

U.S. Office Occupancy Still at Peak Levels but Absorption and Sales Slow

Stephen Newbold, National Director of Office Research | USA

The U.S. office market showed continued strength in Q1 2018. The office occupancy rate has remained near its cyclical peak for nine successive quarters and rents showed an uptick in the first quarter. The market remains on very solid ground although absorption and sales volume have fallen.

Economic growth in 2018 is expected to be the strongest in three years. But with unemployment at historic lows, the available pool of workers is shrinking, so job growth is slowing, particularly in office-using sectors. Accordingly, office leasing continues to ease outside of the tech sector. Indeed, just four leading tech markets (San Francisco-San Jose, Seattle, Raleigh-Durham and Austin) account for 87% of net absorption this year. Otherwise, most businesses are seeking to limit their real estate footprint.

Office construction rose in Q1 2018 to its highest quarterly total in over nine years, but much of the new supply is focused on a few high-demand markets, limiting widespread supply concerns. Indeed, firms continue to pay up for the newest, high-quality space as they seek to attract and retain the best talent and provide the optimum work environment. As tenants vacate their current premises, this presents an opportunity to reposition such assets and increase rents through more efficient floorplans. Nonetheless, tenant improvement allowances are rising faster than rents in a competitive leasing environment.

Key Observations

- Vacancy Remains at a Cyclical Low:** The U.S. office vacancy rate held steady in Q1 2018 at its cyclical low of 12.1%, essentially stable for nine successive quarters. One-third of U.S. office markets have sub-10% vacancy rates including Austin, Manhattan, Portland and the San Francisco Bay Area; high-vacancy markets include Dallas and Houston.
- Rents Rise More Downtown:** Office rent growth increased to 2.1% in Q1 2018, driven by gains in selected downtown markets. The general picture remains one of stability following larger gains earlier in the cycle.
- Construction Activity Increases:** After modest declines over the past two quarters, the volume of office space under construction increased to 120.6 million square feet in the first quarter. This is the highest quarterly total in over nine years and close to the prior cyclical peak. Five markets account for half of the space underway: Dallas, Manhattan, San Francisco-San Jose, Seattle and Washington, D.C..
- Absorption Continues to Slow:** U.S. office absorption fell to a modest 5.4 million square feet in Q1 2018. This continues a downward trend which has seen national absorption fall over the past two years.

Market Indicators

Relative to Prior Period

	Q1 2018	Q1 2019*
VACANCY	=	+
NET ABSORPTION	-	=
CONSTRUCTION	+	-
RENTAL RATE**	+	=

*Projected

**Rental rates for current quarter are for CBD; rent forecast is for metrowide rents.

Summary Statistics | Q1 2018

U.S. Office Market

Vacancy Rate	12.1%
Change From Q4 2017 (Basis Points)	0
Absorption (MSF)	5.4
% of Markets With Positive Absorption	59.0%
New Supply (MSF)	15.5
Under Construction (MSF)	120.6
ASKING RENTS PER SQUARE FOOT PER YEAR	
Downtown Class A	\$48.24
Change From Q4 2017	+4.1%
Change From Q1 2017	+1.8%
Suburban Class A	\$30.32
Change From Q4 2017	+1.0%
Change From Q1 2017	+2.8%

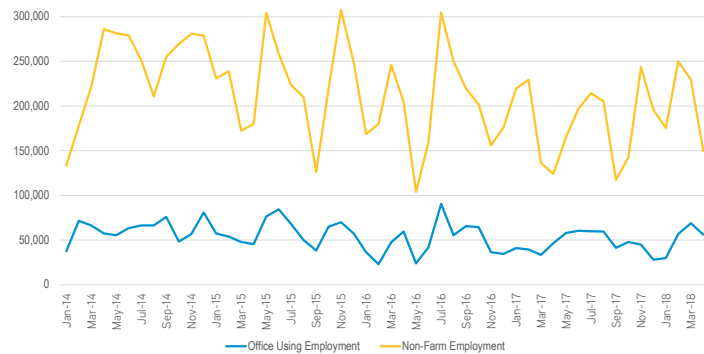
> Investment Volume Falls in Both CBD and Suburban Markets:

U.S. office sales volume in Q1 2018 fell almost 25% from Q4 2017 to \$27.3 billion, representing a decline of 12% year over year. While suburban markets remain the principal investor focus, sales volume in the suburbs is now declining.

Economy

The economic expansion is now at 106 months and, come June, will become the second-longest in U.S. history, moving past the heady 1960s. However, this expansion is marked by its moderation as much as its length. Real GDP has grown less than 20% so far in this cycle and jobs by just 13%. For perspective, in the 1960s expansion, GDP grew 53% and jobs by 33%.

U.S. Job Growth Trends - 2 Month Moving Average

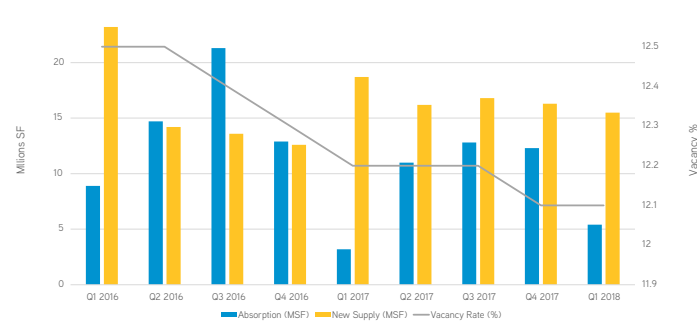


Source: BLS

But perhaps the bigger story is not only that this cycle still soldiers on, but that it even shows signs of accelerating modestly. Economists polled by the Wall Street Journal predict GDP will grow by 2.8% for all of 2018, which would rank as the strongest annual growth since 2015. Three key factors are driving healthy economic performance: synchronized global growth, strong business investment and government stimulus in the form of tax cuts and higher federal spending.

With inflation and wage growth both now nearing target ranges, the Fed is moving more aggressively this year and next to cool the economy with rate hikes — likely three to four hikes (of 0.25% each) this year followed by several next year. The Fed's initial

U.S. Office Market Q1 2016 - Q1 2018



Source: Colliers International

hikes in late 2015 and 2016 had little impact on long-term interest rates. But rates are now moving up more significantly and by next year may approach the point at which they start to choke off both business investment and consumer spending on capital items. All of which means, we should expect GDP to start slowing in 2019 and 2020 especially.

The other major economic factor impacting property markets is that job growth has been slowing. Firms are facing increasing labor shortages in many sectors, limiting the rate of job hires. For the first time ever, job openings exceed job hires. There's no surprise that wage growth is now rising as firms must increase pay in order to attract workers.

In summary, 2018 looks to be a better year than the last two, with relatively strong drivers for property demand. But property markets will face increasing headwinds in 2019 and beyond, as job growth continues to slow while interest rates rise, slowing economic growth and making real estate more expensive to acquire.

Top U.S. Office Leases | Q1 2018

TENANT	ADDRESS	MARKET	SF	TENANT INDUSTRY
Fannie Mae	Reston Gateway	Washington D.C.	850,000	Government
JP Morgan Chase & Co.	390 Madison Avenue	New York	418,241	Financial Services
Apache Corporation *	Post Oak Central One	Houston	364,272	Technology
Synopsis	Pathline Park	San Francisco Bay Area	350,000	Technology
USAID	National Square	Washington D.C.	348,173	Government

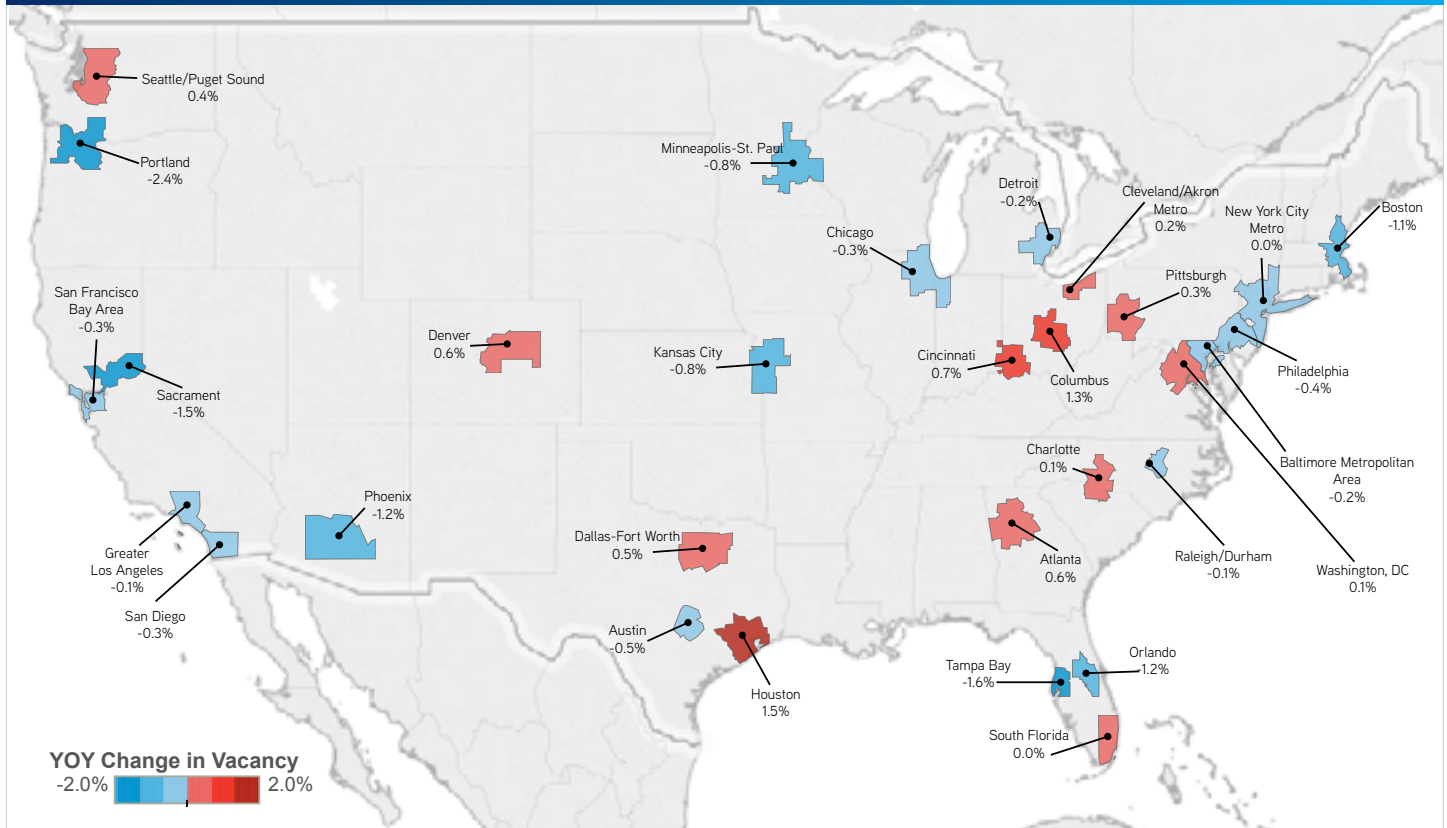
*Renewal
Sources: CoStar, Colliers International

Top U.S. Office Sales | Q1 2018

ADDRESS	MARKET	SF	PRICE (MILLIONS)	BUYER
Chelsea Market, 75 Ninth Ave.	New York	1,200,000	\$2,399	Alphabet Inc.
One Astor Place, 1515 Broadway	New York	1,750,000	\$1,950	Allianz RE of America
Saint Johns Center, 340 West St. *	New York	1,200,000	\$700	Oxford Properties Group, CPP Investment Board
1801 California Avenue	Denver	1,372,240	\$560	PNC Realty Investors
600 W. Chicago Avenue *	Chicago	1,571,280	\$510	Sterling Bay Companies, JP Morgan Asset Management

^Joint Venture
Source: Colliers International, Real Capital Analytics

Year Over Year Change in Metro Vacancy | Q1 2018



Source: Colliers International

Vacancy Holds Steady but Absorption Falls Again

The U.S. office market vacancy rate remained unchanged in Q1 2018 at 12.1%. Vacancy has stayed within a 30-basis-point (BPS) range for the past nine quarters. However, with construction on the rise and minimal absorption, we may see some upward pressure on vacancy rates going forward. This is already playing out in a limited number of markets across the nation.

Over one-third of U.S. metro office markets have a sub-10% vacancy rate led by Portland and Richmond, each of which have a 7.2% vacancy rate. The San Francisco Bay Area is the tightest of the major markets. Vacancy in the Bay Area, currently at 7.9%, remains low as leasing and expansion among tech tenants continues unabated.

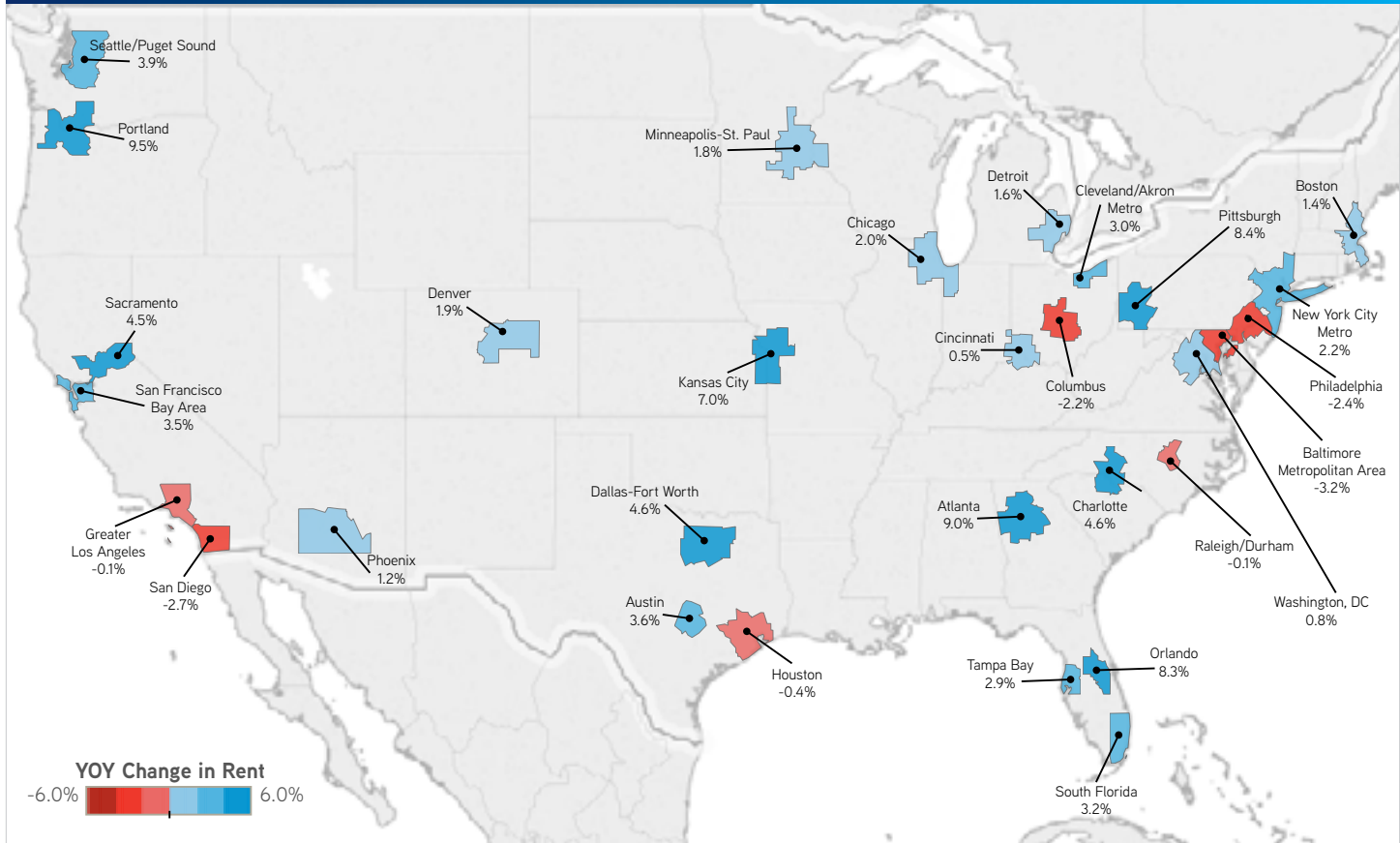
Vacancy rates fell this quarter in half of the top 30 office markets. However, reflecting the slowdown in the national market, all but one of the quarterly changes were of less than 100 BPS in either direction. The sole exception was in Portland where the vacancy rate fell by 200 BPS. The greatest increase occurred in Houston where the vacancy rate rose by 70 BPS to 20.1%, the highest vacancy rate of the top 30 metros.

Downtown markets retain an occupancy edge over the suburbs and the margin between the two widened in the first quarter. Downtown office vacancy fell by 20 BPS to 10.3%, while suburban markets remained at 12.9%.

U.S. office absorption fell sharply in Q1 2018 to 5.4 million square feet, the lowest quarterly total in a year. This continues a downward trend which has seen national absorption fall in each of the past two years. When measured as a percentage of inventory, first quarter absorption was almost zero in downtown markets and 1% in the suburbs.

Unlike the prior quarter, no single market out-performed significantly. The best performing downtown markets were Seattle, where Q1 2018 absorption equaled 1.5% of inventory, Phoenix (1.4%) and the Bay Area (1.1%.) Austin led the suburban markets with a 1.3% turnover rate.

Year Over Year Change in CBD Class A Rent | Q1 2018



Source: Colliers International

Rent Growth Returns

Office rent growth increased in Q1 2018 driven by gains in selected downtown markets. The general picture remains one of stability following larger gains earlier in the cycle. Across all classes of space, average asking rates rose by 2.1% in Q1 2018 to \$36.72 per square foot. Rent growth is largely attributable to new product entering the market with higher asking rents.

Average Class A rents stand at \$48.24 per square foot in downtown markets and \$30.32 per square foot in the suburbs. In a reversal of trends seen throughout 2017, Downtown Class A rents grew at a faster pace (4.1%) in the first quarter, than in the suburbs at 1.1%. Suburban rent growth has been stronger on a year-over-year basis at 2.8% compared to 1.7% in downtown markets.

Manhattan has the highest downtown rent with average Class A asking rates at \$77.72 per square foot, followed by San Francisco at \$69.73 per square foot. Both markets command rents in the mid-\$80s per square foot on the top properties. Only four more downtown markets out of 56 tracked have Class A rates above the U.S. average: Austin, Boston, Miami and Washington, D.C.

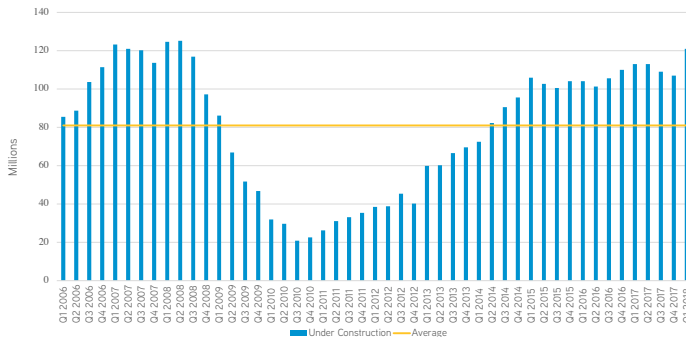
11 downtown markets achieved Class A rent growth of 5% or higher year over year. Rents are growing apace in second-tier markets that are attracting tech tenants, most notably Portland at 9.5% and Nashville at 8.4%. Other out-performing markets include Atlanta, with Class A asking rent growth of 9%, Pittsburgh (8.4%), Indianapolis (7.1%) and Kansas City (7.0%). Downtown Florida markets continue to see healthy Class A rent growth led by Orlando, with an 8.3% increase in asking rates over the past 12 months, followed by Fort Lauderdale (4.6%), Palm Beach (4.5%) and Tampa Bay (2.9%).

In the suburbs, West Coast markets account for four of the top five highest rented markets, led by the San Francisco Bay Area, centered on Silicon Valley, at \$50.39 per square foot. The other three are Seattle, San Diego and Los Angeles. Miami now has the fourth-highest suburban Class A asking rates at \$38.59 per square foot. The top 10 is rounded out by Austin, South Florida, Washington, D.C. — which is predominantly Northern Virginia — Houston and Las Vegas. Suburban Class A rent growth over the past 12 months was led by Seattle, at 10.2%, followed by Charlotte (9.3%), Portland (7.5%) and Austin (6.2%).

Construction Activity is Rising

After modest falls over the past two quarters, the volume of office space under construction increased from 107.2 to 120.6 million square feet in the first quarter. This is the highest quarterly total in over nine years and close to the prior cyclical peak of 125.2 million square feet in Q2 2008. Of this total, 52.5 million square feet are underway in downtown markets with 68.1 million square feet in the suburbs. However, downtown markets are growing faster than their suburban counterparts when measured as a percentage of inventory: 2.6% downtown against 1.6% in suburban markets.

Quarterly Under Construction Totals



Source: Colliers International

Five metros collectively account for a little over half of the space underway: the San Francisco Bay Area at 19.5 million square feet, New York at 16.4 million square feet, Washington, D.C. at 10.1 million square feet, Dallas-Fort Worth at 8.7 million square feet and Seattle-Puget Sound at 8.5 million square feet. The volume of space underway in the San Francisco Bay Area is back on the rise, aided by the 1.8 million square foot Moffett Towers II in Sunnyvale, which broke ground in Q1 2018. The project is fully-leased to a combination of Facebook and Amazon.

When measured as a percentage of inventory, the tech-driven major markets of the Bay Area and Seattle lead construction activity at 6.3% and 6%. Construction is also elevated in a series of tech-centric secondary markets, including Nashville at 3.9% of inventory, Raleigh-Durham at 3.8% and Austin at 3.3%.

With tenants showing a strong preference for high-quality space, as firms strive to attract and retain the best talent, the possibility of over-supply is limited. In San Francisco, the 751,000-square-foot Park Tower on Howard Street was fully available at the end of Q1 2018, but Facebook is understood to be in discussions to lease the entire development.

Concerns are shifting toward filling the older space left behind, as firms relocate to their new offices. Large-block availability is on the rise in New York and Chicago. Los Angeles and Washington, D.C. continue to merit a note of caution. There is almost 3.5 million square feet underway across West LA and Downtown, with little leasing traction, and 6.5 million square feet in the District. Some of these projects will come online in Q2 2018.

Suburban Investment is Cooling, but Office Pricing Holds Firm

The office investment market cooled once more in Q1 2018, following an expected end of year uptick in Q4 2017. U.S. office sales volume in Q1 2018 was \$27.3 billion representing a 24.6% fall from \$36.2 billion in Q4 2017 and a decline of 12% year over year. Pricing is holding firm with a 4.6% increase in values year over year to Q1 2018.

Investors continue to focus primarily on the suburbs, but sales volume fell by a similar rate in both Central Business Districts (CBD) and suburban markets in the first quarter. CBD sales fell by 23.2% to \$10.6 billion, while suburban office investment declined by 25.4% to \$16.7 billion. This was the seventh successive quarterly decline in CBD sales volume. The decline in suburban office investment is more recent. Suburban office volume fell by 12% in Q1 2018 after rising in the preceding five quarters. The first quarter percentage decline in suburban office sales volume was the highest seen since Q3 2009.

U.S. Office Investment Q1 2018				
	Q1 2018		TRAILING FOUR QUARTERS (THROUGH Q1 2018)	
	VOLUME (\$B)	YOY CHANGE	VOLUME (\$B)	YOY CHANGE
Office Total	27.9	-12%	129.2	-10%
Downtown Markets	10.9	-18%	46.1	-24%
Suburban Markets	17.0	-7%	83.1	1%
Portfolio Sales	3.3	-49%	24.8	-10%
Single Asset Sales	24.6	-3%	106.4	-10%
Major Office Metros	15.2	-16%	65.7	-19%
Secondary Office Markets	10.8	-5%	54.2	2%
Tertiary Office Markets	2.0	-9%	9.1	0%

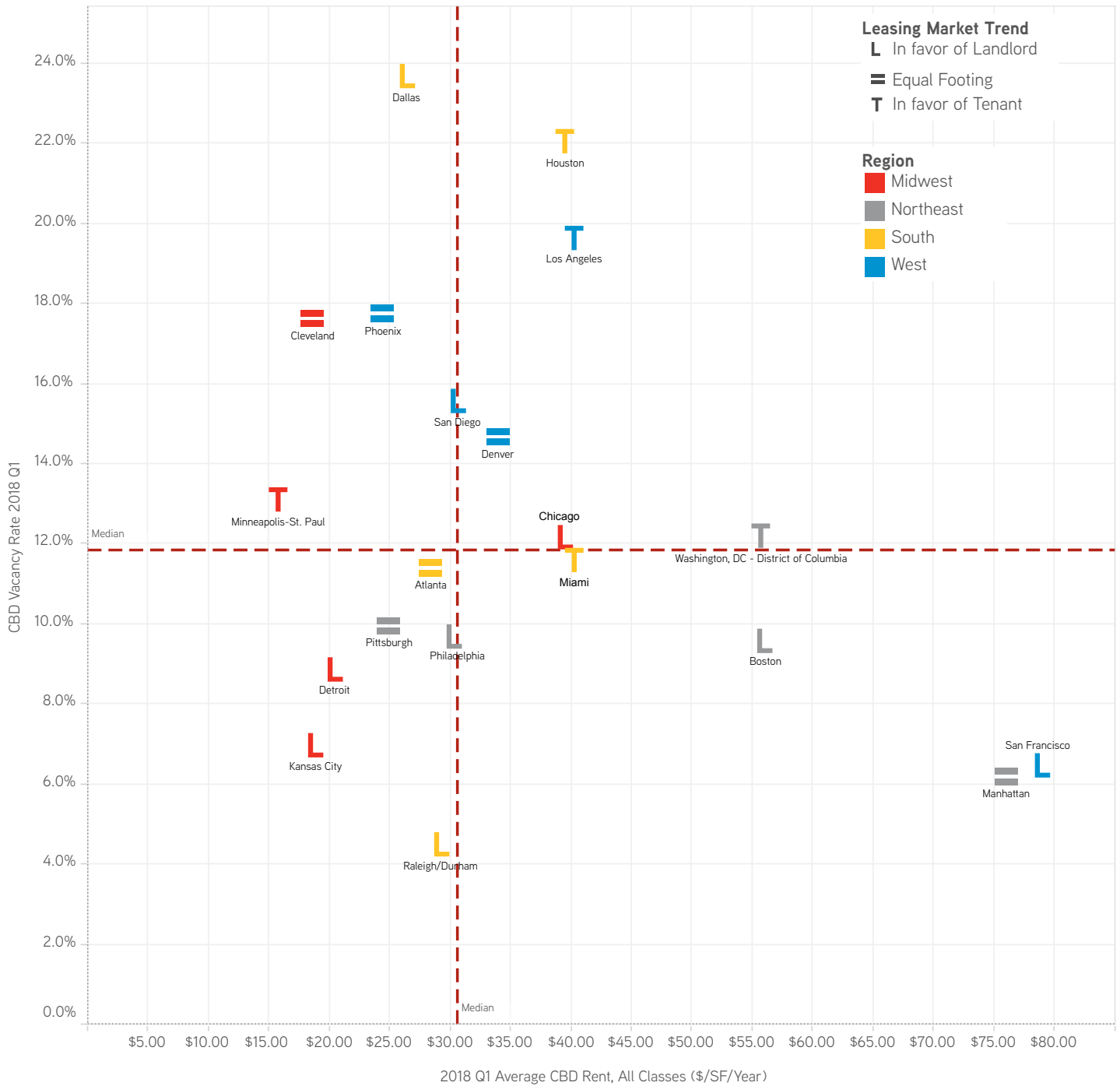
Source: Real Capital Analytics

Average office cap rates held firm in Q1 2018 at 6.7% and remain tightest in the west and northeast regions at 6% and 6.5% respectively. Cap rates stand at 5.5% in downtown markets and 6.9% in the suburbs.

Manhattan saw the top three of the five largest single-asset trades by dollar value in Q1 2018, led by the \$2.4 billion purchase of the 1.2 million square foot Chelsea Market at 75 Ninth Avenue by Alphabet Inc. The buyer intends to occupy space in the property, joining a tenant roster that includes the Food Network, Major League Baseball and Google. Pricing was reported to be in the region of \$2,000 per square foot. The largest first quarter trade outside of Manhattan occurred in downtown Denver where PNC Realty Investors acquired the 1.4 million square foot 1801 California Avenue for \$560 million.

Supplemental Data: Largest 20 Markets

Landlord and Tenant Conditions

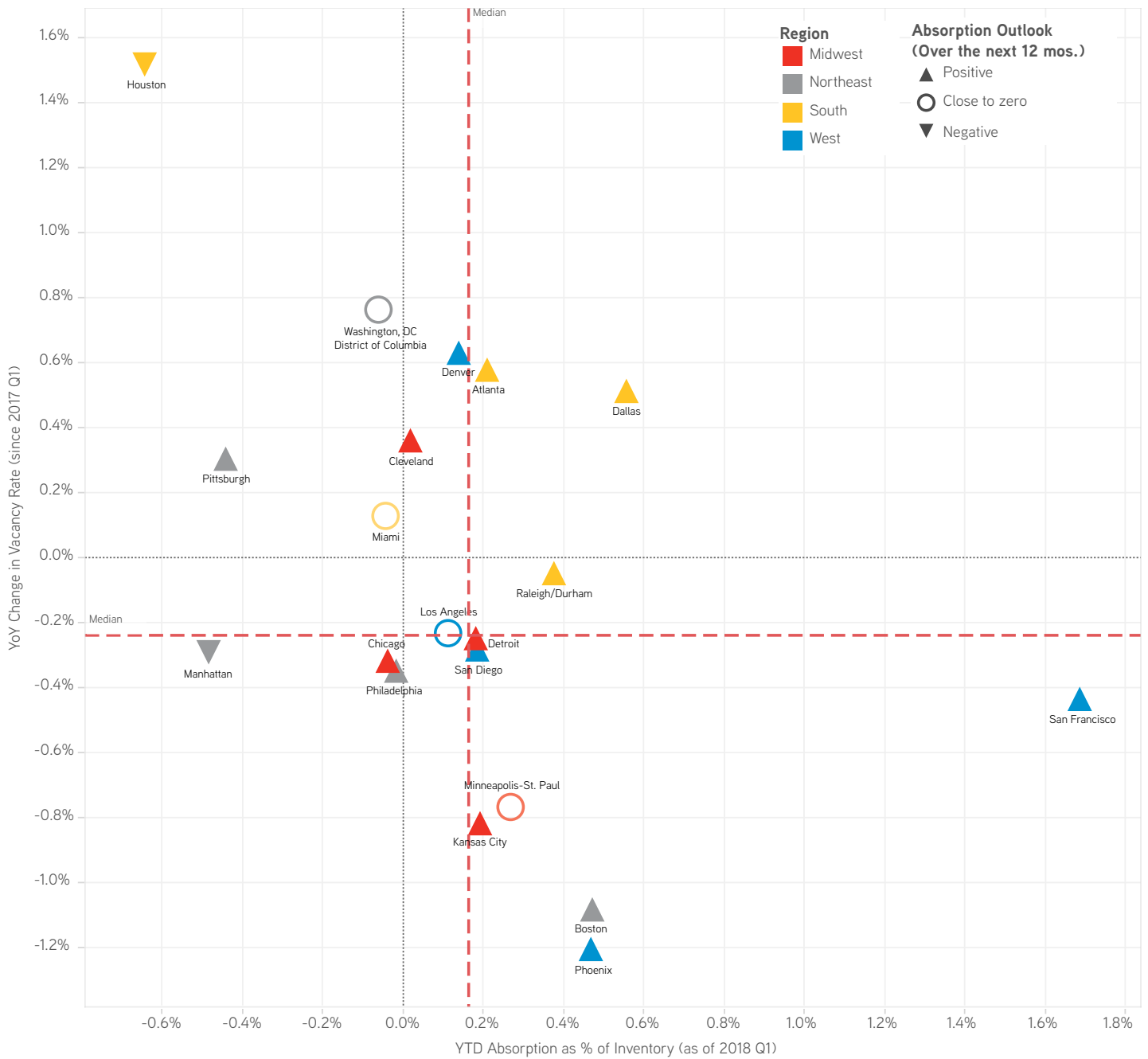


Source: Colliers Q1 2018 office survey. Tenant-landlord assessment reflects conditions as of Q1 2018.

Supplemental Data: Largest 20 Markets

Change in Vacancy vs. YTD Absorption

Absorption Outlook Over Next 12 Months



Source: Colliers Q1 2018 office survey. Absorption forecasts reflect a 12-month outlook.

United States - Downtown - All Classes

MARKET	INVENTORY (SF) MAR 31, 2018	NEW SUPPLY (SF) Q1 2018	UNDER CONSTRUCTION (SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	YTD ABSORPTION (SF) 2018
USA	1,987,931,979	6,211,636	52,517,849	10.5%	10.3%	901,483	901,483
NORTHEAST	889,268,175	2,487,149	24,518,528	8.3%	8.4%	-2,357,314	-2,357,314
Baltimore, MD	45,803,731	0	659,706	10.2%	10.8%	-281,274	-281,274
Boston, MA	70,034,963	0	1,840,600	10.4%	9.6%	633,843	633,843
Hartford, CT	11,451,849	0	0	12.3%	11.8%	111,626	111,626
New York City Metro	520,151,583	1,949,260	16,367,711	6.6%	6.6%	-2,337,977	-2,337,977
> Manhattan	503,295,206	1,949,260	14,889,456	6.2%	6.2%	-2,423,810	-2,423,810
• Downtown	102,279,200	236,000	2,983,408	6.9%	7.0%	-686,019	-686,019
• Midtown	233,884,065	0	2,383,110	6.7%	6.9%	-303,211	-303,211
• Midtown South	167,131,941	1,713,260	9,582,938	4.9%	4.7%	-1,434,580	-1,434,580
> NYC Northern Suburbs	16,856,377	0	500,000	19.6%	19.5%	85,833	85,833
• Fairfield County, CT	10,454,608	0	500,000	23.6%	23.2%	47,570	47,570
• Westchester County, NY	6,401,769	0	0	13.2%	13.6%	38,263	38,263
Philadelphia, PA	45,872,518	0	2,515,415	10.1%	9.7%	135,749	135,749
Pittsburgh, PA	52,852,308	0	447,317	8.9%	9.9%	-531,536	-531,536
Washington, D.C.	143,101,223	537,889	6,527,436	11.8%	12.1%	-87,745	-87,745
SOUTH	381,189,978	996,729	8,329,151	12.5%	12.5%	583,397	583,397
Atlanta, GA	50,674,171	505,149	2,281,092	11.4%	11.4%	465,137	465,137
Austin, TX	13,162,008	218,180	487,637	9.3%	7.8%	34,016	34,016
Birmingham, AL	17,965,185	0	80,200	13.5%	13.6%	6,079	6,079
Charleston, SC	2,734,110	0	153,358	5.9%	6.0%	-2,601	-2,601
Charlotte, NC	21,640,466	0	159,073	12.0%	11.6%	90,204	90,204
Columbia, SC	5,694,275	0	0	12.1%	11.6%	34,011	34,011
Dallas-Fort Worth, TX	41,819,564	261,400	443,514	21.2%	21.1%	207,175	207,175
> Dallas	32,399,941	261,400	163,025	23.8%	23.7%	231,552	231,552
> Fort Worth	9,419,623	0	280,489	12.2%	12.5%	-24,377	-24,377
Greenville, SC	4,696,875	0	96,217	14.2%	10.7%	163,008	163,008
Houston, TX	43,989,338	0	778,344	20.8%	22.0%	-531,908	-531,908
Huntsville, AL	3,774,120	0	347,000	3.2%	2.3%	29,816	29,816
Jacksonville, FL	16,093,619	0	0	8.1%	7.6%	120,606	120,606
Memphis, TN	5,107,985	0	315,000	15.7%	14.4%	70,963	70,963
Nashville, TN	14,135,236	0	794,000	7.7%	7.8%	70,530	70,530
Norfolk, VA	4,842,903	0	0	10.2%	9.3%	-10,509	-10,509
Orlando, FL	13,056,836	0	484,500	8.1%	7.7%	46,087	46,087
Raleigh-Durham, NC	10,645,679	0	942,967	4.9%	4.5%	43,889	43,889
Richmond, VA	16,478,245	0	0	6.8%	7.2%	-88,067	-88,067
Savannah, GA	803,516	0	0	10.0%	11.6%	-13,786	-13,786
South Florida	83,209,975	12,000	966,249	10.3%	10.5%	-229,984	-229,984
> Fort Lauderdale	27,022,823	12,000	209,920	9.2%	9.6%	-90,040	-90,040
> Miami	34,257,360	0	560,057	11.3%	11.5%	-93,664	-93,664
> Palm Beach	21,929,792	0	196,272	10.0%	10.2%	-46,280	-46,280
Tampa Bay, FL	10,665,872	0	0	10.0%	8.1%	78,731	78,731

United States - Downtown - All Classes (continued)

MARKET	INVENTORY (SF) MAR 31, 2018	NEW SUPPLY (SF) Q1 2018	UNDER CONSTRUCTION (SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	YTD ABSORPTION (SF) 2018
MIDWEST	379,097,571	91,139	7,902,955	12.1%	12.0%	415,164	415,164
Chicago, IL	144,964,253	0	4,884,960	12.2%	12.1%	165,524	165,524
Cincinnati, OH	18,184,753	81,139	134,000	13.1%	12.9%	85,288	85,288
Cleveland-Akron, OH	28,762,941	0	64,830	15.8%	15.6%	82,622	82,622
> Akron	9,795,036	0	64,830	12.2%	11.8%	60,178	60,178
> Cleveland	18,967,905	0	0	17.7%	17.6%	22,444	22,444
Columbus, OH	19,707,067	0	621,702	8.8%	8.8%	-30,266	-30,266
Dayton, OH	4,946,327	0	285,000	26.6%	26.0%	15,005	15,005
Detroit, MI	24,383,360	0	0	8.2%	8.8%	-153,510	-153,510
Grand Rapids, MI	5,848,626	10,000	153,000	10.2%	10.8%	18,881	18,881
Indianapolis, IN	11,800,565	0	0	16.3%	15.9%	58,292	58,292
Kansas City, MO	34,152,266	0	199,000	7.0%	7.0%	96,325	96,325
Milwaukee, WI	19,754,023	0	621,720	8.4%	8.4%	0	0
Minneapolis-St. Paul	47,653,170	0	438,743	13.2%	13.0%	65,159	65,159
> Minneapolis CBD	36,118,524	0	438,743	13.6%	13.4%	72,222	72,222
> St. Paul CBD	11,534,646	0	0	12.0%	12.1%	-7,063	-7,063
Omaha, NE	6,872,138	0	0	9.9%	8.6%	-30	-30
St. Louis, MO	12,068,082	0	500,000	21.2%	21.3%	11,874	11,874
WEST	338,376,255	2,636,619	11,767,215	12.3%	11.3%	2,260,236	2,260,236
Albuquerque, NM	3,098,513	0	0	25.3%	24.9%	12,233	12,233
Bakersfield, CA	3,525,261	0	0	10.4%	10.5%	21,071	21,071
Boise, ID	6,975,103	0	120,000	9.6%	11.4%	-123,531	-123,531
Denver, CO	37,422,018	982,313	1,635,848	14.1%	14.7%	245,597	245,597
Fresno, CA	3,301,851	0	0	10.1%	9.1%	33,552	33,552
Downtown Los Angeles, CA	33,660,100	93,000	1,721,200	20.0%	19.6%	228,100	228,100
Honolulu, HI	7,076,119	0	0	16.4%	17.1%	-47,058	-47,058
Las Vegas, NV	5,030,827	0	0	13.5%	14.0%	-23,377	-23,377
Phoenix, AZ	20,231,043	26,174	205,000	19.0%	17.7%	272,299	272,299
Portland, OR	23,411,828	164,555	635,052	10.3%	4.6%	-439,917	-439,917
Reno-Sparks, NV	1,300,508	0	0	13.7%	12.4%	17,005	17,005
Sacramento, CA	13,170,991	0	0	11.4%	10.8%	31,997	31,997
San Diego, CA	10,329,165	0	50,000	15.9%	15.6%	60,187	60,187
San Francisco Bay Area, CA	129,215,669	1,370,577	6,010,425	7.9%	7.1%	1,460,865	1,460,865
> East Bay	28,976,102	0	944,500	13.9%	8.6%	-94,666	-94,666
> San Francisco	91,988,387	1,370,577	5,065,925	6.9%	6.5%	1,553,109	1,553,109
> Silicon Valley	8,251,180	0	0	10.2%	9.7%	2,422	2,422
Seattle-Puget Sound, WA	32,099,440	0	1,372,000	13.0%	12.2%	494,956	494,956
> Seattle	28,240,900	0	1,372,000	13.6%	12.6%	530,558	530,558
> Tacoma	3,858,540	0	0	8.4%	9.4%	-35,602	-35,602
Stockton, CA	8,527,819	0	17,690	10.6%	10.4%	16,257	16,257

United States - Downtown - Class A

MARKET	INVENTORY (SF) MAR 31, 2018	AVG ANNUAL QUOTED RENT (USD/SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	QUARTERLY CHANGE IN RENT	ANNUAL CHANGE IN RENT
USA	1,105,469,538	\$48.23	11.0%	10.9%	658,489	4.1%	1.8%
NORTHEAST	550,676,687	\$65.30	8.8%	9.0%	-2,533,145	2.8%	0.1%
Baltimore, MD	16,829,729	\$24.46	12.8%	14.9%	-352,412	-2.7%	-3.2%
Boston, MA	49,765,205	\$59.11	11.0%	9.8%	611,804	-1.2%	1.4%
Hartford, CT	7,716,798	\$22.32	12.8%	13.2%	-19,400	-2.4%	-3.0%
New York City Metro	333,612,983	\$77.72	7.1%	7.3%	-2,760,552	4.1%	2.2%
> Manhattan	320,459,867	\$81.29	6.5%	6.7%	-2,824,502	3.8%	2.3%
• Downtown	78,081,775	\$67.48	7.5%	7.4%	-529,951	5.2%	4.7%
• Midtown	201,644,392	\$86.62	6.7%	6.9%	-373,125	2.7%	1.3%
• Midtown South	40,733,700	\$91.04	3.4%	4.4%	-1,921,426	4.0%	2.8%
> NYC Northern Suburbs	13,153,116	\$47.52	21.9%	21.8%	63,950	1.9%	7.8%
• Fairfield County, CT	9,055,458	\$49.80	25.2%	24.8%	95,390	0.8%	7.2%
• Westchester County, NY	4,097,658	\$37.65	14.6%	15.3%	-31,440	8.2%	4.0%
Philadelphia, PA	31,116,383	\$31.40	10.3%	10.1%	-24,913	-0.7%	-2.4%
Pittsburgh, PA	24,335,481	\$29.58	9.5%	10.8%	-327,440	0.4%	8.4%
Washington, D.C.	87,300,108	\$60.31	12.2%	12.3%	339,768	0.1%	0.8%
SOUTH	201,150,880	\$33.83	15.6%	15.5%	719,486	2.0%	5.9%
Atlanta, GA	31,712,836	\$30.39	13.3%	13.1%	488,578	3.1%	9.0%
Austin, TX	8,631,794	\$50.31	11.4%	8.7%	80,267	-0.2%	3.6%
Birmingham, AL	4,036,429	\$18.72	28.8%	29.3%	8,487	-1.1%	-1.1%
Charleston, SC	1,073,651	\$36.52	4.6%	10.2%	-60,472	6.2%	1.8%
Charlotte, NC	15,600,319	\$32.40	14.6%	14.1%	80,594	0.5%	4.6%
Columbia, SC	2,305,367	\$22.93	10.4%	11.2%	-18,129	0.0%	-2.3%
Dallas-Fort Worth, TX	29,485,138	\$27.89	24.7%	24.3%	293,975	1.7%	4.6%
> Dallas	23,655,618	\$27.72	27.4%	27.2%	245,817	2.2%	5.2%
> Fort Worth	5,829,520	\$29.08	13.6%	12.8%	48,158	-2.3%	-0.8%
Greenville, SC	2,431,874	\$26.66	19.1%	12.2%	167,708	-1.2%	0.0%
Houston, TX	32,989,934	\$44.23	18.7%	20.2%	-490,618	-0.3%	-0.4%
Huntsville, AL	468,902		8.7%	0.8%	36,870		
Jacksonville, FL	7,524,530	\$21.53	10.7%	10.0%	62,091	0.5%	1.2%
Memphis, TN	1,980,978	\$17.90	19.5%	19.9%	-4,134	-0.8%	-2.5%
Nashville, TN	6,685,439	\$32.24	10.9%	9.1%	77,900	-4.2%	8.4%
Norfolk, VA	2,481,943	\$25.00	13.5%	11.6%	-7,769	0.7%	8.4%
Orlando, FL	6,071,705	\$28.73	9.2%	8.6%	48,472	5.7%	8.3%
Raleigh-Durham, NC	6,430,791	\$30.47	6.6%	5.9%	43,205	1.8%	-0.1%
Richmond, VA	6,920,094	\$24.31	9.2%	10.3%	-65,709	1.4%	2.4%
Savannah, GA	645,713	\$22.15	9.7%	11.9%	-13,930	-0.4%	2.1%
South Florida	26,694,959	\$42.28	14.4%	14.6%	-68,426	1.3%	3.2%
> Fort Lauderdale	6,564,058	\$36.09	14.8%	15.8%	-68,302	2.2%	4.6%
> Miami	13,850,624	\$46.89	15.1%	15.2%	-16,057	1.1%	1.8%
> Palm Beach	6,280,277	\$38.72	12.4%	12.1%	15,933	2.9%	4.5%
Tampa Bay, FL	6,978,484	\$28.97	11.5%	9.4%	60,526	0.9%	2.9%

United States - Downtown - Class A (continued)

MARKET	INVENTORY (SF) MAR 31, 2018	AVG ANNUAL QUOTED RENT (USD/SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	QUARTERLY CHANGE IN RENT	ANNUAL CHANGE IN RENT
MIDWEST	157,573,778	\$30.07	12.3%	12.5%	35,930	6.4%	8.6%
Chicago, IL	66,194,557	\$44.94	11.7%	11.9%	-141,127	2.0%	2.0%
Cincinnati, OH	8,230,242	\$23.42	14.3%	12.5%	109,777	-1.3%	0.5%
Cleveland-Akron, OH	11,152,071	\$21.27	16.0%	16.8%	55,869	3.0%	3.0%
> Akron	1,653,706	\$19.63	9.1%	9.7%	-10,540	-3.4%	-9.0%
> Cleveland	9,498,365	\$21.49	17.2%	18.0%	66,409	3.9%	4.2%
Columbus, OH	8,921,562	\$19.62	11.0%	10.9%	15,623	-0.4%	-2.2%
Dayton, OH	2,289,586	\$17.99	26.1%	26.6%	-12,927	2.2%	3.0%
Detroit, MI	7,303,488	\$24.41	7.5%	7.7%	-17,957	-1.1%	1.6%
Indianapolis, IN	6,123,712	\$23.89	14.9%	15.3%	-28,748	0.4%	7.1%
Kansas City, MO	11,407,702	\$20.96	11.3%	12.2%	64,410	2.0%	7.0%
Milwaukee, WI	8,061,496	\$22.20	10.7%	10.7%	0	1.2%	2.9%
Minneapolis-St. Paul	19,817,138	\$17.82	11.7%	11.4%	-18,210	-0.7%	1.8%
> Minneapolis CBD	16,680,095	\$19.23	12.4%	11.8%	25,078	0.2%	5.6%
> St. Paul CBD	3,137,043	\$12.31	8.0%	9.5%	-43,288	0.0%	-12.1%
Omaha, NE	2,514,784	\$21.02	9.1%	12.5%	882	-3.8%	-3.9%
St. Louis, MO	5,557,440	\$19.21	16.7%	17.1%	8,338	1.9%	0.2%
WEST	196,068,193	\$47.00	11.6%	10.7%	2,436,218	-0.1%	3.7%
Albuquerque, NM	621,668	\$22.14	31.5%	32.8%	-8,290	-2.9%	-7.8%
Bakersfield, CA	788,282	\$20.48	5.0%	6.8%	-14,292	0.0%	0.0%
Denver, CO	24,807,476	\$35.49	15.4%	16.2%	270,679	-0.3%	1.9%
Fresno, CA	907,513	\$19.08	10.8%	8.7%	19,186	-7.6%	-0.2%
Downtown Los Angeles, CA	18,470,800	\$41.78	14.9%	14.1%	138,500	0.5%	-0.1%
Honolulu, HI	4,966,720	\$35.52	17.4%	18.2%	-38,333	0.7%	0.3%
Las Vegas, NV	1,232,341	\$31.92	21.3%	21.6%	-3,786	0.0%	-1.8%
Phoenix, AZ	9,396,601	\$27.31	20.2%	18.6%	144,598	0.0%	1.2%
Portland, OR	11,985,685	\$35.08	8.3%	4.7%	-81,395	2.7%	9.5%
Reno-Sparks, NV	540,478	\$24.36	14.9%	15.3%	-2,405	0.5%	4.1%
Sacramento, CA	5,606,745	\$36.00	10.6%	10.1%	33,087	2.7%	4.5%
San Diego, CA	6,541,356	\$34.80	8.9%	8.7%	11,246	-1.0%	-2.7%
San Francisco Bay Area, CA	82,867,186	\$69.73	8.1%	7.1%	1,551,993	-4.1%	3.5%
> East Bay	18,507,828	\$43.13	16.7%	9.1%	-56,617	9.9%	-4.7%
> San Francisco	60,567,578	\$82.19	6.9%	6.4%	1,601,486	-2.7%	9.1%
> Silicon Valley	3,791,780	\$49.79	8.4%	8.3%	7,124	0.7%	8.7%
Seattle-Puget Sound, WA	24,217,978	\$45.25	13.6%	13.1%	416,722	-1.7%	3.9%
> Seattle	23,209,513	\$47.67	14.0%	13.4%	414,897	2.5%	8.6%
> Tacoma	1,008,465	\$28.27	6.3%	6.1%	1,825	0.5%	8.2%
Stockton, CA	3,117,364	\$23.76	9.5%	9.6%	-1,292	0.2%	33.1%

United States - Suburban - All Classes

MARKET	INVENTORY (SF) MAR 31, 2018	NEW SUPPLY (SF) Q1 2018	UNDER CONSTRUCTION (SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	YTD ABSORPTION (SF) 2018
USA	4,155,323,863	9,321,024	68,078,894	12.9%	12.9%	4,609,485	4,609,485
NORTHEAST	1,082,322,488	508,808	10,320,911	14.1%	14.0%	-225,382	-225,382
Baltimore, MD	76,968,147	0	965,029	11.3%	11.0%	257,449	257,449
Boston, MA	145,067,112	492,400	3,205,069	15.5%	15.6%	388,323	388,323
Hartford, CT	32,443,211	0	0	11.0%	10.2%	143,410	143,410
New Hampshire	19,969,650	0	96,953	12.2%	11.8%	-54,967	-54,967
New York City Metro	347,069,666	0	978,255	13.9%	14.0%	-1,821,581	-1,821,581
› Central New Jersey	88,115,972	0	103,400	14.6%	15.2%	-634,109	-634,109
› Long Island	75,780,125	0	149,126	7.6%	7.3%	177,100	177,100
› Northern New Jersey	117,287,189	0	725,729	16.1%	16.3%	-1,026,355	-1,026,355
› NYC Northern Suburbs	65,886,380	0	0	16.5%	16.2%	-338,217	-338,217
Philadelphia, PA	103,577,704	0	1,395,437	12.6%	12.7%	-159,005	-159,005
Pittsburgh, PA	68,743,406	16,408	111,773	8.0%	8.0%	-1,131	-1,131
Washington, D.C.	288,483,592	0	3,568,395	16.9%	16.5%	1,022,120	1,022,120
› Washington, D.C., Northern Virginia	196,249,285	0	2,800,671	17.9%	17.3%	1,036,467	1,036,467
› Washington, D.C., Suburban Maryland	92,234,307	0	767,724	14.9%	14.8%	-14,347	-14,347
SOUTH	1,294,980,519	4,750,276	21,090,151	12.7%	12.8%	1,459,308	1,459,308
Atlanta, GA	173,783,716	687,893	1,407,985	14.1%	14.5%	9,426	9,426
Austin, TX	59,612,864	1,119,590	1,886,729	9.1%	8.3%	764,184	764,184
Birmingham, AL	41,453,671	0	256,600	11.3%	10.2%	610,773	610,773
Charleston, SC	9,988,955	0	552,689	10.2%	13.7%	-344,301	-344,301
Charlotte, NC	49,477,016	232,837	1,239,194	10.2%	10.3%	125,337	125,337
Columbia, SC	10,493,221	0	30,000	11.6%	11.8%	-25,903	-25,903
Dallas-Fort Worth, TX	257,991,150	1,942,833	8,240,987	15.8%	15.9%	1,291,180	1,291,180
› Dallas	239,736,511	1,942,833	7,850,067	15.7%	15.8%	1,285,832	1,285,832
› Fort Worth	18,254,639	0	390,920	17.2%	17.2%	5,348	5,348
Greenville, SC	12,222,951	140,000	70,340	8.2%	12.7%	-423,567	-423,567
Houston, TX	186,570,797	240,224	498,752	19.1%	19.7%	-948,586	-948,586
Huntsville, AL	16,874,193	0	144,000	8.9%	8.8%	12,146	12,146
Jacksonville, FL	46,642,833	54,600	311,037	7.8%	7.6%	254,582	254,582
Memphis, TN	29,437,333	31,694	216,250	13.3%	13.1%	112,222	112,222
Nashville, TN	38,848,062	0	1,258,286	8.4%	8.3%	107,486	107,486
Norfolk, VA	35,956,622	48,300	349,760	10.3%	9.8%	92,998	92,998
Orlando, FL	56,256,208	45,000	877,704	8.1%	8.1%	-95,894	-95,894
Raleigh-Durham, NC	55,727,187	0	1,608,894	9.0%	8.6%	208,061	208,061
Richmond, VA	36,219,229	0	230,243	8.0%	7.2%	10,927	10,927
Savannah, GA	1,406,498	0	0	9.1%	8.6%	6,643	6,643
South Florida	120,791,909	207,305	1,857,701	8.8%	9.3%	-442,369	-442,369
Tampa Bay, FL	55,226,104	0	53,000	10.7%	10.4%	133,963	133,963

United States - Suburban - All Classes (continued)

MARKET	INVENTORY (SF) MAR 31, 2018	NEW SUPPLY (SF) Q1 2018	UNDER CONSTRUCTION (SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	YTD ABSORPTION (SF) 2018
MIDWEST	693,654,070	222,332	6,621,569	12.6%	12.9%	518,676	518,676
Chicago, IL	161,131,461	0	0	17.2%	17.3%	-164,814	-164,814
Cincinnati, OH	44,484,254	0	374,400	14.6%	16.2%	-294,273	-294,273
Cleveland-Akron, OH	42,499,229	0	671,326	11.3%	11.8%	69,351	69,351
> Akron	9,141,138	0	157,556	9.9%	9.8%	80,462	80,462
> Cleveland	33,358,091	0	513,770	11.6%	12.3%	-11,111	-11,111
Columbus, OH	45,766,983	126,000	717,455	9.2%	10.2%	-20,392	-20,392
Dayton, OH	9,062,170	25,000	59,000	16.4%	18.3%	-96,848	-96,848
Detroit, MI	114,719,876	35,403	725,428	11.6%	12.3%	409,157	409,157
Grand Rapids, MI	13,380,000	0	69,482	15.6%	16.5%	133,127	133,127
Indianapolis, IN	26,714,442	24,633	120,780	16.4%	16.1%	113,244	113,244
Kansas City, MO	61,776,464	0	1,216,600	8.6%	9.0%	90,564	90,564
Milwaukee, WI	28,854,115	0	85,500	8.8%	8.9%	-31,965	-31,965
Minneapolis-St. Paul	83,588,023	0	1,128,288	11.4%	10.2%	285,419	285,419
Omaha, NE	24,089,005	11,296	822,310	8.4%	8.5%	29,741	29,741
St. Louis, MO	37,588,048	0	631,000	10.4%	10.1%	-3,635	-3,635
WEST	1,084,366,786	3,839,608	30,046,263	11.9%	11.8%	2,856,883	2,856,883
Albuquerque, NM	10,966,674	0	0	17.0%	17.0%	-6,574	-6,574
Bakersfield, CA	6,522,349	0	85,776	8.3%	7.9%	22,969	22,969
Boise, ID	17,065,903	0	109,020	9.1%	10.7%	-139,358	-139,358
Denver, CO	109,359,927	499,844	1,507,792	11.4%	11.8%	-39,358	-39,358
Fresno, CA	18,840,996	17,667	0	9.7%	8.9%	182,339	182,339
Greater Los Angeles, CA	275,998,400	487,300	3,467,300	13.9%	14.3%	-25,800	-25,800
> Inland Empire	20,440,100	25,000	0	13.4%	12.5%	168,600	168,600
> Los Angeles	170,328,900	462,300	2,400,800	14.4%	14.8%	2,500	2,500
> Orange County	85,229,400	0	1,066,500	13.0%	13.9%	-196,900	-196,900
Honolulu, HI	7,370,365	0	0	9.3%	9.2%	20,411	20,411
Las Vegas, NV	39,604,035	68,364	463,446	16.4%	15.9%	218,604	218,604
Phoenix, AZ	126,105,054	362,218	2,597,690	15.3%	15.2%	414,553	414,553
Portland, OR	44,806,691	170,594	363,114	8.6%	8.5%	209,246	209,246
Reno-Sparks, NV	5,792,950	0	0	11.9%	12.5%	-35,418	-35,418
Sacramento, CA	56,095,783	0	150,092	13.7%	13.3%	279,813	279,813
San Diego, CA	74,615,961	0	713,892	11.0%	10.8%	97,725	97,725
San Francisco Bay Area, CA	181,291,453	1,706,816	13,445,693	9.0%	8.2%	538,960	538,960
Seattle-Puget Sound, WA	109,930,245	526,805	7,142,448	7.7%	7.3%	1,118,771	1,118,771
> Bellevue	41,623,003	0	686,692	6.3%	5.5%	320,752	320,752
> Everett	10,703,528	0	55,837	10.4%	9.8%	56,943	56,943
> Seattle	39,053,828	245,000	5,726,087	5.7%	5.5%	434,151	434,151
> Tacoma	18,549,886	281,805	673,832	13.8%	13.6%	306,925	306,925

United States - Suburban - Class A

MARKET	INVENTORY (SF) MAR 31, 2018	AVG ANNUAL QUOTED RENT (USD/SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	QUARTERLY CHANGE IN RENT	ANNUAL CHANGE IN RENT
USA	1,672,668,956	\$30.22	13.8%	13.7%	5,664,517	1.0%	2.8%
NORTHEAST	511,568,888	\$30.28	14.5%	14.1%	300,763	0.8%	1.6%
Baltimore, MD	31,640,947	\$26.36	12.6%	12.2%	142,998	-1.0%	-1.0%
Boston, MA	65,509,667	\$28.82	13.2%	13.8%	64,698	2.5%	4.5%
Hartford, CT	6,065,425	\$21.92	20.0%	14.6%	131,243	-1.2%	-3.4%
New Hampshire	7,229,051	\$22.04	14.5%	8.8%	683,618	28.8%	22.7%
New York City Metro	201,707,895	\$30.72	14.2%	13.9%	-1,775,045	1.0%	1.7%
› Central New Jersey	58,728,521	\$27.88	13.5%	14.1%	-720,506	-0.2%	1.5%
› Long Island	26,034,002	\$29.68	7.8%	6.8%	266,561	-0.1%	-1.2%
› Northern New Jersey	84,440,161	\$31.26	15.2%	15.5%	-795,201	1.0%	3.5%
› NYC Northern Suburbs	32,505,211	\$34.13	17.5%	14.9%	-525,899	4.4%	-1.1%
Philadelphia, PA	51,948,277	\$27.46	9.5%	9.7%	-88,577	-6.6%	-1.1%
Pittsburgh, PA	13,275,917	\$22.31	15.7%	14.9%	110,918	2.3%	6.1%
Washington, D.C.	134,191,709	\$34.05	17.7%	17.0%	1,030,910	1.1%	0.8%
› Washington, D.C., Northern Virginia	90,178,765	\$37.14	18.8%	17.7%	918,076	1.6%	2.1%
› Washington, D.C., Suburban Maryland	44,012,944	\$28.79	15.7%	15.4%	112,834	0.5%	1.3%
SOUTH	536,960,653	\$29.57	14.2%	14.4%	3,503,883	1.5%	2.1%
Atlanta, GA	86,222,366	\$27.89	14.2%	14.8%	141,416	2.0%	1.3%
Austin, TX	28,760,802	\$37.25	8.3%	8.0%	955,127	4.9%	6.2%
Birmingham, AL	9,715,220	\$22.22	14.7%	10.9%	651,044	7.5%	5.8%
Charleston, SC	2,604,779	\$25.17	15.0%	17.0%	-53,622	-6.4%	-1.2%
Charlotte, NC	21,598,126	\$28.34	13.1%	13.3%	180,938	6.3%	9.3%
Columbia, SC	1,985,871	\$18.95	5.1%	8.8%	-72,736	-0.5%	-0.3%
Dallas-Fort Worth, TX	121,388,172	\$30.25	16.4%	16.3%	1,632,617	0.8%	3.9%
› Dallas	117,213,077	\$30.48	16.2%	16.2%	1,573,360	0.8%	4.1%
› Fort Worth	4,175,095	\$22.79	20.7%	19.3%	59,257	-3.3%	-8.6%
Greenville, SC	4,808,654	\$21.82	8.1%	15.5%	-228,395	4.7%	4.5%
Houston, TX	96,791,258	\$32.28	22.2%	22.9%	-582,451	-0.1%	-2.2%
Huntsville, AL	1,847,740	\$20.65	4.0%	1.8%	41,431	-1.5%	4.0%
Jacksonville, FL	9,584,978	\$22.33	7.2%	6.8%	81,004	-1.1%	-0.3%
Memphis, TN	9,438,546	\$21.41	8.9%	9.3%	-6,950	0.6%	3.9%
Nashville, TN	17,826,466	\$29.33	11.3%	10.7%	160,989	0.6%	6.4%
Norfolk, VA	11,219,905	\$20.61	10.4%	9.0%	192,108	-0.1%	1.7%
Orlando, FL	19,078,061	\$26.36	7.4%	6.9%	7,782	4.1%	12.8%
Raleigh-Durham, NC	25,499,508	\$26.21	10.0%	9.2%	211,327	7.8%	3.2%
Richmond, VA	14,275,704	\$20.46	6.7%	7.4%	-31,874	-0.3%	6.1%
Savannah, GA	488,384	\$23.34	4.9%	6.3%	-7,171	6.6%	2.3%
South Florida	36,100,985	\$34.60	11.2%	11.7%	68,998	2.7%	4.6%
› Fort Lauderdale	11,275,929	\$30.34	10.8%	10.7%	41,699	1.0%	4.6%
› Miami	15,970,134	\$38.59	9.9%	11.2%	6,313	3.7%	3.4%
› Palm Beach	8,854,922	\$31.83	14.1%	13.8%	20,986	-0.7%	-1.0%
Tampa Bay, FL	17,725,128	\$26.80	8.4%	8.0%	162,301	1.3%	3.6%

United States - Suburban - Class A (continued)

MARKET	INVENTORY (SF) MAR 31, 2018	AVG ANNUAL QUOTED RENT (USD/SF)	VACANCY RATE DEC 31, 2017	VACANCY RATE MAR 31, 2018	ABSORPTION (SF) Q1 2018	QUARTERLY CHANGE IN RENT	ANNUAL CHANGE IN RENT
MIDWEST	264,567,645	\$24.22	13.9%	14.0%	224,054	0.1%	0.3%
Chicago, IL	83,157,005	\$28.72	20.2%	20.1%	35,213	0.6%	0.4%
Cincinnati, OH	18,190,650	\$22.08	14.0%	15.6%	-159,298	0.3%	0.7%
Cleveland-Akron, OH	9,724,235	\$20.76	12.7%	11.8%	85,776	1.8%	6.3%
› Akron	1,347,310	\$18.47	18.4%	14.5%	39,003	-1.6%	-2.2%
› Cleveland	8,376,925	\$21.19	11.9%	11.3%	46,773	2.3%	7.8%
Columbus, OH	19,898,839	\$22.00	8.9%	10.6%	-49,989	0.5%	0.2%
Dayton, OH	2,220,911	\$20.45	16.2%	15.9%	-39,455	-0.8%	2.2%
Detroit, MI	38,017,379	\$21.81	12.3%	12.6%	-121,568	0.3%	0.3%
Indianapolis, IN	12,472,831	\$21.91	16.9%	16.3%	104,541	0.5%	4.5%
Kansas City, MO	19,546,934	\$21.93	7.4%	8.3%	17,066	-0.8%	1.3%
Milwaukee, WI	10,857,148	\$18.18	7.4%	7.4%	-4,643	-5.4%	2.5%
Minneapolis-St. Paul	28,214,069	\$16.85	13.0%	10.7%	289,145	1.2%	4.4%
Omaha, NE	4,377,408	\$20.97	3.6%	6.3%	5,151	-26.5%	-27.5%
St. Louis, MO	17,890,236	\$24.31	7.8%	7.3%	62,115	2.8%	1.8%
WEST	359,571,770	\$37.68	12.0%	11.8%	1,635,817	0.2%	4.9%
Albuquerque, NM	824,335	\$22.45	12.7%	12.5%	1,452	-9.2%	-0.2%
Bakersfield, CA	2,923,838	\$22.24	9.1%	8.4%	19,855	0.9%	3.4%
Denver, CO	42,255,280	\$27.43	12.8%	13.8%	-135,769	-2.2%	-1.2%
Fresno, CA	1,579,360	\$25.26	12.7%	11.3%	27,447	-2.9%	-2.0%
Greater Los Angeles, CA	64,851,500	\$37.56	14.9%	15.1%	268,700	-0.7%	2.1%
› Los Angeles	27,849,500	\$37.01	13.1%	13.5%	-94,600	-3.8%	2.2%
› Orange County	37,002,000	\$37.87	16.2%	16.4%	363,300	1.0%	1.6%
Las Vegas, NV	5,375,008	\$31.87	22.3%	20.4%	106,303	0.3%	-0.8%
Phoenix, AZ	39,599,098	\$28.98	13.1%	13.7%	76,985	-0.1%	1.6%
Portland, OR	12,135,636	\$28.28	9.9%	10.0%	63,221	-0.5%	7.5%
Reno-Sparks, NV	3,219,457	\$22.04	10.5%	11.8%	-41,076	0.7%	3.8%
Sacramento, CA	13,920,301	\$24.64	13.3%	12.8%	85,624	3.2%	4.9%
San Diego, CA	25,866,041	\$38.99	13.8%	14.1%	-72,793	-0.5%	1.2%
San Francisco Bay Area, CA	99,099,723	\$50.39	10.5%	9.6%	494,970	0.5%	3.1%
› East Bay	20,007,096	\$37.70	11.9%	11.1%	-86,902	5.1%	1.1%
› Fairfield, CA	2,042,600	\$26.62	15.6%	17.1%	-7,070	1.0%	0.5%
› San Francisco Peninsula	25,790,620	\$63.34	7.7%	7.5%	-15,541	0.6%	5.0%
› Silicon Valley	51,259,407	\$52.88	11.3%	9.8%	604,483	-0.2%	0.4%
Seattle-Puget Sound, WA	47,922,193	\$40.33	7.5%	6.6%	740,898	0.3%	10.2%
› Bellevue	21,264,045	\$42.11	6.1%	5.6%	89,324	4.0%	6.1%
› Everett	1,461,153	\$28.59	14.6%	13.0%	23,493	-3.1%	3.6%
› Seattle	19,897,541	\$45.67	5.0%	3.4%	610,024	0.9%	22.0%
› Tacoma	5,299,454	\$32.69	20.9%	20.5%	18,057	-8.4%	22.6%

United States Office Investment				
MARKET	CBD AVG. SALES PRICE (USD PSF)	CBD AVG. CAP RATE	AVG. SUBURBAN SALES PRICE (USD PSF)	AVG. SUBURBAN CAP RATE
USA	\$379	5.7%	\$205	6.8%
NORTHEAST	\$351	6.2%	\$161	7.7%
Baltimore	\$114		\$148	9.0%
Boston	\$549	4.9%	\$191	5.9%
Hartford	\$110	8.0%	\$100	9.0%
New York	\$863	4.5%	\$187	
Northern New Jersey	\$206	6.8%	\$131	7.2%
Philadelphia	\$201	6.8%	\$169	7.3%
Pittsburgh	\$150	7.2%	\$140	7.1%
Washington, D.C.	\$612	5.0%	\$225	8.4%
SOUTH	\$224	7.0%	\$217	7.0%
Atlanta	\$171	6.3%	\$197	6.5%
Austin	\$339	6.2%	\$309	6.6%
Charlotte	\$199		\$184	6.4%
Dallas-Fort Worth	\$174		\$203	7.0%
Houston	\$122		\$224	7.0%
Miami	\$452		\$233	6.3%
Nashville	\$214	6.2%	\$356	7.0%
Norfolk	\$200	7.0%	\$180	7.0%
Orlando	\$255	7.0%	\$240	7.3%
Raleigh/Durham	\$180	7.6%	\$236	6.0%
Richmond			\$110	8.0%
Savannah	\$160	8.5%	\$180	8.5%
Tampa Bay			\$164	7.3%

United States Office Investment				
MARKET	CBD AVG. SALES PRICE (USD PSF)	CBD AVG. CAP RATE	AVG. SUBURBAN SALES PRICE (USD PSF)	AVG. SUBURBAN CAP RATE
MIDWEST	\$182	6.7%	\$140	7.6%
Chicago	\$360	6.0%	\$180	7.1%
Cincinnati			\$165	
Cleveland		7.5%	\$107	
Columbus		7.9%	\$118	8.1%
Detroit	\$79	7.9%	\$110	9.0%
Indianapolis	\$117		\$148	7.5%
Kansas City	\$147		\$141	7.9%
Milwaukee	\$175	8.0%	\$105	9.0%
Minneapolis	\$161		\$185	7.6%
St. Louis	\$94	8.0%	\$185	7.0%
St. Louis	\$94	8.0%	\$115	8.5%
WEST	\$340	5.9%	\$281	6.3%
Denver	\$345	6.0%	\$409	6.2%
Fresno	\$200	7.0%	\$240	6.8%
Los Angeles	\$191	5.5%	\$346	5.6%
Las Vegas	\$145		\$194	7.0%
Phoenix	\$122		\$224	6.8%
Portland	\$364	6.0%	\$188	6.2%
Sacramento	\$230	7.0%	\$152	6.4%
San Francisco Bay Area	\$763	5.1%	\$497	5.7%
Seattle	\$703	4.7%	\$278	6.3%

Sources: Colliers International, Real Capital Analytics

OFFICE SERVICES CONTACT

Cynthia Foster

President,
National Office Services | USA
+1 212 716 3515
cynthia.foster@colliers.com

RESEARCH CONTACTS

Stephen Newbold

National Director of Office Research | USA
+1 202 534 3630
stephen.newbold@colliers.com

Pete Culliney

Director of Research | USA
+1 212 716 3689
pete.culliney@colliers.com

CONTRIBUTORS

Andrew Nelson

Chief Economist | USA

Jeff Simonson

U.S. Senior Research Analyst | USA

AJ Paniagua

U.S. Research Analyst | USA



For more, explore

[Your Market Insights Hub | U.S. Office](#)

Engage with the latest data and forecasts in interactive, sortable views.

Copyright © 2018 Colliers International.

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.

