	8.7%	8.4%	8.6%	8.0%	6.8%
San Francisco, CA	8.6%	7.6%	7.4%	6.8%	6.4%	5.0%
San Juan, PR	11.2%	11.6%	12.8%	12.9%	12.6%	12.6%
San Mateo County, CA	8.5%	8.1%	8.8%	8.5%	9.0%	6.9%
San Jose (Silicon Valley), CA*	11.0%	10.6%	10.7%	10.5%	9.9%	7.6%
Savannah, GA	15.8%	15.8%	12.9%	12.9%	14.0%	14.0%
Seattle, WA	7.3%	8.1%	8.7%	8.4%	8.0%	7.1%
Southern New Hampshire	9.9%	9.9%	10.3%	10.1%	9.6%	8.8%
St. Louis, MO	11.7%	11.4%	12.3%	12.0%	11.8%	11.2%
St. Petersburg/Clearwater, FL	13.1%	12.6%	11.7%	12.7%	11.9%	11.7%
Suburban MD	19.4%	19.4%	19.0%	18.7%	18.4%	17.5%
Syracuse, NY	14.2%	14.0%	12.4%	12.3%	12.7%	11.6%
Tampa, FL	11.7%	11.3%	10.9%	10.9%	11.9%	10.9%
Tucson, AZ	9.0%	8.9%	8.1%	8.1%	8.4%	8.2%
Tulsa, OK	22.0%	22.2%	23.2%	24.1%	23.2%	21.4%
Washington, DC	12.4%	12.4%	14.0%	14.1%	14.1%	13.1%
Westchester County, NY	19.6%	24.6%	25.7%	25.1%	26.5%	24.5%

p = preliminary
*Includes R&D.

	Overall (All Classes)					Class A
Weighted Average Asking Rent	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
United States	\$30.78	\$30.72	\$31.03	\$31.29	\$31.45	\$37.56
Northeast	\$38.37	\$37.65	\$38.41	\$38.89	\$38.92	\$45.26
Midwest	\$23.23	\$23.46	\$23.60	\$23.62	\$23.82	\$27.42
South	\$27.92	\$28.16	\$28.32	\$28.52	\$28.50	\$38.05
West	\$33.61	\$33.33	\$33.67	\$34.11	\$34.53	\$41.70

U.S. Office Report Markets	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Atlanta, GA	\$24.78	\$25.79	\$26.53	\$26.74	\$26.64	\$30.31
Austin, TX	\$36.13	\$36.39	\$36.54	\$35.81	\$36.26	\$41.09
Baltimore, MD	\$23.37	\$23.14	\$23.41	\$23.52	\$23.45	\$26.63
Binghamton, NY	\$12.84	\$12.84	\$12.84	\$12.93	\$13.20	\$13.20
Birmingham, AL	\$19.31	\$19.35	\$18.94	\$18.63	\$18.57	\$19.66
Boston, MA	\$37.08	\$35.82	\$36.05	\$36.87	\$36.97	\$41.94
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$21.67	\$22.11	\$23.35	\$25.50	\$23.55	\$26.52
Charlotte, NC	\$24.45	\$25.18	\$25.46	\$26.14	\$26.25	\$30.16
Chicago, IL	\$30.48	\$30.57	\$30.24	\$29.94	\$30.23	\$33.66
Cincinnati, OH	\$18.53	\$18.66	\$19.09	\$18.95	\$19.00	\$21.59
Cleveland, OH	\$17.35	\$17.25	\$17.50	\$17.31	\$17.66	\$21.96
Colorado Springs, CO	\$13.92	\$15.51	\$15.52	\$15.73	\$16.72	\$20.04
Columbus, OH	\$20.74	\$20.77	\$20.94	\$20.96	\$20.92	\$23.02
Dallas/Fort Worth, TX	\$26.49	\$27.31	\$26.43	\$26.47	\$26.39	\$29.76
Dayton, OH	\$15.04	\$15.00	\$14.98	\$14.86	\$14.90	\$18.20
Denver, CO	\$26.86	\$27.41	\$27.50	\$27.72	\$28.21	\$31.89
Detroit, MI	\$19.42	\$19.52	\$19.61	\$19.59	\$19.65	\$22.18
El Paso, TX	\$16.26	\$16.25	\$16.50	\$16.50	\$16.50	\$17.00
Fairfield County, CT	\$33.00	\$32.55	\$32.47	\$32.21	\$32.47	\$37.70
Fort Myers/Naples, FL	\$15.63	\$14.97	\$14.85	\$15.09	\$15.02	\$18.03
Fredericksburg, VA	\$19.07	\$20.12	\$22.83	\$22.46	\$22.55	\$24.88
Ft. Lauderdale, FL	\$29.24	\$30.35	\$30.48	\$30.72	\$30.18	\$37.23
Greenville, SC	\$18.54	\$19.39	\$19.25	\$19.11	\$19.37	\$23.53
Hampton Roads, VA	\$17.67	\$17.75	\$18.19	\$18.82	\$18.37	\$21.54
Hartford, CT	\$20.72	\$20.55	\$20.59	\$20.91	\$20.99	\$22.24
Houston, TX	\$29.80	\$29.44	\$29.04	\$29.37	\$29.25	\$36.48
Indianapolis, IN	\$19.35	\$19.53	\$19.24	\$19.60	\$19.74	\$22.07
Inland Empire CA	\$22.21	\$22.36	\$22.72	\$22.91	\$22.92	\$27.44
Jacksonville, FL	\$19.02	\$19.07	\$19.00	\$19.64	\$19.50	\$22.93
Kansas City, MO	\$19.85	\$19.73	\$20.20	\$20.26	\$20.69	\$24.01
Las Vegas, NV	\$19.56	\$19.80	\$19.44	\$19.92	\$20.40	\$28.44
Long Island, NY	\$29.75	\$29.46	\$29.96	\$29.78	\$29.22	\$32.46
Los Angeles CBD	\$42.39	\$42.23	\$42.25	\$42.35	\$42.45	\$43.36
Los Angeles Metro	\$38.74	\$39.24	\$39.31	\$39.72	\$39.59	\$43.16
Louisville, KY	\$17.15	\$16.96	\$16.82	\$16.40	\$16.70	\$20.23
Memphis, TN	\$18.13	\$17.87	\$17.82	\$17.91	\$18.10	\$19.66
Miami, FL	\$38.16	\$38.49	\$38.03	\$38.86	\$38.69	\$43.96
Milwaukee, WI	\$19.00	\$19.00	\$19.00	\$20.13	\$20.27	\$23.81
Minneapolis/St. Paul, MN	\$25.38	\$25.49	\$25.32	\$25.65	\$25.48	\$30.83

Weighted Average Asking Rent	Overall (All Classes)					Class A
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018p	Q4 2018p
Nashville, TN	\$26.99	\$26.45	\$26.20	\$26.78	\$26.71	\$29.74
New Haven, CT	\$21.42	\$21.35	\$21.37	\$21.56	\$21.72	\$23.16
New Jersey - Central	\$25.75	\$26.45	\$26.58	\$26.57	\$26.71	\$29.59
New Jersey - Northern	\$29.84	\$30.13	\$30.79	\$30.84	\$31.09	\$35.95
New Orleans, LA	\$18.63	\$18.57	\$18.69	\$18.86	\$18.63	\$19.65
New York - Brooklyn	\$41.31	\$41.15	\$42.56	\$41.37	\$43.24	\$54.57
New York - Downtown	\$60.23	\$59.67	\$62.92	\$63.72	\$63.57	\$67.88
New York - Midtown	\$76.94	\$77.06	\$77.44	\$76.12	\$75.03	\$81.69
New York - Midtown South	\$68.87	\$69.13	\$71.07	\$76.42	\$76.82	\$95.80
Northern VA	\$32.68	\$32.63	\$32.69	\$32.79	\$32.87	\$35.46
Oakland/East Bay, CA*	\$31.06	\$31.04	\$31.99	\$32.71	\$33.39	\$40.58
Omaha, NE	\$17.13	\$20.15	\$20.29	\$20.76	\$21.22	\$27.38
Orange County, CA	\$31.82	\$34.03	\$34.36	\$35.55	\$35.66	\$39.52
Orlando, FL	\$21.44	\$21.57	\$22.36	\$22.46	\$22.85	\$26.48
Palm Beach, FL	\$37.15	\$36.87	\$36.79	\$36.89	\$37.04	\$44.90
Philadelphia, PA	\$25.86	\$25.64	\$25.52	\$26.07	\$26.80	\$28.89
Phoenix, AZ	\$25.11	\$25.22	\$25.28	\$25.43	\$25.83	\$30.30
Pittsburgh, PA	\$19.76	\$18.99	\$19.20	\$19.42	\$19.92	\$26.45
Portland, OR	\$27.35	\$27.81	\$27.99	\$29.44	\$29.45	\$33.47
Providence, RI	\$18.58	\$18.60	\$18.62	\$18.64	\$18.65	\$24.28
Puget Sound - Eastside	\$34.60	\$34.65	\$34.96	\$35.78	\$35.56	\$40.31
Raleigh/Durham, NC	\$24.05	\$24.35	\$25.28	\$25.60	\$26.24	\$28.36
Richmond, VA	\$18.89	\$19.04	\$18.94	\$19.40	\$19.14	\$21.68
Roanoke, VA	\$15.97	\$16.31	\$15.50	\$15.55	\$15.51	\$18.32
Rochester, NY	\$19.75	\$18.00	\$18.00	\$18.00	\$18.00	\$20.66
Sacramento, CA	\$22.15	\$22.16	\$22.50	\$22.84	\$22.69	\$28.19
Salt Lake City, UT	\$24.32	\$24.18	\$24.37	\$24.66	\$24.31	\$30.52
San Antonio, TX	\$21.49	\$22.05	\$22.05	\$22.43	\$22.34	\$25.93
San Diego, CA	\$35.52	\$36.24	\$36.24	\$36.36	\$36.96	\$42.36
San Francisco North Bay, CA	\$29.71	\$30.49	\$31.32	\$32.29	\$32.53	\$36.17
San Francisco, CA	\$71.02	\$71.40	\$72.30	\$74.72	\$75.57	\$79.27
San Juan, PR	\$18.06	\$19.92	\$18.05	\$18.11	\$18.05	\$19.99
San Mateo County, CA	\$57.15	\$58.06	\$58.69	\$57.98	\$60.82	\$61.42
San Jose (Silicon Valley), CA*	\$38.32	\$36.42	\$36.71	\$37.65	\$39.23	\$56.64
Savannah, GA	\$19.79	\$19.79	\$20.02	\$20.02	\$20.45	\$24.23
Seattle, WA	\$35.34	\$33.99	\$34.40	\$35.10	\$34.68	\$39.36
Southern New Hampshire	\$17.32	\$17.09	\$16.85	\$16.96	\$16.92	\$17.88
St. Louis, MO	\$19.61	\$18.75	\$18.90	\$19.11	\$19.40	\$22.46
St. Petersburg/Clearwater, FL	\$22.08	\$22.00	\$21.97	\$22.97	\$22.99	\$25.95
Suburban MD	\$26.85	\$26.92	\$27.27	\$27.85	\$27.62	\$30.78
Syracuse, NY	\$15.90	\$15.82	\$16.59	\$16.93	\$17.08	\$18.87
Tampa, FL	\$24.88	\$24.83	\$25.39	\$26.21	\$26.07	\$29.58
Tucson, AZ	\$18.93	\$19.56	\$18.85	\$19.16	\$19.16	\$23.82
Tulsa, OK	\$13.43	\$13.43	\$15.27	\$15.58	\$15.26	\$18.84
Washington, DC	\$55.00	\$54.75	\$55.01	\$54.41	\$54.34	\$61.47
Westchester County, NY	\$29.06	\$28.34	\$27.85	\$27.45	\$27.59	\$28.00

p = preliminary
*Includes R&D

Inventory	Inventory	Deliveries 2018	Under Construction as of Q4 2018p
United States	5,342,556,912	52,724,147	114,218,412
Northeast	1,232,832,742	10,527,689	24,188,657
Midwest	846,895,079	6,652,802	13,666,860
South	1,775,443,697	18,813,783	41,648,392
West	1,487,385,394	16,729,873	34,714,503

U.S. Office Report Markets	Inventory	Deliveries 2018	Under Construction as of Q4 2018p
Atlanta, GA	142,829,213	1,744,777	3,487,709
Austin, TX	51,011,410	1,172,474	3,961,648
Baltimore, MD	76,842,023	962,566	1,013,858
Binghamton, NY	4,642,804	90,000	0
Birmingham, AL	19,841,737	242,000	138,000
Boston, MA	162,408,363	2,017,189	3,068,442
Buffalo, NY	22,183,301	0	185,000
Charleston, SC	25,523,105	893,520	711,134
Charlotte, NC	107,829,314	439,718	3,865,532
Chicago, IL	234,308,571	2,130,735	5,205,738
Cincinnati, OH	33,656,170	42,503	0
Cleveland, OH	150,313,936	1,237,524	671,733
Colorado Springs, CO	28,491,332	0	202,045
Columbus, OH	29,140,191	645,181	777,067
Dallas/Fort Worth, TX	234,573,006	3,574,141	3,240,813
Dayton, OH	13,752,128	39,000	136,634
Denver, CO	117,443,432	2,971,108	2,127,886
Detroit, MI	110,398,287	196,288	505,296
El Paso, TX	17,961,572	89,000	449,444
Fairfield County, CT	39,433,690	0	532,258
Fort Myers/Naples, FL	20,145,445	0	656,800
Fredericksburg, VA	9,473,538	10,059	0
Ft. Lauderdale, FL	27,671,960	205,984	707,557
Greenville, SC	26,784,146	0	143,057
Hampton Roads, VA	42,122,215	88,687	646,565
Hartford, CT	24,248,156	0	24,900
Houston, TX	185,418,562	852,395	2,162,557
Indianapolis, IN	37,187,007	202,775	639,470
Inland Empire CA	21,885,514	0	31,500
Jacksonville, FL	23,986,466	230,904	343,700
Kansas City, MO	50,209,170	274,440	515,603
Las Vegas, NV	60,786,360	606,080	456,878
Long Island, NY	34,672,781	0	48,000
Los Angeles CBD	27,574,918	0	0
Los Angeles Metro	173,104,709	629,788	2,385,668
Louisville, KY	20,319,201	198,237	260,000
Memphis, TN	30,339,948	55,000	120,000
Miami, FL	47,602,226	616,185	1,480,309
Milwaukee, WI	28,576,517	60,062	540,817
Minneapolis/St. Paul, MN	74,458,970	1,105,718	2,238,700
Nashville, TN	38,823,426	302,924	2,933,817
New Haven, CT	10,713,686	0	0
New Jersey - Central	82,408,311	97,500	0

Inventory	Inventory	Deliveries 2018	Under Construction as of Q4 2018p
New Jersey - Northern	108,828,105	130,000	1,000,000
New Orleans, LA	25,706,748	0	n/a
New York - Brooklyn	29,785,483	1,183,588	1,582,378
New York - Downtown	89,729,615	2,602,472	233,372
New York - Midtown	242,463,708	1,489,770	14,502,081
New York - Midtown South	68,835,415	605,576	623,656
Northern VA	132,821,779	700,000	2,100,223
Oakland/East Bay, CA*	108,510,205	590,000	2,015,122
Omaha, NE	36,062,071	535,076	1,026,686
Orange County, CA	90,500,748	1,409,661	1,056,183
Orlando, FL	36,818,039	386,700	368,744
Palm Beach, FL	23,896,055	0	333,176
Philadelphia, PA	132,561,666	1,484,921	440,000
Phoenix, AZ	102,920,586	1,280,547	2,712,626
Pittsburgh, PA	90,781,763	301,673	1,578,042
Portland, OR	50,190,631	1,455,770	930,149
Providence, RI	19,651,000	490,000	210,000
Puget Sound - Eastside	34,838,767	0	718,257
Raleigh/Durham, NC	53,153,342	1,685,834	2,385,981
Richmond, VA	53,607,063	245,852	1,268,249
Roanoke, VA	16,642,616	0	0
Rochester, NY	14,069,668	0	45,000
Sacramento, CA	89,394,532	218,092	1,976,962
Salt Lake City, UT	37,679,091	756,223	707,974
San Antonio, TX	31,114,389	1,056,647	1,641,615
San Diego, CA	77,575,560	718,615	1,721,457
San Francisco North Bay, CA	20,943,152	0	17,091
San Francisco, CA	82,280,598	3,666,015	3,094,500
San Juan, PR	10,323,867	0	0
San Mateo County, CA	56,122,109	996,200	4,495,299
San Jose (Silicon Valley), CA*	216,782,745	965,949	5,303,090
Savannah, GA	3,423,381	10,000	67,892
Seattle, WA	63,903,550	275,590	4,313,900
Southern New Hampshire	14,599,575	30,000	65,000
St. Louis, MO	48,832,061	183,500	1,409,116
St. Petersburg/Clearwater, FL	11,987,903	0	0
Suburban MD	60,007,405	75,000	2,201,787
Syracuse, NY	16,115,718	5,000	50,528
Tampa, FL	31,181,259	150,000	580,051
Tucson, AZ	26,456,855	190,235	447,916
Tulsa, OK	25,060,607	0	264,000
Washington, DC	110,600,731	2,825,179	4,114,174
Westchester County, NY	24,699,934	0	0

p = preliminary
*Includes R&D



About Cushman & Wakefield

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Methodology

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

Explanation of Terms

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

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

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

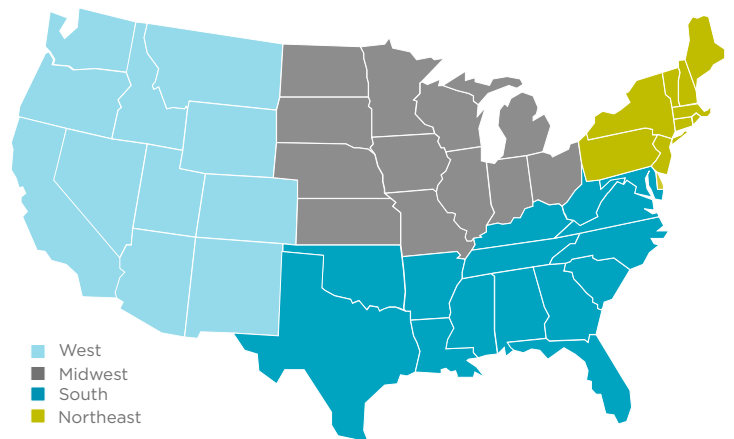
Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

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

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

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

Regional Map



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