

	YoY Chg	12-Mo. Forecast
<b>17.4%</b> Vacancy Rate	▲	▲
<b>-18.3M</b> Net Absorption, SF	▲	▲
<b>\$35.63</b> Asking Rent, PSF	▲	▼
<b>3.6%</b> Rent Growth, YoY	▲	▼
<b>106.6M</b> Under Construction	▼	▼

(Overall, All Property Classes)

## ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
<b>147.1M</b> Total Nonfarm Employment	▲	▲
<b>32.6M</b> Office-using Employment	▲	▲
<b>5.2%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

## A Quarter of Progress Amidst Uncertainty

After growing optimism in the spring, the third quarter was marked with uncertainty as the COVID-19 Delta variant sprouted up in the United States. July began with fewer than 15,000 new daily cases, but the new surge peaked at over 160,000 cases on September 1, 2021,<sup>1</sup> causing some occupiers to delay their return-to-office plans until Q4 2021 or even early 2022. Still, approximately [40% of global office workers were in the office](#) as of mid-September,<sup>2</sup> and the percentage of U.S. employees in the office still increased post-Labor Day from 31% to 35% by the end of September.<sup>3</sup> COVID-19 cases have now been on the decline for over a month; as of October 4, the 7-day moving average had dropped 39% from the most recent peak and was below 100,000 for the first time in two months.

The broader economy has also been impacted by the Delta variant. U.S. real GDP declined slightly in July before regaining traction in August and September. Even with the Delta setback, estimates show that GDP ended the third quarter up 1.2% quarter-over quarter (QoQ) and up 5.6% year-over-year (YoY).<sup>4</sup> While there are [ongoing challenges within the labor market](#), strong job growth continues with 5.1 million nonfarm jobs added year-to-date, of which 757,000 are office-using. Overall employment is now 3.3% (5.0 million jobs) below pre-pandemic levels.

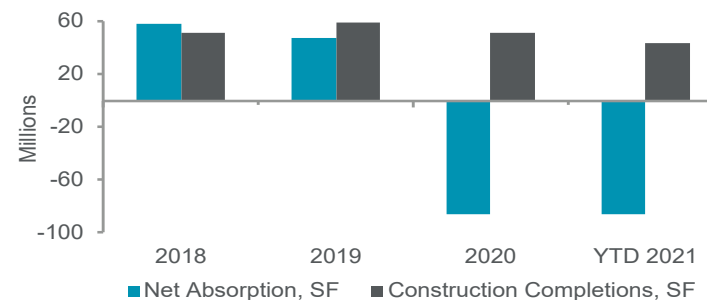
Office sector employment is outperforming the broader labor market, down just 1.6% from its February 2020 peak. The expectation from most economists continues to be for office-using employment to match its pre-pandemic peak by the middle of next year. Within office-using industries, financial sector employment has outperformed and is now 0.4% above pre-pandemic levels, and many technology-related sectors are also posting net job gains. Most office-related jobs are in professional and business services, which added 236,000 jobs this quarter and is now 1.8% (385,000) shy of pre-COVID-19 levels.

## Demand for Office Space Hitting an Inflection Point

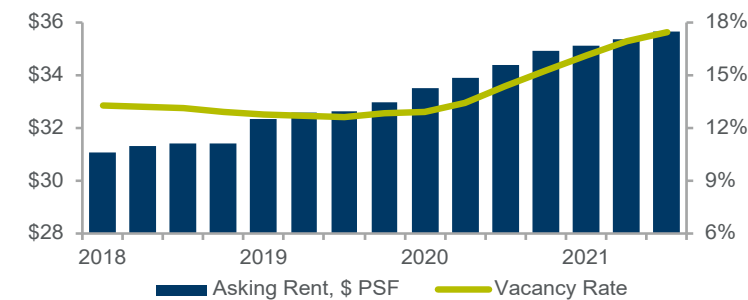
Net absorption was negative again in Q3 2021—for the sixth straight quarter—but at -18.3 million square feet (msf), it improved 44% QoQ and 54% YoY. This is the second quarter in a row where we observed an improving trend. Sixty different U.S. markets (out of 90 tracked by Cushman & Wakefield) experienced QoQ improvements in net absorption, and absorption in 25 markets was positive. Net absorption was highest in Atlanta (+880,000 sf), Puget Sound - Eastside (+671,000), Suburban MD (+467,000) and San Diego (+410,000). Another five markets—all of which are in the Sunbelt—had positive net absorption above +200,000 sf in Q3 2021: Palm Beach, San Antonio, Nashville, Fort Myers/Naples and Austin.

Net absorption in the six U.S. gateway markets<sup>5</sup> remained negative in Q3 but improved by 35% QoQ. Additionally, total gateway market leasing activity is up 41% in the first three quarters of 2021 when compared to the last three quarters of 2020, indicating that regardless of current absorption metrics, businesses are locking in space as they plan to return to the office post-pandemic.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



National leasing activity over the same time period is up 19%, and an increasing share of that activity is happening in the largest markets. In 2020, 22% of total leasing occurred in gateway markets, while 26% of 2021 YTD leasing has been in those six office markets.

National vacancy at the end of Q3 2021 (17.4%) is in line with previous post-recession peaks (i.e., 17.6% in Q3 2003 and 17.3% in Q3 2010). Vacancy is up 480 basis points (bps) since its most recent trough of 12.6% in Q3 2019. The QoQ increase of 50 bps is the lowest increase in five quarters. Vacancy rates held steady or declined QoQ in 25 markets, including Suburban MD (-80 bps), San Diego (-25 bps), Atlanta (-20 bps) and Miami (-10 bps).

New supply continues to be an important part of the vacancy story. While the 10 msf of deliveries in Q3 2021 is the lowest quarterly number in three years, YTD deliveries (43.3 msf) are 18% higher than the first three quarters of 2020. In fact, more office space has been delivered in 2021 than in the first three quarters of any year since 2009. New deliveries in 2021 YTD represent 0.8% of total Q4 2020 office inventory. Select markets with disproportionate shares of new office construction so far this year include: San Mateo County (+4.6% of inventory), Nashville (+4.3%), Charlotte (+4.3%), Austin (+3.9%) and Raleigh/Durham (+2.9%). Not surprisingly, in the 16 markets where construction is more than double the national proportion (1.6%+ of inventory), vacancy has increased by 47% more than the national average. Deliveries are likely to slow down in 2022 as the construction pipeline has decreased for six straight quarters. Currently, there is just under 107 msf of office space under construction, which is down 19% YoY.

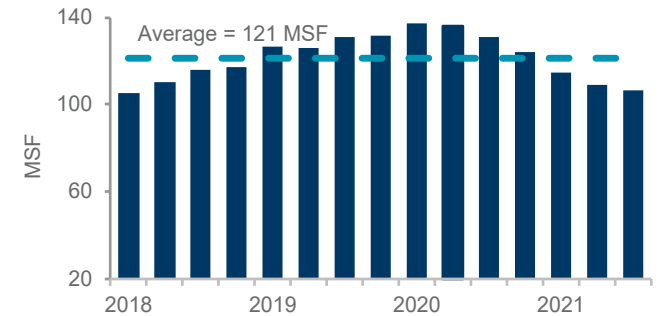
Despite rising vacancy, national asking rents continue to increase, up 0.7% QoQ. Landlords continue to be reticent to drop top-line rents; new construction has been coming online at higher-than-average prices in many markets and some expensive markets have been relatively harder hit leading to more space availability at high prices. Increases are decelerating, as the national weighted average asking rent in Q3 (\$35.63) registered the second lowest YoY increase in the past 11 quarters. The real story, however, is in effective rents, which account for tenant improvement allowances and free rent concessions. These have declined 10-15% during the pandemic.

Office capital markets liquidity continued to recover in the third quarter as the market built on June's strength in July and August. Based on preliminary data, year-to-date office sales are up 33% compared to the same period of 2020, though they remain down 19% compared to the 2017-2019 average. That said, in July office volumes exceeded the pre-pandemic average and are likely to have done so again in August once final numbers are available.

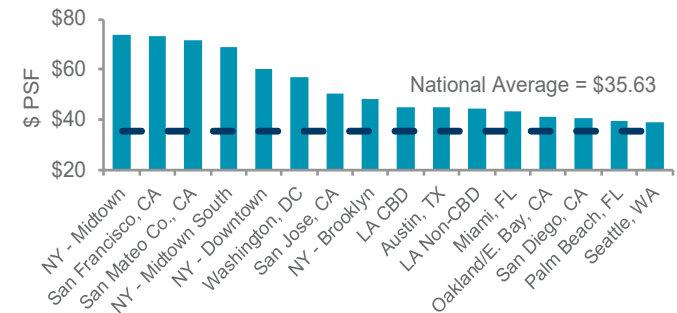
### Outlook

- **Return to office:** Office usage has grown post-Labor Day, and [this trend is likely to continue](#) in earnest in Q4 2021 and Q1 2022. This will be buoyed by growing vaccination penetration—nearly two-thirds<sup>6</sup> of the U.S. population as of early October—approaching what health experts have noted is herd immunity.
- **Economic recovery:** Job growth is expected to continue, and office-using employment is likely to reach pre-pandemic levels by mid-2022. Occupiers are increasingly in the market for office space. This is already showing up in leasing metrics, as Q3 2021 is up 20% YoY; absorption is expected to turn positive in 2022.
- **Flight to quality:** Occupiers have historically leveraged post-recession periods to upgrade their office space and to lock in with attractive terms for the long term. For example, over 80% of net absorption was in Class A assets in 2003 (after the Dot-Com recession) and in 2010, 2011 and 2012 (after the Great Financial Crisis). This focus on high-quality assets and [new construction is occurring again in 2021](#).<sup>7</sup>
- **Market trajectory:** Vacancy may be near its peak, but it is unlikely to decline this year. Tenant interest is on the rise, but uncertainty will continue until more employees return to the office on a regular basis. Additionally, coming construction deliveries and the current elevated levels of sublease space (130 msf nationally) will contribute to higher vacancy in the short term. Rental rates will remain under downward pressure as tenants currently have increased leverage.

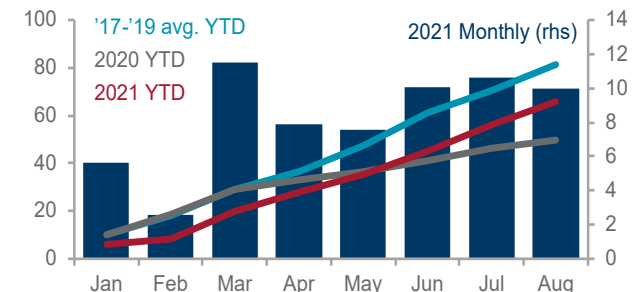
### SPACE UNDER CONSTRUCTION



### ASKING RENT BY MARKET HIGHEST PRICED U.S. MARKETS



### NATIONAL OFFICE SALES VOLUME (\$B)



Source: Real Capital Analytics

U.S. Office Markets	Net Absorption					Leasing Activity**
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	YTD 2021p
United States	-40,136,298	-34,799,927	-35,365,799	-32,660,734	-18,290,755	214,178,303
Northeast	-9,090,578	-10,912,816	-8,569,465	-10,482,994	-8,674,390	39,766,809
Midwest	-3,516,740	-3,535,300	-6,225,921	-5,289,157	-4,216,319	26,134,286
South	-11,341,045	-7,616,523	-9,599,824	-6,174,943	-1,491,866	75,308,709
West	-16,187,935	-12,735,288	-10,970,589	-10,713,640	-3,908,180	72,451,316

U.S. Office Markets	Net Absorption					Leasing Activity**
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	YTD 2021p
Atlanta, GA	0	-1,605,267	-2,651,012	322,903	879,979	6,499,568
Austin, TX	-1,316,362	-399,728	-292,243	-21,433	237,119	3,521,196
Baltimore, MD	200,668	-653,381	-216,795	-63,544	125,031	2,942,419
Binghamton, NY	-3,608	-14,171	10,183	3,500	-6,709	38,012
Birmingham, AL	-159,025	127,589	-13,172	-309,606	100,194	567,396
Boise, ID	181,406	169,335	78,147	-60,589	76,079	836,767
Boston, MA	-1,162,200	-604,228	-847,524	-1,493,174	-505,007	5,610,039
Buffalo, NY	-216,829	76,666	40,197	-50,854	187,648	358,651
Charleston, SC	-213,592	-186,589	50,302	140,730	115,472	931,457
Charlotte, NC	-917,844	-466,636	-234,282	163,425	-275,553	2,133,155
Chicago, IL	-418,406	-1,503,829	-2,286,173	-2,891,520	-2,604,506	9,320,946
Cincinnati, OH	-68,909	-378,216	-216,904	-91,229	-267,099	985,170
Cleveland, OH	-200,171	-565,566	-395,388	-724,777	42,002	1,608,686
Colorado Springs, CO	-149,173	76,300	-73,079	-271,753	198,491	838,524
Columbia	-300,231	151,957	-519,869	-264,462	-191,124	625,924
Columbus, OH	-590,687	-10,620	-696,679	-144,373	-79,288	1,750,434
Dallas, TX	-1,777,304	-762,209	-1,624,842	-844,343	-452,364	8,969,907
Denver, CO	-1,111,647	-1,367,631	-1,148,048	-1,068,300	-523,718	6,529,396
Detroit, MI	-1,201,661	-321,717	-224,127	-604,232	-92,277	1,889,844
El Paso, TX	-136,193	-253,258	-55,725	254,659	-4,840	194,400
Fairfield County, CT	-703,254	-48,649	-171,446	-678,115	-171,782	1,801,825
Fort Lauderdale, FL	-249,122	-177,080	-476,753	-55,757	26,995	2,219,144
Fort Myers/Naples, FL	-88,509	48,860	37,116	181,449	245,732	602,968
Fort Worth, TX	-397,294	-29,462	-120,661	-144,483	-91,522	625,301
Fredericksburg, VA	-130,247	63,946	38,294	24,330	-26,530	310,724
Greensboro/Winston-Salem, NC	78,940	-38,282	-363,667	-135,660	-238,537	517,183
Greenville, SC	-428,043	-200,135	-7,253	-172,411	-156,925	578,925
Hampton Roads, VA	393,798	13,142	74,344	-132,460	74,933	926,541
Hartford, CT	84,528	55,735	-427,802	-284,154	-177,319	572,445
Houston, TX	-1,967,359	-1,333,408	-415,989	-1,277,903	-1,133,900	7,071,493
Indianapolis, IN	46,976	-9,031	-461,390	141,579	-250,057	1,726,693
Inland Empire CA	-27,744	-293,644	-99,668	-35,867	-152,452	838,180
Jacksonville, FL	-503,158	-67,564	-284,462	-240,647	-238,094	1,061,624
Kansas City, MO	-438,444	85,027	-137,007	-273,614	-208,797	1,821,557
Las Vegas, NV	-233,047	-168,650	-77,236	-436,350	-249,496	1,420,465
Long Island, NY	-210,461	-165,939	-212,748	19,548	-36,772	1,481,554
Los Angeles CBD	-333,363	87,197	-88,491	-307,623	-147,934	954,740
Los Angeles Non-CBD	-2,348,356	-1,550,105	-1,919,245	-1,708,292	-531,770	8,940,496
Louisville, KY	-102,975	2,188	-196,580	-70,950	-184,185	560,134
Memphis, TN	-302,160	-30,944	-184,504	123,288	-369,477	880,381
Miami, FL	-458,681	-250,516	-363,516	-142,237	123,062	2,723,577
Milwaukee, WI	18,048	99,051	-50,440	-52,121	-144,726	799,481
Minneapolis/St. Paul, MN	-314,901	-483,014	-830,626	-440,972	-765,618	3,135,916
Nashville, TN	-90,063	-201,846	-191,409	-504,182	250,912	3,111,286
New Haven, CT	-13,505	-12,090	-208,112	-178,971	-134,111	129,869

U.S. Office Markets	Net Absorption					Leasing Activity**
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	YTD 2021p
New Jersey - Central	-260,817	-1,387,100	-203,470	33,507	-571,541	3,175,693
New Jersey - Northern	-639,651	-798,739	-802,828	-1,330,241	-836,061	4,556,836
New Orleans, LA	-178,798	-8,337	-103,196	-498,632	-31,950	377,354
New York - Brooklyn	-389,584	65,519	198,851	-350,747	-91,212	487,155
New York - Downtown	-607,767	-1,311,625	-972,788	-1,122,696	-1,530,443	3,075,202
New York - Midtown	-3,142,006	-3,630,426	-1,577,163	-4,028,601	-2,269,799	9,238,548
New York - Midtown South	-1,450,157	-1,877,071	-1,014,491	-672,955	-1,431,403	2,528,065
Northern VA	-159,764	-274,243	-57,829	-359,632	-224,742	7,613,804
Oakland/East Bay, CA*	-993,258	-641,161	-528,345	-944,273	-68,410	3,938,746
Omaha, NE	-71,094	14,001	-313,723	158,468	155,427	864,665
Orange County, CA	-1,062,182	-685,588	-1,156,061	-755,590	-400,025	4,377,709
Orlando, FL	-52,705	33,715	-437,489	-694,142	-233,439	1,933,716
Palm Beach, FL	-149,665	-37,844	-154,952	49,384	289,888	1,632,539
Philadelphia, PA	232,797	-382,379	-1,101,745	56,247	-525,449	3,141,898
Phoenix, AZ	-2,111,458	-205,411	-686,192	-1,172,922	-382,073	5,316,522
Pittsburgh, PA	-426,294	-321,853	-726,120	-447,158	-218,688	1,500,244
Portland, OR	-584,845	-889,727	-889,622	-655,264	-327,368	2,355,983
Providence, RI	-126,816	-102,332	-277,059	69,030	121,599	599,497
Puget Sound - Eastside	-446,343	-593,861	-383,405	-398,668	670,794	3,690,455
Raleigh/Durham, NC	-30,955	-125,577	-223,887	22,085	-154,599	2,763,624
Reno, NV	-21,808	-41,286	-37,914	55,386	104,200	397,969
Richmond, VA	-420,254	-96,678	-258,971	28,462	40,469	1,629,583
Roanoke, VA	18,136	-93,569	-8,007	-161,905	-262,651	106,330
Rochester, NY	40,419	-92,759	-393,589	102,865	-357,043	144,132
Sacramento, CA	-62,637	-496,060	-130,596	-337,151	-40,675	2,010,422
Salt Lake City, UT	-653,720	-132,910	162,802	-469,561	-1,050,923	2,151,512
San Antonio, TX	-96,198	85,392	-162,019	79,370	271,457	1,386,896
San Diego, CA	-579,479	-889,411	331,545	476,674	409,731	5,447,174
San Francisco, CA	-2,737,544	-2,288,282	-1,601,060	-2,318,248	-533,667	4,926,615
San Francisco North Bay, CA	-144,831	-198,547	-163,814	-66,771	-110,369	431,784
San Jose, CA	-570,208	-1,309,650	-1,966,349	-1,025,891	-656,791	9,271,857
San Juan, PR	N/A	N/A	N/A	N/A	N/A	N/A
San Mateo County, CA*	-919,228	-401,693	829,680	1,640,536	-170,357	4,776,905
Savannah, GA	N/A	-10,482	N/A	4,061	N/A	4,061
Seattle, WA	-1,229,816	-1,017,203	-1,452,811	-763,394	-66,887	2,512,994
Southern NH	212,312	-256,940	13,870	51,504	-54,975	156,773
St. Louis, MO	-277,491	-461,386	-613,464	-366,366	-1,380	2,230,894
St. Petersburg/Clearwater, FL	-72,585	-115,472	-18,319	-100,869	-214,569	498,632
Suburban MD	-112,502	-113,409	395,623	-202,356	467,388	1,876,425
Syracuse, NY	0	-16,690	10,511	-51,694	-15,827	153,947
Tampa, FL	40,668	-74,726	71,759	-626,259	23,626	2,587,324
Tucson, AZ	-48,654	102,700	29,173	-89,729	45,440	486,101
Tulsa, OK	-257,538	-95,894	26,555	-197,586	-158,634	628,117
Washington, DC	-362,345	-440,776	-656,414	-347,630	-120,488	5,212,784
Westchester County, NY	-307,685	-87,745	93,808	-129,835	-49,496	1,016,424

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

U.S. Office Markets	Overall					Direct
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	Q3 2021p
United States	14.3%	15.2%	16.1%	16.9%	17.4%	15.1%
Northeast	14.5%	15.5%	16.3%	17.2%	17.9%	14.5%
Midwest	14.9%	15.6%	16.5%	17.2%	17.8%	16.1%
South	15.4%	16.1%	16.8%	17.6%	17.8%	16.4%
West	12.6%	13.7%	14.8%	15.7%	16.4%	13.6%

U.S. Office Markets	Overall					Direct
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	Q3 2021p
Atlanta, GA	18.9%	20.0%	22.2%	22.9%	22.7%	20.5%
Austin, TX	15.0%	17.0%	18.1%	20.2%	20.3%	15.5%
Baltimore, MD	12.2%	13.0%	13.3%	13.4%	13.3%	12.4%
Binghamton, NY	6.0%	6.4%	6.5%	6.4%	6.6%	6.6%
Birmingham, AL	17.5%	16.9%	16.9%	18.6%	18.0%	15.5%
Boise, ID	6.4%	6.8%	7.1%	7.8%	8.5%	7.3%
Boston, MA	12.1%	12.4%	13.2%	14.0%	14.1%	11.4%
Buffalo, NY	16.5%	16.5%	16.4%	16.7%	16.0%	14.6%
Charleston, SC	8.6%	10.2%	10.3%	9.9%	9.4%	8.5%
Charlotte, NC	12.1%	13.8%	15.0%	16.3%	18.7%	15.6%
Chicago, IL	18.0%	19.1%	20.4%	21.8%	22.9%	20.2%
Cincinnati, OH	17.9%	19.0%	19.7%	19.9%	20.7%	18.9%
Cleveland, OH	6.3%	6.6%	6.9%	7.4%	7.4%	7.0%
Colorado Springs, CO	8.0%	8.1%	8.6%	9.7%	9.5%	8.9%
Columbia	7.6%	7.2%	8.9%	10.0%	10.5%	10.0%
Columbus, OH	19.2%	20.0%	22.0%	22.9%	23.4%	20.3%
Dallas, TX	20.6%	21.0%	21.8%	22.6%	22.8%	21.2%
Denver, CO	15.8%	17.0%	18.1%	19.7%	20.2%	17.6%
Detroit, MI	13.4%	13.9%	14.0%	14.6%	14.7%	13.9%
El Paso, TX	6.2%	7.5%	7.7%	9.3%	6.9%	5.9%
Fairfield County, CT	29.3%	29.5%	29.9%	31.6%	32.1%	24.9%
Fort Lauderdale, FL	13.1%	15.2%	16.8%	17.0%	16.9%	15.2%
Fort Myers/Naples, FL	5.9%	6.0%	5.8%	5.2%	4.6%	4.6%
Fort Worth, TX	13.7%	13.7%	14.3%	15.1%	15.5%	14.5%
Fredericksburg, VA	10.0%	10.0%	9.2%	9.2%	9.2%	8.8%
Greensboro/Winston-Salem, NC	9.2%	9.6%	10.8%	11.1%	11.2%	10.2%
Greenville, SC	8.9%	10.3%	9.9%	10.9%	11.2%	9.7%
Hampton Roads, VA	7.7%	8.1%	8.7%	9.1%	9.0%	8.5%
Hartford, CT	17.6%	17.4%	19.3%	20.1%	20.8%	18.6%
Houston, TX	23.5%	24.3%	24.5%	25.2%	26.0%	24.2%
Indianapolis, IN	17.6%	17.7%	18.6%	18.6%	19.3%	18.2%
Inland Empire CA	6.7%	8.0%	8.5%	8.7%	9.5%	9.4%
Jacksonville, FL	16.4%	17.0%	18.5%	19.6%	20.8%	18.6%
Kansas City, MO	16.0%	15.9%	16.2%	16.7%	17.3%	15.2%
Las Vegas, NV	11.4%	11.9%	12.2%	13.3%	13.9%	13.2%
Long Island, NY	12.1%	12.5%	13.1%	13.0%	13.1%	10.7%
Los Angeles CBD	21.7%	21.4%	21.7%	22.8%	23.3%	21.7%
Los Angeles Non-CBD	15.5%	17.2%	18.3%	19.2%	20.7%	18.8%
Louisville, KY	13.9%	14.4%	15.3%	15.7%	16.5%	15.8%
Memphis, TN	14.9%	15.0%	15.1%	14.7%	16.4%	15.8%
Miami, FL	14.6%	15.9%	17.0%	17.5%	17.3%	16.3%
Milwaukee, WI	19.0%	19.8%	20.0%	19.6%	20.5%	20.5%
Minneapolis/St. Paul, MN	19.1%	19.9%	21.8%	22.3%	23.3%	20.3%
Nashville, TN	13.4%	14.7%	17.4%	19.0%	19.1%	15.8%
New Haven, CT	12.3%	12.4%	14.3%	16.0%	17.2%	16.5%

U.S. Office Markets	Overall					Direct
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	Q3 2021p
New Jersey - Central	16.8%	18.4%	18.6%	18.6%	19.4%	15.9%
New Jersey - Northern	18.4%	19.2%	20.0%	21.2%	22.0%	17.6%
New Orleans, LA	9.5%	9.7%	10.3%	11.9%	12.1%	11.3%
New York - Brooklyn	21.6%	22.7%	22.4%	25.1%	25.4%	22.5%
New York - Downtown	12.0%	13.5%	14.4%	16.1%	17.8%	12.1%
New York - Midtown	14.5%	15.9%	16.6%	18.5%	19.4%	14.5%
New York - Midtown South	10.9%	14.1%	16.1%	16.9%	19.0%	13.3%
Northern VA	18.2%	18.4%	18.5%	18.8%	19.5%	18.6%
Oakland/East Bay, CA*	12.1%	12.7%	13.3%	14.2%	14.3%	11.3%
Omaha, NE	12.8%	13.2%	17.6%	16.6%	15.7%	14.3%
Orange County, CA	13.3%	13.2%	14.7%	15.8%	16.4%	14.8%
Orlando, FL	10.6%	10.6%	11.9%	13.7%	14.3%	12.1%
Palm Beach, FL	13.6%	14.2%	15.1%	15.9%	14.7%	13.8%
Philadelphia, PA	13.4%	14.1%	14.9%	14.9%	15.7%	14.1%
Phoenix, AZ	16.7%	19.0%	20.6%	22.0%	22.9%	19.5%
Pittsburgh, PA	11.8%	12.2%	13.8%	14.2%	15.1%	13.1%
Portland, OR	11.7%	12.1%	12.6%	13.7%	14.5%	13.1%
Providence, RI	11.4%	11.9%	11.8%	11.2%	11.4%	10.2%
Puget Sound - Eastside	5.9%	7.7%	9.2%	10.3%	10.1%	7.4%
Raleigh/Durham, NC	10.8%	11.6%	13.6%	14.4%	14.7%	11.9%
Reno, NV	11.8%	12.4%	12.6%	12.1%	10.5%	9.9%
Richmond, VA	6.6%	7.2%	7.6%	7.7%	7.3%	6.3%
Roanoke, VA	5.3%	6.0%	6.2%	7.5%	9.4%	7.2%
Rochester, NY	12.5%	13.1%	15.9%	15.2%	17.7%	17.7%
Sacramento, CA	10.8%	11.7%	12.5%	13.0%	13.0%	11.6%
Salt Lake City, UT	12.1%	13.3%	14.3%	15.4%	17.4%	14.1%
San Antonio, TX	13.1%	13.4%	14.2%	14.1%	14.0%	13.4%
San Diego, CA	14.3%	15.4%	15.0%	14.9%	14.7%	13.9%
San Francisco, CA	11.2%	13.9%	16.9%	19.7%	20.5%	12.6%
San Francisco North Bay, CA	10.8%	11.8%	12.3%	12.7%	13.2%	12.3%
San Jose, CA	10.9%	11.9%	13.2%	13.8%	14.5%	10.6%
San Juan, PR	13.8%	14.6%	14.5%	14.6%	14.5%	14.5%
San Mateo County, CA*	9.8%	10.7%	11.5%	10.6%	10.9%	8.3%
Savannah, GA	12.6%	9.9%	9.9%	9.6%	9.6%	9.5%
Seattle, WA	11.1%	13.2%	16.4%	17.5%	18.1%	14.3%
Southern NH	6.5%	9.5%	9.9%	9.5%	9.9%	9.7%
St. Louis, MO	12.7%	13.8%	15.1%	15.8%	15.8%	14.4%
St. Petersburg/Clearwater, FL	9.8%	10.7%	10.9%	11.7%	13.4%	12.6%
Suburban MD	19.1%	19.4%	20.0%	20.3%	19.5%	18.3%
Syracuse, NY	11.1%	12.9%	13.0%	12.9%	13.0%	12.9%
Tampa, FL	13.0%	13.7%	13.5%	16.6%	17.4%	14.8%
Tucson, AZ	9.3%	9.1%	9.2%	9.6%	9.6%	8.9%
Tulsa, OK	11.5%	11.7%	11.3%	11.8%	12.0%	10.6%
Washington, DC	16.5%	16.9%	17.8%	18.1%	18.4%	17.7%
Westchester County, NY	24.7%	25.1%	24.7%	25.3%	25.5%	23.8%

p = preliminary, \*Includes R&D

U.S. Office Markets	Overall (All Classes)					Class A
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	Q3 2021p
United States	\$34.39	\$34.90	\$35.09	\$35.37	\$35.63	\$41.10
Northeast	\$42.81	\$43.39	\$43.16	\$43.53	\$43.64	\$49.26
Midwest	\$25.45	\$25.66	\$25.94	\$26.09	\$26.17	\$30.50
South	\$30.11	\$30.30	\$30.41	\$30.56	\$30.73	\$35.54
West	\$38.73	\$39.39	\$39.94	\$40.22	\$40.64	\$46.80

U.S. Office Markets	Overall (All Classes)					Class A
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	Q3 2021p
Atlanta, GA	\$28.14	\$28.04	\$28.68	\$29.10	\$29.34	\$31.97
Austin, TX	\$41.45	\$42.20	\$43.25	\$44.80	\$44.77	\$49.63
Baltimore, MD	\$23.18	\$23.25	\$23.34	\$23.96	\$24.16	\$27.42
Binghamton, NY	\$13.02	\$13.02	\$12.99	\$12.99	\$12.89	\$13.19
Birmingham, AL	\$20.87	\$21.25	\$21.48	\$20.93	\$20.89	\$22.62
Boise, ID	\$20.18	\$20.24	\$20.40	\$20.75	\$20.86	\$22.18
Boston, MA	\$39.42	\$39.50	\$38.63	\$38.69	\$38.43	\$41.17
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$27.70	\$27.30	\$27.52	\$28.13	\$29.44	\$31.74
Charlotte, NC	\$28.70	\$28.98	\$29.77	\$30.18	\$30.63	\$33.03
Chicago, IL	\$32.26	\$32.37	\$32.82	\$33.05	\$32.96	\$38.98
Cincinnati, OH	\$19.47	\$19.49	\$19.45	\$19.44	\$19.40	\$21.82
Cleveland, OH	\$18.94	\$19.00	\$19.00	\$19.20	\$19.36	\$21.29
Colorado Springs, CO	\$21.23	\$21.25	\$21.42	\$23.99	\$24.06	\$25.94
Columbia	\$18.52	\$18.45	\$18.87	\$19.16	\$19.43	\$22.00
Columbus, OH	\$20.63	\$20.76	\$20.94	\$20.92	\$20.79	\$23.50
Dallas, TX	\$26.71	\$26.86	\$26.56	\$26.85	\$26.77	\$31.39
Denver, CO	\$29.80	\$29.89	\$30.06	\$30.93	\$31.02	\$35.36
Detroit, MI	\$20.81	\$20.88	\$20.73	\$20.72	\$20.74	\$22.35
El Paso, TX	\$17.71	\$17.64	\$18.50	\$18.50	\$18.50	\$18.50
Fairfield County, CT	\$31.82	\$32.18	\$33.24	\$33.88	\$33.91	\$36.85
Fort Lauderdale, FL	\$34.73	\$36.38	\$36.21	\$36.45	\$36.00	\$41.31
Fort Myers/Naples, FL	\$18.75	\$19.84	\$19.61	\$19.33	\$19.50	\$20.85
Fort Worth, TX	\$23.92	\$23.76	\$23.26	\$23.19	\$23.06	\$28.83
Fredericksburg, VA	\$24.01	\$23.92	\$23.80	\$23.92	\$24.03	\$25.02
Greensboro/Winston-Salem, NC	\$16.84	\$16.86	\$16.79	\$16.59	\$16.79	\$18.74
Greenville, SC	\$21.76	\$22.35	\$21.94	\$21.94	\$21.86	\$24.46
Hampton Roads, VA	\$19.96	\$19.99	\$20.09	\$20.23	\$20.27	\$22.04
Hartford, CT	\$20.38	\$20.39	\$20.36	\$20.31	\$20.36	\$22.56
Houston, TX	\$31.25	\$31.40	\$31.17	\$30.85	\$30.87	\$37.03
Indianapolis, IN	\$21.26	\$21.46	\$21.41	\$21.43	\$21.36	\$23.90
Inland Empire CA	\$24.68	\$24.77	\$24.56	\$24.61	\$24.90	\$29.34
Jacksonville, FL	\$21.58	\$21.53	\$21.36	\$21.68	\$21.70	\$23.61
Kansas City, MO	\$21.89	\$21.98	\$22.08	\$22.13	\$22.22	\$26.46
Las Vegas, NV	\$25.01	\$24.96	\$24.89	\$25.11	\$24.67	\$31.83
Long Island, NY	\$31.89	\$32.01	\$31.71	\$31.75	\$31.94	\$35.53
Los Angeles CBD	\$45.16	\$45.19	\$45.06	\$45.05	\$45.21	\$46.70
Los Angeles Non-CBD	\$42.15	\$43.05	\$43.61	\$44.45	\$44.55	\$48.47
Louisville, KY	\$18.15	\$18.29	\$18.28	\$18.14	\$18.19	\$20.12
Memphis, TN	\$19.55	\$19.60	\$19.20	\$18.74	\$18.95	\$22.73
Miami, FL	\$41.54	\$41.84	\$42.63	\$43.03	\$43.60	\$49.33
Milwaukee, WI	\$21.12	\$21.03	\$21.85	\$20.93	\$20.56	\$22.69
Minneapolis/St. Paul, MN	\$26.68	\$27.00	\$27.49	\$27.50	\$27.48	\$32.07
Nashville, TN	\$29.72	\$30.20	\$31.42	\$31.19	\$31.33	\$35.63
New Haven, CT	\$22.62	\$22.56	\$22.01	\$21.61	\$21.56	\$22.46

U.S. Office Markets	Overall (All Classes)					Class A
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021p	Q3 2021p
New Jersey - Central	\$27.15	\$27.16	\$27.39	\$27.44	\$27.73	\$31.68
New Jersey - Northern	\$32.06	\$32.09	\$32.39	\$32.57	\$32.57	\$36.60
New Orleans, LA	\$18.82	\$18.90	\$18.85	\$18.68	\$18.88	\$19.26
New York - Brooklyn	\$47.19	\$48.92	\$48.16	\$48.37	\$48.31	\$58.66
New York - Downtown	\$61.84	\$60.81	\$60.95	\$60.14	\$60.15	\$65.40
New York - Midtown	\$77.29	\$76.54	\$75.67	\$74.17	\$73.67	\$79.41
New York - Midtown South	\$72.85	\$72.51	\$70.50	\$69.74	\$68.79	\$84.24
Northern VA	\$33.74	\$33.79	\$33.56	\$33.65	\$33.86	\$36.46
Oakland/East Bay, CA*	\$39.08	\$40.41	\$40.66	\$40.90	\$41.35	\$46.32
Omaha, NE	\$22.90	\$23.36	\$23.34	\$23.40	\$24.56	\$31.20
Orange County, CA	\$35.13	\$35.14	\$35.01	\$35.31	\$35.39	\$38.93
Orlando, FL	\$24.36	\$24.32	\$24.68	\$24.76	\$25.19	\$28.27
Palm Beach, FL	\$38.88	\$38.81	\$39.15	\$39.19	\$39.71	\$47.79
Philadelphia, PA	\$27.38	\$27.71	\$27.92	\$27.97	\$28.25	\$30.81
Phoenix, AZ	\$27.66	\$27.69	\$27.49	\$27.76	\$27.62	\$30.86
Pittsburgh, PA	\$20.15	\$20.19	\$20.25	\$20.21	\$20.16	\$24.90
Portland, OR	\$31.27	\$29.85	\$29.51	\$29.32	\$29.65	\$33.32
Providence, RI	\$18.31	\$18.73	\$19.78	\$19.65	\$19.61	\$31.56
Puget Sound - Eastside	\$37.78	\$39.09	\$37.76	\$38.43	\$39.11	\$45.69
Raleigh/Durham, NC	\$27.66	\$27.95	\$28.87	\$29.02	\$29.35	\$30.65
Reno, NV	\$20.40	\$21.00	\$21.36	\$21.60	\$22.20	\$29.16
Richmond, VA	\$20.49	\$20.39	\$20.24	\$20.55	\$20.08	\$22.07
Roanoke, VA	\$20.38	\$20.12	\$22.91	\$21.31	\$21.40	\$22.91
Rochester, NY	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$20.66
Sacramento, CA	\$24.08	\$25.41	\$25.66	\$25.51	\$24.90	\$30.47
Salt Lake City, UT	\$24.21	\$24.42	\$24.54	\$24.33	\$24.49	\$28.22
San Antonio, TX	\$23.50	\$23.55	\$23.59	\$23.96	\$23.82	\$27.53
San Diego, CA	\$40.03	\$40.65	\$41.04	\$40.78	\$40.73	\$47.91
San Francisco, CA	\$79.85	\$76.59	\$75.10	\$73.92	\$73.46	\$77.03
San Francisco North Bay, CA	\$33.73	\$34.32	\$34.38	\$34.16	\$34.05	\$39.94
San Jose, CA	\$46.41	\$46.71	\$48.27	\$48.63	\$50.20	\$64.95
San Juan, PR	\$20.06	\$20.06	\$20.18	\$20.18	\$20.12	\$20.07
San Mateo County, CA*	\$67.43	\$68.43	\$71.14	\$71.63	\$71.63	\$77.49
Savannah, GA	\$21.38	\$22.38	\$22.13	\$22.13	\$22.13	\$24.30
Seattle, WA	\$40.70	\$41.60	\$39.37	\$39.25	\$39.21	\$43.24
Southern NH	\$19.60	\$20.54	\$21.30	\$21.58	\$21.48	\$22.71
St. Louis, MO	\$21.63	\$22.29	\$21.93	\$22.04	\$22.25	\$25.09
St. Petersburg/Clearwater, FL	\$23.28	\$23.79	\$23.21	\$23.45	\$24.46	\$26.66
Suburban MD	\$27.87	\$28.22	\$28.65	\$28.79	\$28.97	\$32.71
Syracuse, NY	\$16.94	\$17.53	\$17.77	\$17.89	\$17.24	\$17.75
Tampa, FL	\$28.46	\$29.26	\$28.68	\$29.78	\$31.81	\$35.84
Tucson, AZ	\$20.46	\$19.98	\$20.98	\$21.46	\$21.62	\$24.88
Tulsa, OK	\$15.92	\$15.96	\$15.85	\$16.01	\$16.21	\$19.72
Washington, DC	\$56.51	\$56.67	\$56.59	\$56.50	\$56.80	\$63.26
Westchester County, NY	\$29.12	\$29.30	\$29.13	\$29.22	\$29.66	\$30.42

p = preliminary, \*Includes R&D

U.S. Office Markets	Inventory	Deliveries YTD 2021	Under Construction as of Q3 2021p
United States	5,564,382,587	43,287,815	106,562,022
Northeast	1,302,212,390	4,423,907	29,896,194
Midwest	847,553,229	3,295,372	9,092,565
South	1,885,868,025	18,549,408	35,548,855
West	1,528,748,943	17,019,128	32,024,408

U.S. Office Markets	Inventory	Deliveries YTD 2021	Under Construction as of Q3 2021p
Atlanta, GA	153,649,042	3,060,056	2,849,182
Austin, TX	59,271,295	2,236,725	4,510,080
Baltimore, MD	78,052,313	0	902,808
Binghamton, NY	4,237,577	0	0
Birmingham, AL	19,943,881	35,822	0
Boise, ID	16,666,194	441,806	203,411
Boston, MA	209,138,174	996,546	8,577,898
Buffalo, NY	22,756,307	0	0
Charleston, SC	27,966,533	240,200	503,696
Charlotte, NC	57,206,107	2,327,485	3,633,155
Chicago, IL	242,505,049	1,573,026	3,616,013
Cincinnati, OH	33,799,418	0	685,818
Cleveland, OH	154,176,965	0	375,500
Colorado Springs, CO	29,579,054	486,884	355,311
Columbia	28,302,269	0	102,707
Columbus, OH	34,935,921	350,000	1,268,374
Dallas, TX	223,072,261	1,288,185	4,659,074
Denver, CO	120,355,739	1,143,996	661,495
Detroit, MI	109,681,670	173,276	942,808
El Paso, TX	19,885,877	262,000	70,711
Fairfield County, CT	38,228,860	0	532,258
Fort Lauderdale, FL	28,496,190	0	435,377
Fort Myers/Naples, FL	21,924,373	182,132	192,011
Fort Worth, TX	19,191,879	0	122,594
Fredericksburg, VA	10,286,715	0	39,574
Greensboro/Winston-Salem, NC	35,128,832	112,000	103,900
Greenville, SC	26,287,938	10,351	927,142
Hampton Roads, VA	45,130,752	121,000	163,724
Hartford, CT	24,816,590	0	0
Houston, TX	188,978,122	518,747	2,179,368
Indianapolis, IN	38,563,974	106,000	291,615
Inland Empire CA	21,801,714	30,521	0
Jacksonville, FL	24,414,761	125,000	0
Kansas City, MO	53,445,965	108,000	260,000
Las Vegas, NV	40,332,971	35,000	940,473
Long Island, NY	36,814,578	0	0
Los Angeles CBD	27,750,804	0	0
Los Angeles Non-CBD	181,486,281	1,124,385	5,147,137
Louisville, KY	20,736,568	0	121,203
Memphis, TN	26,602,738	113,255	172,000
Miami, FL	46,138,982	311,359	1,193,687
Milwaukee, WI	30,237,463	37,076	186,000
Minneapolis/St. Paul, MN	78,903,866	369,000	716,571
Nashville, TN	46,573,695	1,924,242	2,546,014
New Haven, CT	10,713,686	0	0

U.S. Office Markets	Inventory	Deliveries YTD 2021	Under Construction as of Q3 2021p
New Jersey - Central	84,070,150	0	0
New Jersey - Northern	110,715,862	150,500	241,763
New Orleans, LA	26,351,613	0	N/A
New York - Brooklyn	32,211,272	814,000	1,168,516
New York - Downtown	88,310,834	0	88,581
New York - Midtown	250,327,325	909,347	11,426,599
New York - Midtown South	67,928,216	263,604	5,155,930
Northern VA	134,795,077	622,812	2,193,033
Oakland/East Bay, CA*	110,254,738	197,000	338,476
Omaha, NE	20,276,474	458,994	292,698
Orange County, CA	92,351,643	822,247	373,423
Orlando, FL	36,697,139	45,687	675,518
Palm Beach, FL	23,871,743	300,000	244,444
Philadelphia, PA	135,649,936	687,333	767,000
Phoenix, AZ	92,031,341	1,506,113	1,295,062
Pittsburgh, PA	93,430,759	531,171	1,685,649
Portland, OR	57,146,092	189,229	534,691
Providence, RI	26,807,053	0	0
Puget Sound - Eastside	36,790,973	834,462	3,679,072
Raleigh/Durham, NC	59,182,758	1,685,315	2,151,614
Reno, NV	8,104,838	0	24,000
Richmond, VA	53,600,399	143,700	143,319
Roanoke, VA	13,277,603	16,380	0
Rochester, NY	14,069,668	0	45,000
Sacramento, CA	68,174,571	569,389	0
Salt Lake City, UT	56,021,559	1,100,382	2,683,619
San Antonio, TX	48,720,433	645,237	1,042,861
San Diego, CA	83,536,299	888,603	3,320,811
San Francisco, CA	85,053,210	1,337,181	1,863,333
San Francisco North Bay, CA	20,599,234	12,963	21,908
San Jose, CA	222,311,758	2,245,962	5,781,377
San Juan, PR	10,312,067	0	0
San Mateo County, CA*	62,823,796	2,749,616	2,695,134
Savannah, GA	3,913,242	4,717	28,000
Seattle, WA	67,280,800	1,166,652	1,379,990
Southern NH	14,422,822	71,406	0
St. Louis, MO	51,026,464	120,000	457,168
St. Petersburg/Clearwater, FL	11,952,025	0	0
Suburban MD	61,534,785	919,767	1,116,000
Syracuse, NY	14,149,763	0	207,000
Tampa, FL	33,404,303	869,387	195,000
Tucson, AZ	28,295,334	136,737	725,685
Tulsa, OK	48,070,367	155,638	361,176
Washington, DC	212,943,348	272,209	1,969,883
Westchester County, NY	23,412,958	0	0

## 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.

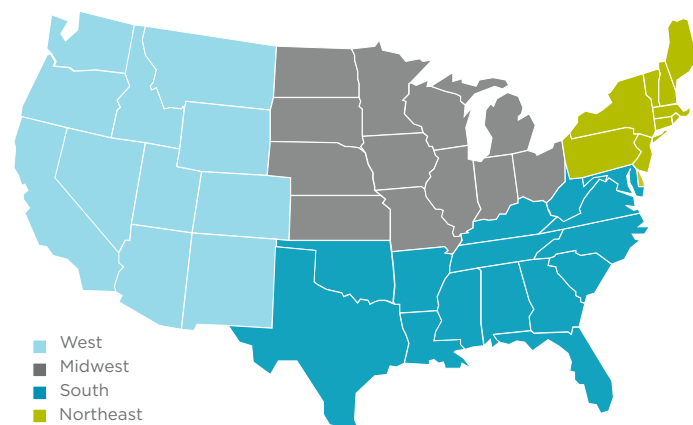
**Absorption:** The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

**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



## About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

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<sup>1</sup>Center for Disease Control and Prevention (CDC) COVID Data Tracker, [https://covid.cdc.gov/covid-data-tracker/#trends\\_dailycases](https://covid.cdc.gov/covid-data-tracker/#trends_dailycases). Accessed October 6, 2021.

<sup>2</sup>Cushman & Wakefield Predicting the Return to the Office report, <https://www.cushmanwakefield.com/en/insights/predicting-the-return-to-the-office>.

<sup>3</sup>Kastle Back to Work Barometer, <https://www.kastle.com/safety-wellness/getting-america-back-to-work/#>. Accessed October 6, 2021.

<sup>4</sup>U.S. Bureau of Economic Analysis (BEA); Moody's Analytics Estimated.

<sup>5</sup>U.S. gateway markets = Boston, Chicago, Los Angeles, Manhattan, San Francisco and Washington, DC.

<sup>6</sup>According to Our World in Data, 216 million Americans have received at least one dose of the vaccine as of October 5, 2021, <https://ourworldindata.org/covid-vaccinations?country=USA>. Accessed October 6, 2021.

<sup>7</sup>Cushman & Wakefield New U.S. Office Building Performance report, <https://www.cushmanwakefield.com/en/united-states/insights/research/spotlight-new-us-office-building-performance>.