

	YoY Chg	12-Mo. Forecast
19.2% Vacancy Rate	▲	▲
-26.9M Net Absorption, SF	▼	▲
\$37.34 Asking Rent, PSF	▲	▼
0.7% Rent Growth, YoY	▲	▼
70.9M Under Construction	▼	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2023

	YoY Chg	12-Mo. Forecast*
155.9M Total Nonfarm Employment	▲	▼
35.2M Office-using Employment	▲	▼
3.6% U.S. Unemployment Rate	▼	▲

Source: BLS, *Cushman & Wakefield baseline

Recessionary Attitudes Continue Even Without a Recession

Although the U.S. economy is not currently in a recession, there are reasons for concern:

- Real GDP growth remains up 1.2% year-over-year (YoY), but it has slowed;
- Job growth continues but at half the pace of early 2022;
- After adding a lower than expected 209,000 jobs in June, total nonfarm payroll is 2.5% higher than a year ago—even though annualized growth rates had exceeded 5% in the first quarter of 2022; and
- The rate of deceleration is more extreme for office-using employment, which ended the second quarter up 1.7% YoY, down from a growth rate of 5.7% in June 2022.

There is strong consensus that a recession is likely to arrive soon. The yield curve (10-year vs. 2-year) has been inverted since last summer, and it typically predates a recession by 12-18 months. A majority (59%) of economists believe there is a greater than 50% chance of recession in the next 12 months.¹ Chief financial officers' expectations for GDP growth over the next four quarters declined in the second quarter to a weighted median of just 0.8%.² At the same time, nine out of 10 CEOs are preparing for a U.S. recession over the next 12-18 months.³ Clearly higher-than-desired inflation levels, softer job growth, elevated interest rates and constrained debt markets are leading companies to be conservative with investment and growth.

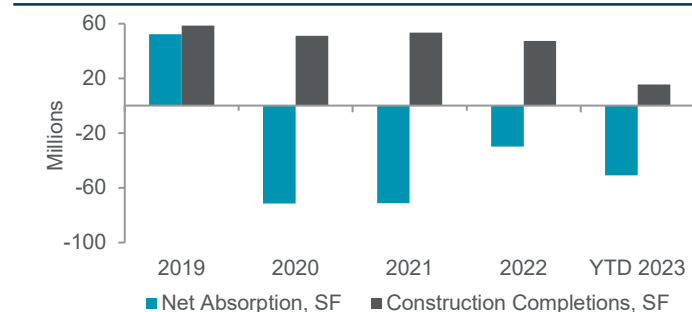
Soft Demand Continues to Push up Vacancy Rates

Net absorption in the second quarter of 2023 was -26.9 million square feet (msf), which is the lowest quarter in two years. In the first half of 2023, there was -51 msf of net negative absorption across the 92 U.S. markets tracked by Cushman & Wakefield. This is down significantly from the first two quarters of last year (-3.9 msf) but not as soft as the first half of 2021 (-62.9 msf).

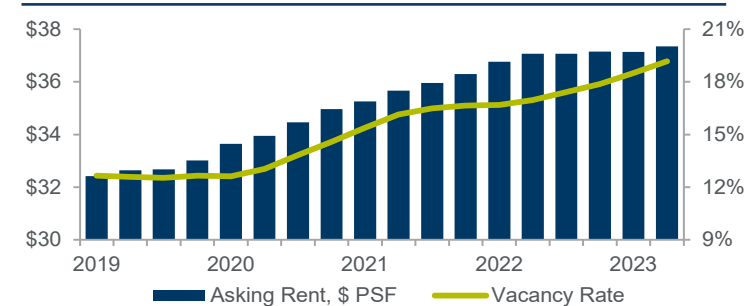
Overall gross leasing activity for the four quarters ending in the second quarter of 2023 was 289 msf. After falling for four straight quarters, leasing is down 24% YoY, but it remains 49 msf (20%) above the pandemic-era low in the first quarter of 2021.

Another sign of recession concerns, occupiers continue to put significant amounts of leased space onto the sublease market—with over 27.5 msf added in the last two quarters, for a total of 47.2 msf of new vacant sublease space in the past year. Sublease availabilities now account for 2.9% of total inventory, nearly triple the pre-pandemic norm of approximately 1%. There is currently 159 msf of available sublease space on the market—the most on record since Cushman & Wakefield began tracking this data in 2000.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Overall vacancy increased 70 basis points (bps) in the second quarter, which is the largest QoQ jump since mid-2021. National vacancy now sits at 19.2%, 660 bps higher than where it was in the first quarter of 2020. This is a larger trough-to-peak increase than the 465-bps increase during the Great Financial Crisis (2007-2010), but still quite lower than the 915-bps rise in the Dot-Com recession (2000-2003). The pain is not everywhere as vacancy has increased by less than half the national average in a third of U.S. markets and current vacancy remains below 16% in half of the markets.

Office buildings of the very highest quality continue to strongly outperform the broader market. For these assets—generally built in the past 10 years, in prime locations with an abundance of amenities and services—absorption has been positive since the pandemic first started. Office vacancy for these assets is more than 500 bps below the overall average, and asking rents are 34% higher.

Pockets of Resiliency Across the Country

Overall demand is soft, but all commercial real estate is local—and there is demand for certain types of office product and in specific markets. For example, overall gross leasing for the past four quarters is above pre-pandemic averages (2010-2019) in 24 U.S. markets, and within 20% of those long-term averages in another 17 markets. Of the 92 markets tracked by Cushman & Wakefield, there were 21 that registered positive net absorption in the second quarter. Absorption exceeded more than 100,000 sf in six U.S. markets: Midtown Manhattan (+913,000 sf), Nashville (+691,000 sf), Tampa (+231,000 sf), Tucson (+225,000 sf), Buffalo (+158,000 sf) and Cleveland (+132,000 sf).

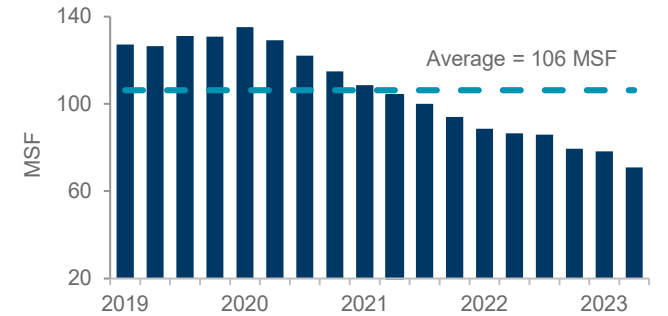
National vacancy now exceeds 19%, but 39 U.S. markets still have vacancy rates below 15%—with 24 markets where current vacancy is below 12%. On the other side of the spectrum, there are only 10 markets where vacancy exceeded 25% by the end of the second quarter. Vacancy rates declined or stayed flat QoQ in 21 markets, led by several Sun Belt (Savannah, Tucson, Memphis, Tampa) and northeastern markets (Buffalo, Binghamton).

Construction deliveries are a key ingredient in rising vacancy rates. Across the U.S., 167 msf of office space has been delivered since the beginning of 2020, which accounts for 3.1% of current inventory. However, in the 10 markets with the largest vacancy rate increases over the past three years, new construction accounts for 5.2% of current inventory. This impact will lessen as the pipeline slows down. New deliveries have exceeded 23 msf in the first two quarters in each of the past seven years, but in the first half of 2023, office construction completions totaled only 15.5 msf.

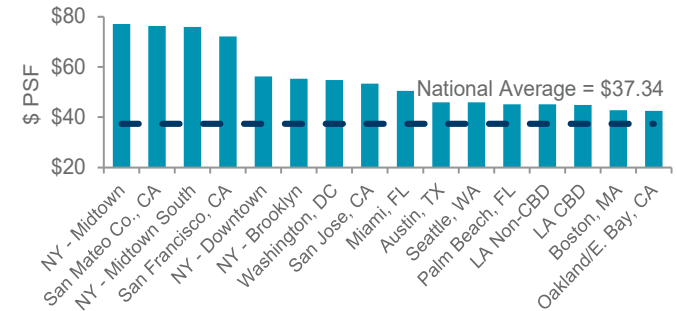
Outlook

- **Occupiers brace for a recession:** Fundamentals were showing signs of stabilizing in late 2021 and early 2022, but inflationary pressures, rising interest rates, [bank liquidity concerns](#) and economic uncertainty have caused occupiers to become more cautious over the past year. Demand has softened with nearly 50 msf of net negative absorption in the first half of 2023. New sublease space availabilities (27.5 msf) account for more than half of new vacancies. Occupier demand is likely to rebound once the economic outlook is clearer and more positive.
- **Office recovery is not a quick fix:** The [glide path to clearer skies](#) is a multi-year timeline. Cushman & Wakefield's outlook is for a pending recession to stretch through much of 2024. Office vacancy has not yet peaked and will not begin its descent until late 2024, which is consistent with when we expect the economy to begin pulling out of the downturn. Supply-demand dynamics will gradually recover as leasing volumes grow post-recession, but new construction deliveries remain restrained for the rest of the decade.
- **Market fundamentals drive evolution of office:** Vacancy across the office market has increased significantly, but there continues to be demand for the “right” type of office space—new or renovated, high-quality buildings in the best locations and with an [array of attractive amenities](#) that drive employee experience. Space that does not meet these occupier requirements may become [competitively obsolete and require investment or repurposing](#). In response to this demand, there is expected to be 10.1 msf of office space renovated and upgraded in 2023. If all of that space delivers, it would be more newly renovated office space than has been seen in any of the previous six years. Expect further evolution as office space is upgraded or repurposed to other in-demand uses: [residential](#), [life sciences](#), [medical office](#) and [data center](#), for example.

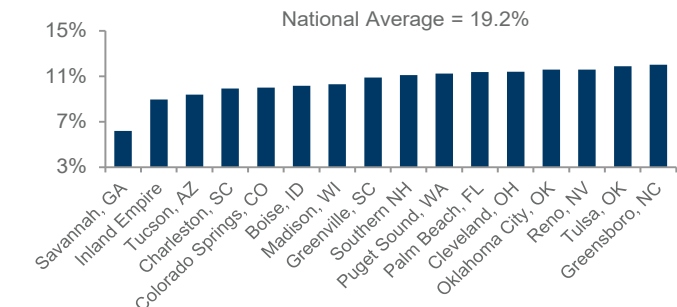
SPACE UNDER CONSTRUCTION



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



VACANCY BY SELECT MARKETS



U.S. Office Markets	Net Absorption					Leasing Activity**
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	YTD 2023p
United States	-2,381,114	-12,456,617	-13,460,099	-24,078,941	-26,929,743	128,317,290
Northeast	-1,108,810	-2,169,953	-3,827,942	-3,438,642	-5,418,024	26,643,429
Midwest	-942,237	-3,107,564	-2,350,159	-5,355,944	-4,018,715	16,844,895
South	789,493	-2,016,593	-2,450,455	-6,704,098	-3,210,599	44,487,436
West	-1,119,560	-5,162,507	-4,831,543	-8,580,257	-14,282,405	39,968,375

U.S. Office Markets	Net Absorption		Leasing Activity**			
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	YTD 2023p
Atlanta, GA	605,944	233,297	191,381	-726,803	-900,477	4,372,278
Austin, TX	380,072	-347,344	-353,639	-618,687	-840,259	1,547,094
Baltimore, MD	131,426	-332,476	-33,987	-468,046	-272,929	1,449,621
Binghamton, NY	-8,255	-520	1,078	-8,765	29,151	13,942
Birmingham, AL	10,084	-50,230	-83,455	-161,614	15,422	365,515
Boise, ID	-34,642	8,168	121,477	-180,129	-264,897	301,507
Boston, MA	-301,678	-307,594	-1,608,649	-1,738,197	-550,074	3,297,225
Buffalo, NY	-102,095	-104,320	-169,353	-84,171	158,385	561,613
Charleston, SC	-28,717	11,179	59,518	-79,198	-163,984	262,356
Charlotte, NC	16,584	187,874	-1,062,875	-442,284	-517,981	1,042,514
Chicago, IL	-336,755	-815,650	-614,739	-2,347,467	-1,128,253	5,794,387
Cincinnati, OH	143,256	-212,053	85,095	-255,109	-192,928	1,025,163
Cleveland, OH	-266,589	-129,527	-901,554	-506,578	131,572	757,015
Colorado Springs, CO	-45,828	-110,819	293,237	56,460	-247,199	649,918
Columbia, SC	64,212	-37,795	19,321	-29,975	18,845	524,123
Columbus, OH	-54,686	-414,250	-321,919	-410,727	-363,122	1,004,860
Dallas, TX	654,399	-91,332	26,724	-524,226	-283,464	4,979,225
Denver, CO	-667,038	-692,318	-674,900	-353,649	-1,465,602	3,999,947
Des Moines, IA	n/a	n/a	n/a	-30,833	-47,605	278,638
Detroit, MI	25,454	-81,821	-238,665	-1,092,491	-1,276,058	1,264,584
El Paso, TX	648,247	-409,104	45,827	56,449	91,060	303,182
Fairfield County, CT	166,642	257,788	29,036	104,801	-117,981	988,610
Fort Lauderdale, FL	20,726	36,547	-72,850	2,896	6,656	1,015,113
Fort Myers/Naples, FL	-39,333	4,978	124,830	71,504	2,789	401,557
Fort Worth, TX	-12,007	-39,339	-130,202	-27,323	15,486	348,127
Fredericksburg, VA	-895	32,511	3,992	108,985	-1,222	124,392
Greensboro/Winston-Salem, NC	-277,623	-42,580	-87,887	-227,080	83,882	373,155
Greenville, SC	48,149	-30,710	171	-92,691	52,171	358,033
Hampton Roads, VA	107,642	-33,294	89,790	94,737	-124,790	675,253
Hartford, CT	161,328	-344,688	-95,622	213,811	-387,169	398,554
Houston, TX	-214,066	-546,878	-521,507	-795,960	-97,862	7,079,129
Indianapolis, IN	146,486	-446,949	-87,583	-334,978	-212,074	1,153,207
Inland Empire CA	27,218	-77,368	-76,532	-67,078	-63,503	542,281
Jacksonville, FL	25,358	-80,747	382,315	33,845	20,872	532,082
Kansas City, MO	-237,646	-61,212	93,555	-239,556	-348,166	1,278,870
Las Vegas, NV	-1,414	-142,360	-5,082	-140,501	43,855	640,244
Long Island, NY	-131,830	-21,618	-32,505	-273,894	-137,455	1,264,238
Los Angeles CBD	-11,643	49,640	-326,619	-330,522	-256,736	614,931
Los Angeles Non-CBD	-6,298	-168,500	-531,176	-261,911	-510,997	5,239,225
Louisville, KY	60,149	-14,097	-81,603	-299,198	-7,797	627,599
Madison, WI	n/a	n/a	n/a	127,987	-74,385	273,301
Memphis, TN	-69,883	136,474	89,720	169,175	69,103	447,041
Miami, FL	103,360	118,657	266,860	136,292	-82,213	1,549,093
Milwaukee, WI	-84,525	-117,422	26,970	-807	47,912	876,693
Minneapolis/St. Paul, MN	-177,575	-165,082	-49,682	-619,453	-307,247	2,305,881
Nashville, TN	-235,090	206,620	187,423	69,134	691,470	1,032,852

U.S. Office Markets	Net Absorption					Leasing Activity**
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	YTD 2023p
New Haven, CT	55,135	-75,287	-20,507	95,500	-97,050	65,343
New Jersey - Central	176,978	531,998	-1,336,327	310,037	-489,081	2,315,462
New Jersey - Northern	417,524	-669,001	-227,333	-1,336,077	-462,537	2,500,275
New Orleans, LA	-80,382	8,606	223,127	-257,260	-16,193	137,869
New York - Brooklyn	-18,184	599,255	-237,993	553,598	-5,053	382,848
New York - DOWNTOWN	-255,406	195,417	-491,173	-446,118	-1,412,923	1,943,161
New York - Midtown	1,070,817	47,658	1,765,010	570,441	913,163	7,096,126
New York - Midtown South	-874,578	-182,137	65,827	-241,002	-786,573	1,376,677
Northern VA	-233,838	-17,915	-355,595	-574,361	-209,598	2,761,033
Oakland/East Bay, CA*	-19,823	-489,025	-773,118	-459,240	-749,774	1,565,243
Oklahoma City, OK	n/a	n/a	n/a	-18,129	-55,441	127,874
Omaha, NE	105,841	22,619	51,793	n/a	35,489	438,039
Orange County, CA	-649,885	-499,611	-883,472	-886,213	-696,529	3,627,297
Orlando, FL	34,056	-60,796	62,922	-301,869	-608,571	1,443,696
Palm Beach, FL	161,038	186,510	78,411	-141,272	-143,040	855,747
Philadelphia, PA	-1,443,446	-1,607,389	-1,284,524	-1,179,009	-982,702	2,263,683
Phoenix, AZ	-55,756	-486,182	-824,607	-965,630	-1,141,839	3,724,691
Pittsburgh, PA	-90,885	68,686	115,480	-227,207	-608,789	845,624
Portland, OR	-488,336	362,551	-349,715	-414,677	-486,340	1,119,565
Providence, RI	-103,318	52,365	-62,045	2,463	-73,963	346,561
Puget Sound - Eastside	131,835	3,253	-84,072	67,285	-870,010	908,061
Raleigh/Durham, NC	-515,135	-823,468	-718,740	-1,010,431	-253,001	1,258,137
Reno, NV	17,275	27,306	6,506	-16,707	-141,884	180,436
Richmond, VA	-147,893	-391,933	94,125	-74,010	-54,004	1,016,420
Roanoke, VA	-7,773	15,532	75,357	-56,340	-17,770	71,945
Rochester, NY	361,851	-591,929	-86,874	227,322	-114,562	69,188
Sacramento, CA	21,415	-382,395	261,635	-551,057	-274,346	1,303,394
Salt Lake City, UT	-91,299	-346,325	-392,529	-553,609	-687,066	1,599,132
San Antonio, TX	-116,123	244,475	46,840	-365,422	-726	1,305,422
San Diego, CA	793,181	-431,252	-117,014	-272,317	-81,037	1,950,439
San Francisco, CA	-347,431	-1,235,412	-574,614	-1,158,563	-2,345,728	2,348,261
San Francisco North Bay, CA	36,123	22,854	-143,760	-57,673	-61,338	535,226
San Jose, CA*	1,008,470	-353,652	933,197	-142,012	-2,787,824	5,991,685
San Juan, PR	n/a	n/a	n/a	n/a	n/a	n/a
San Mateo County, CA*	-323,752	38,162	-116,054	-795,411	-640,904	955,006
Savannah, GA	-3,605	43,183	36,100	15,423	70,948	70,948
Seattle, WA	-219,674	-453,070	-388,496	-1,011,353	-729,684	1,486,444
Southern NH	55,016	4,639	-75,235	-59,816	-161,680	207,604
St. Louis, MO	-205,498	-686,217	-393,430	214,307	-331,455	672,895
St. Petersburg/Clearwater, FL	-34,652	30,025	42,394	-30,856	-71,303	285,813
Suburban MD	-27,262	507,962	-380,407	-144,416	-84,382	1,245,667
Syracuse, NY	-10,961	103,400	102,496	-202,861	-11,654	189,760
Tampa, FL	-87,440	-688,448	-174,790	110,704	230,933	1,338,491
Tucson, AZ	-192,258	193,848	-185,835	-54,917	224,582	406,804
Tulsa, OK	132,856	105,913	64,262	-7,564	-199,125	482,255
Washington, DC	-283,092	-88,450	-604,328	-98,227	-154,104	3,049,940
Westchester County, NY	-233,465	-126,676	-120,657	280,502	-119,477	516,935

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

U.S. Office Markets	Overall					Direct
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	Q1 2023p
United States	17.0%	17.4%	17.9%	18.5%	19.2%	16.3%
Northeast	17.9%	18.3%	18.8%	19.2%	19.7%	16.0%
Midwest	17.0%	17.6%	18.3%	20.2%	20.9%	18.6%
South	17.1%	17.5%	17.7%	18.0%	18.4%	16.6%
West	16.0%	16.5%	17.0%	17.7%	18.8%	15.3%

U.S. Office Markets	Overall					Direct
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	Q2 2023p
Atlanta, GA	21.3%	22.0%	22.2%	22.7%	23.2%	21.4%
Austin, TX	19.8%	21.5%	22.0%	23.6%	25.0%	16.6%
Baltimore, MD	12.9%	13.3%	13.8%	14.4%	14.9%	13.4%
Binghamton, NY	6.8%	7.0%	7.0%	7.5%	6.7%	6.7%
Birmingham, AL	18.9%	19.2%	19.6%	20.3%	20.2%	17.0%
Boise, ID	6.4%	6.5%	6.6%	8.2%	10.2%	8.3%
Boston, MA	11.7%	12.0%	12.8%	13.7%	13.9%	10.5%
Buffalo, NY	17.3%	17.8%	18.5%	18.2%	17.4%	15.8%
Charleston, SC	7.3%	7.3%	8.4%	8.6%	9.9%	7.7%
Charlotte, NC	18.3%	18.6%	19.9%	20.9%	22.0%	18.0%
Chicago, IL	21.1%	21.5%	21.9%	22.9%	23.8%	21.7%
Cincinnati, OH	21.1%	22.6%	22.4%	23.2%	23.7%	20.7%
Cleveland, OH	6.9%	7.0%	7.6%	11.5%	11.4%	10.3%
Colorado Springs, CO	8.9%	9.3%	8.6%	9.2%	10.0%	8.7%
Columbia, SC	8.8%	9.4%	9.3%	9.4%	9.4%	7.5%
Columbus, OH	20.3%	22.5%	23.8%	25.3%	26.3%	21.6%
Dallas, TX	20.5%	20.7%	20.5%	20.9%	21.4%	20.6%
Denver, CO	19.7%	20.3%	20.9%	21.2%	22.4%	19.1%
Des Moines, IA	n/a	n/a	n/a	14.7%	14.3%	14.0%
Detroit, MI	12.0%	13.8%	17.3%	18.5%	19.7%	17.5%
El Paso, TX	3.7%	6.6%	9.0%	9.7%	10.9%	10.3%
Fairfield County, CT	30.1%	29.4%	29.8%	29.6%	30.1%	23.6%
Fort Lauderdale, FL	17.5%	18.2%	18.2%	18.2%	18.1%	16.6%
Fort Myers/Naples, FL	4.0%	4.0%	3.4%	3.8%	3.8%	3.0%
Fort Worth, TX	11.0%	11.5%	12.3%	12.5%	13.0%	12.5%
Fredericksburg, VA	8.1%	7.6%	7.4%	6.9%	6.8%	6.5%
Greensboro/Winston-Salem, NC	11.3%	11.4%	11.6%	12.3%	12.0%	11.5%
Greenville, SC	10.2%	10.4%	10.7%	11.1%	10.9%	9.5%
Hampton Roads, VA	8.4%	8.6%	8.6%	8.1%	8.4%	8.0%
Hartford, CT	22.6%	24.0%	24.4%	23.5%	25.1%	21.9%
Houston, TX	24.1%	24.4%	24.6%	25.1%	25.2%	23.8%
Indianapolis, IN	18.7%	19.7%	19.8%	20.6%	21.7%	19.3%
Inland Empire CA	7.6%	8.0%	8.3%	8.7%	9.0%	8.6%
Jacksonville, FL	20.6%	20.9%	19.7%	19.6%	19.5%	17.4%
Kansas City, MO	20.6%	20.6%	20.4%	21.0%	21.7%	17.7%
Las Vegas, NV	12.3%	12.7%	13.6%	14.0%	13.9%	12.9%
Long Island, NY	12.8%	13.0%	13.0%	13.8%	14.2%	10.6%
Los Angeles CBD	22.7%	22.5%	23.7%	24.9%	25.8%	23.4%
Los Angeles Non-CBD	20.4%	20.7%	21.4%	21.7%	22.5%	19.7%
Louisville, KY	14.8%	14.9%	15.4%	16.9%	17.0%	16.3%
Madison, WI	n/a	n/a	n/a	9.7%	10.3%	10.3%
Memphis, TN	15.2%	15.8%	16.2%	16.2%	15.6%	15.0%
Miami, FL	16.0%	15.9%	15.4%	15.2%	15.4%	14.9%
Milwaukee, WI	21.1%	21.7%	21.7%	22.3%	22.2%	22.2%
Minneapolis/St. Paul, MN	24.9%	24.5%	24.5%	25.0%	25.4%	21.5%
Nashville, TN	18.5%	18.3%	18.1%	18.4%	18.6%	15.2%

U.S. Office Markets	Overall					Direct
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	Q2 2023p
New Haven, CT	16.6%	17.3%	17.5%	16.6%	17.5%	17.2%
New Jersey - Central	18.9%	18.3%	19.9%	19.5%	20.2%	16.1%
New Jersey - Northern	19.1%	19.6%	19.8%	21.1%	21.5%	16.9%
New Orleans, LA	10.9%	10.8%	10.2%	11.1%	11.1%	10.4%
New York - Brooklyn	24.1%	22.7%	23.8%	22.0%	23.0%	20.4%
New York - Downtown	21.9%	22.0%	22.6%	22.6%	24.2%	16.5%
New York - Midtown	20.9%	21.1%	21.3%	21.4%	21.7%	16.9%
New York - Midtown South	20.8%	21.3%	21.9%	21.8%	23.0%	17.6%
Northern VA	19.8%	19.8%	20.2%	20.7%	20.9%	20.3%
Oakland/East Bay, CA*	13.5%	13.8%	14.5%	14.9%	15.7%	12.0%
Oklahoma City, OK	n/a	n/a	n/a	11.2%	11.6%	11.3%
Omaha, NE	12.5%	12.5%	12.6%	12.7%	12.6%	11.7%
Orange County, CA	15.0%	15.6%	16.9%	18.6%	19.4%	17.1%
Orlando, FL	13.2%	13.3%	13.3%	14.2%	14.4%	12.7%
Palm Beach, FL	11.6%	10.7%	10.4%	11.0%	11.4%	9.7%
Philadelphia, PA	16.5%	17.7%	18.7%	19.5%	20.3%	17.6%
Phoenix, AZ	21.6%	22.5%	23.8%	24.9%	26.1%	20.2%
Pittsburgh, PA	13.6%	14.1%	13.9%	15.0%	15.7%	12.6%
Portland, OR	17.7%	17.3%	17.9%	18.9%	19.9%	17.3%
Providence, RI	12.9%	12.2%	12.7%	12.6%	12.7%	10.6%
Puget Sound - Eastside	7.7%	7.7%	7.9%	8.9%	11.2%	8.1%
Raleigh/Durham, NC	15.1%	17.1%	18.4%	20.3%	20.7%	13.4%
Reno, NV	9.9%	9.4%	9.4%	9.7%	11.6%	10.2%
Richmond, VA	7.7%	8.5%	8.2%	8.0%	7.9%	7.1%
Roanoke, VA	7.9%	7.7%	7.0%	7.5%	7.6%	5.1%
Rochester, NY	12.1%	23.3%	22.8%	21.4%	21.9%	21.9%
Sacramento, CA	13.2%	13.7%	13.4%	14.2%	14.6%	12.4%
Salt Lake City, UT	17.8%	18.8%	19.8%	21.2%	22.5%	16.1%
San Antonio, TX	15.6%	15.5%	15.7%	16.0%	17.4%	16.2%
San Diego, CA	13.4%	14.0%	14.3%	14.7%	14.8%	12.6%
San Francisco, CA	20.7%	22.3%	23.0%	24.3%	27.1%	19.7%
San Francisco North Bay, CA	13.1%	13.1%	14.0%	13.9%	14.2%	12.5%
San Jose, CA*	13.8%	14.4%	14.1%	14.2%	15.8%	11.0%
San Juan, PR	13.1%	12.7%	12.3%	12.0%	12.1%	12.1%
San Mateo County, CA*	10.2%	10.9%	11.3%	13.3%	15.7%	11.0%
Savannah, GA	9.8%	9.2%	8.4%	8.0%	6.2%	6.2%
Seattle, WA	18.0%	18.7%	19.3%	20.8%	22.4%	19.3%
Southern NH	9.1%	9.1%	9.6%	10.0%	11.1%	9.4%
St. Louis, MO	15.1%	16.5%	17.2%	16.8%	18.3%	15.6%
St. Petersburg/Clearwater, FL	16.9%	16.7%	16.0%	15.5%	16.2%	14.6%
Suburban MD	18.8%	18.8%	19.4%	19.6%	19.7%	18.6%
Syracuse, NY	13.0%	12.3%	11.6%	12.7%	12.8%	12.2%
Tampa, FL	19.8%	22.0%	22.5%	22.3%	21.7%	16.1%
Tucson, AZ	9.9%	9.4%	10.0%	10.1%	9.4%	8.3%
Tulsa, OK	11.9%	11.8%	11.9%	11.4%	11.9%	11.2%
Washington, DC	18.9%	19.1%	19.7%	19.8%	20.0%	18.9%
Westchester County, NY	26.4%	26.5%	27.0%	25.5%	26.0%	23.4%

U.S. Office Markets	Overall (All Classes)						Class A
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	Q2 2023p	
United States	\$37.07	\$37.07	\$37.15	\$37.13	\$37.34	\$42.37	
Northeast	\$46.48	\$46.16	\$46.59	\$46.80	\$46.77	\$52.93	
Midwest	\$26.62	\$26.48	\$26.41	\$26.51	\$26.64	\$30.27	
South	\$31.83	\$31.86	\$31.88	\$31.87	\$32.01	\$36.13	
West	\$41.48	\$41.90	\$41.77	\$41.53	\$41.90	\$48.44	

U.S. Office Markets	Overall (All Classes)					Class A
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	Q2 2023p
Atlanta, GA	\$29.99	\$30.93	\$31.22	\$31.16	\$31.47	\$34.09
Austin, TX	\$48.28	\$45.97	\$45.65	\$45.71	\$45.98	\$50.34
Baltimore, MD	\$25.50	\$25.40	\$25.39	\$24.99	\$25.00	\$27.26
Binghamton, NY	\$13.71	\$13.51	\$13.51	\$13.21	\$13.21	\$13.21
Birmingham, AL	\$20.88	\$20.86	\$20.90	\$21.26	\$20.92	\$22.96
Boise, ID	\$22.28	\$23.24	\$22.86	\$22.90	\$22.91	\$25.15
Boston, MA	\$41.89	\$42.88	\$42.80	\$42.68	\$42.82	\$46.90
Buffalo, NY	\$17.70	\$17.70	\$17.70	\$17.70	\$17.70	\$23.60
Charleston, SC	\$29.00	\$28.79	\$29.50	\$29.44	\$29.59	\$32.93
Charlotte, NC	\$32.64	\$33.19	\$33.22	\$33.38	\$33.28	\$35.45
Chicago, IL	\$34.03	\$33.91	\$34.06	\$34.17	\$34.30	\$40.34
Cincinnati, OH	\$20.20	\$20.29	\$20.26	\$20.41	\$20.21	\$22.73
Cleveland, OH	\$19.38	\$19.84	\$19.84	\$19.60	\$19.72	\$22.11
Colorado Springs, CO	\$24.59	\$24.93	\$25.08	\$25.07	\$26.20	\$28.15
Columbia, SC	\$19.45	\$19.19	\$19.15	\$19.08	\$19.03	\$21.51
Columbus, OH	\$21.26	\$21.46	\$21.38	\$21.34	\$21.38	\$22.79
Dallas, TX	\$29.00	\$29.02	\$28.63	\$28.90	\$29.17	\$34.34
Denver, CO	\$31.49	\$31.68	\$31.45	\$31.50	\$31.84	\$35.61
Des Moines, IA	n/a	n/a	n/a	19.90	\$19.68	\$21.60
Detroit, MI	\$19.19	\$19.31	\$19.69	\$19.77	\$19.73	\$20.68
El Paso, TX	\$18.50	\$18.50	\$20.00	\$19.50	\$19.50	\$26.00
Fairfield County, CT	\$34.05	\$34.16	\$34.98	\$35.22	\$34.41	\$37.17
Fort Lauderdale, FL	\$36.69	\$37.73	\$37.89	\$38.11	\$38.24	\$42.00
Fort Myers/Naples, FL	\$18.89	\$19.68	\$20.30	\$22.44	\$22.60	\$19.58
Fort Worth, TX	\$23.80	\$24.79	\$24.65	\$24.39	\$24.82	\$28.32
Fredericksburg, VA	\$24.54	\$24.88	\$24.43	\$24.14	\$24.36	\$26.43
Greensboro/Winston-Salem, NC	\$18.23	\$18.50	\$18.78	\$18.77	\$18.90	\$20.92
Greenville, SC	\$22.12	\$22.42	\$22.75	\$22.57	\$22.80	\$26.37
Hampton Roads, VA	\$20.81	\$20.86	\$21.39	\$21.54	\$21.92	\$23.32
Hartford, CT	\$20.48	\$20.65	\$20.73	\$20.76	\$21.11	\$22.67
Houston, TX	\$31.25	\$31.45	\$31.17	\$31.14	\$31.04	\$37.07
Indianapolis, IN	\$21.44	\$21.51	\$21.40	\$21.45	\$21.43	\$24.16
Inland Empire CA	\$26.43	\$26.63	\$26.78	\$27.15	\$26.79	\$30.64
Jacksonville, FL	\$22.56	\$22.66	\$22.80	\$22.70	\$22.76	\$24.60
Kansas City, MO	\$21.96	\$21.60	\$21.56	\$21.87	\$22.15	\$25.02
Las Vegas, NV	\$25.58	\$26.05	\$26.90	\$27.09	\$26.88	\$34.60
Long Island, NY	\$32.07	\$32.66	\$32.58	\$32.39	\$32.61	\$35.20
Los Angeles CBD	\$45.11	\$45.28	\$45.03	\$45.12	\$44.87	\$46.46
Los Angeles Non-CBD	\$45.37	\$45.58	\$45.47	\$45.25	\$45.18	\$48.98
Louisville, KY	\$18.65	\$18.64	\$18.54	\$18.48	\$18.56	\$20.34
Madison, WI	n/a	n/a	n/a	22	\$22.88	\$25.67
Memphis, TN	\$19.37	\$19.38	\$19.38	\$19.38	\$19.56	\$24.04
Miami, FL	\$48.02	\$47.67	\$47.94	\$49.68	\$50.44	\$58.14
Milwaukee, WI	\$21.83	\$21.38	\$21.82	\$21.81	\$22.09	\$24.91
Minneapolis/St. Paul, MN	\$28.01	\$28.23	\$28.38	\$28.32	\$28.21	\$32.46
Nashville, TN	\$33.03	\$32.54	\$32.30	\$32.56	\$34.09	\$39.38

U.S. Office Markets	Overall (All Classes)					Class A
	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023p	Q2 2023p
New Haven, CT	\$22.85	\$22.63	\$22.62	\$22.49	\$22.94	\$22.56
New Jersey - Central	\$27.88	\$27.41	\$28.13	\$28.74	\$28.47	\$32.56
New Jersey - Northern	\$32.72	\$32.74	\$32.32	\$33.17	\$32.83	\$36.42
New Orleans, LA	\$19.11	\$19.14	\$19.18	\$19.27	\$19.96	\$20.62
New York - Brooklyn	\$52.72	\$53.77	\$53.37	\$54.86	\$55.34	\$61.75
New York - Downtown	\$56.74	\$56.13	\$55.91	\$56.47	\$56.27	\$60.03
New York - Midtown	\$76.78	\$75.37	\$76.49	\$77.22	\$77.05	\$83.95
New York - Midtown South	\$71.05	\$74.00	\$76.90	\$75.71	\$75.84	\$93.54
Northern VA	\$34.29	\$34.40	\$34.56	\$34.58	\$34.85	\$37.11
Oakland/East Bay, CA*	\$43.47	\$43.80	\$43.49	\$43.07	\$42.59	\$45.98
Oklahoma City, OK	n/a	n/a	n/a	\$19.82	\$20.17	\$22.46
Omaha, NE	\$26.21	\$26.94	\$26.97	\$26.56	\$25.96	\$32.59
Orange County, CA	\$34.37	\$34.55	\$34.14	\$33.97	\$33.81	\$36.89
Orlando, FL	\$25.72	\$25.87	\$26.07	\$26.58	\$26.46	\$28.60
Palm Beach, FL	\$42.83	\$42.86	\$43.26	\$44.28	\$45.19	\$52.07
Philadelphia, PA	\$28.51	\$28.45	\$28.77	\$29.11	\$29.25	\$31.55
Phoenix, AZ	\$27.85	\$28.38	\$28.67	\$28.86	\$28.89	\$34.40
Pittsburgh, PA	\$25.36	\$25.93	\$25.98	\$25.98	\$26.35	\$28.88
Portland, OR	\$29.88	\$30.74	\$31.57	\$32.14	\$32.19	\$36.47
Providence, RI	\$19.90	\$19.95	\$19.96	\$20.34	\$20.50	\$33.49
Puget Sound - Eastside	\$42.47	\$43.35	\$42.66	\$44.38	\$42.41	\$46.46
Raleigh/Durham, NC	\$29.34	\$29.64	\$29.39	\$29.48	\$29.43	\$30.35
Reno, NV	\$22.56	\$23.04	\$23.52	\$22.92	\$22.80	\$27.36
Richmond, VA	\$20.21	\$20.45	\$20.34	\$20.53	\$20.82	\$22.76
Roanoke, VA	\$19.91	\$19.52	\$19.01	\$18.78	\$20.44	\$23.40
Rochester, NY	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$21.00
Sacramento, CA	\$25.22	\$26.08	\$26.38	\$26.39	\$26.49	\$30.91
Salt Lake City, UT	\$25.84	\$25.64	\$25.67	\$26.00	\$25.84	\$28.97
San Antonio, TX	\$24.38	\$24.09	\$24.64	\$24.33	\$24.26	\$27.98
San Diego, CA	\$39.78	\$40.62	\$40.35	\$40.82	\$40.50	\$45.85
San Francisco, CA	\$75.73	\$74.73	\$73.95	\$72.74	\$72.16	\$76.33
San Francisco North Bay, CA	\$33.54	\$33.14	\$33.05	\$33.59	\$33.36	\$38.66
San Jose, CA*	\$51.49	\$51.80	\$52.41	\$52.23	\$53.39	\$64.62
San Juan, PR	\$19.99	\$19.99	\$20.01	\$20.03	\$20.06	\$20.18
San Mateo County, CA*	\$76.80	\$78.48	\$77.64	\$77.16	\$76.32	\$85.32
Savannah, GA	\$22.24	\$22.37	\$22.47	\$22.79	\$23.26	\$25.86
Seattle, WA	\$46.60	\$46.65	\$46.34	\$46.02	\$45.89	\$51.13
Southern NH	\$22.24	\$22.74	\$22.84	\$22.20	\$22.19	\$23.57
St. Louis, MO	\$22.27	\$22.46	\$22.30	\$22.39	\$23.73	\$26.22
St. Petersburg/Clearwater, FL	\$25.76	\$25.86	\$25.94	\$25.37	\$25.21	\$26.44
Suburban MD	\$29.42	\$29.41	\$29.27	\$29.21	\$29.19	\$32.44
Syracuse, NY	\$17.41	\$17.32	\$16.64	\$16.67	\$16.80	\$17.28
Tampa, FL	\$31.02	\$30.35	\$30.49	\$30.51	\$30.58	\$33.28
Tucson, AZ	\$20.99	\$20.92	\$21.79	\$21.30	\$22.72	\$24.90
Tulsa, OK	\$16.59	\$16.57	\$16.62	\$16.80	\$17.01	\$20.26
Washington, DC	\$55.56	\$55.30	\$55.73	\$55.28	\$54.81	\$61.37
Westchester County, NY	\$30.13	\$30.42	\$30.43	\$30.68	\$30.62	\$31.27

p = preliminary, *Includes R&D

U.S. Office Markets	Inventory	Deliveries YTD 2023	Under Construction as of Q2 2023p
United States	5,464,431,521	15,531,286	70,925,206
Northeast	1,286,490,915	2,391,028	16,019,651
Midwest	793,777,913	2,489,379	5,100,947
South	1,881,849,222	5,423,091	30,263,862
West	1,502,313,471	5,227,788	19,540,746

U.S. Office Markets	Inventory	Deliveries YTD 2023	Under Construction as of Q2 2023p
Atlanta, GA	156,809,405	0	1,998,207
Austin, TX	63,308,290	620,221	6,211,731
Baltimore, MD	78,656,448	84,000	626,195
Binghamton, NY	4,262,170	0	0
Birmingham, AL	19,369,987	55,000	48,750
Boise, ID	16,981,999	168,900	172,940
Boston, MA	195,257,964	0	4,305,952
Buffalo, NY	22,761,974	0	0
Charleston, SC	21,214,199	139,340	309,336
Charlotte, NC	56,923,916	269,708	2,230,552
Chicago, IL	242,703,914	1,200,202	638,344
Cincinnati, OH	34,350,267	100,000	15,000
Cleveland, OH	90,014,044	70,940	2,158,907
Colorado Springs, CO	30,540,142	91,839	3,998
Columbia, SC	22,357,853	0	0
Columbus, OH	36,296,710	124,250	469,442
Dallas, TX	228,573,074	1,424,126	5,031,989
Denver, CO	121,714,655	106,527	2,043,528
Des Moines, IA	16,217,804	10,342	63,003
Detroit, MI	100,813,040	93,303	713,600
El Paso, TX	20,253,326	11,000	195,414
Fairfield County, CT	38,457,701	0	0
Fort Lauderdale, FL	26,121,500	0	0
Fort Myers/Naples, FL	21,860,246	5,856	113,000
Fort Worth, TX	19,849,165	138,000	129,400
Fredericksburg, VA	10,793,446	20,000	0
Greensboro/Winston-Salem, NC	35,597,647	0	100,000
Greenville, SC	22,533,914	0	580,487
Hampton Roads, VA	45,602,515	25,000	130,000
Hartford, CT	24,898,251	0	0
Houston, TX	188,879,378	129,600	741,997
Indianapolis, IN	39,402,222	30,000	171,160
Inland Empire CA	21,224,636	0	0
Jacksonville, FL	21,946,746	0	0
Kansas City, MO	53,152,520	120,527	190,380
Las Vegas, NV	41,823,922	37,343	426,001
Long Island, NY	36,813,982	0	0
Los Angeles CBD	27,761,856	0	0
Los Angeles Non-CBD	186,200,005	1,901,379	2,446,447
Louisville, KY	20,601,128	0	121,203
Madison, WI	16,657,187	162,800	223,000
Memphis, TN	27,494,830	12,884	30,000
Miami, FL	39,856,703	46,678	1,584,474
Milwaukee, WI	30,749,953	70,357	61,779
Minneapolis/St. Paul, MN	79,166,642	0	340,000
Nashville, TN	49,412,185	1,209,863	2,195,683

U.S. Office Markets	Inventory	Deliveries YTD 2023	Under Construction as of Q2 2023p
New Haven, CT	10,880,861	0	525,000
New Jersey - Central	82,462,945	0	0
New Jersey - Northern	109,447,588	0	120,000
New Orleans, LA	26,474,110	0	n/a
New York - Brooklyn	30,134,001	411,783	1,166,536
New York - Downtown	86,004,544	0	0
New York - Midtown	260,605,083	1,945,245	3,317,460
New York - Midtown South	67,571,217	34,000	4,407,814
Northern VA	133,307,373	0	700,771
Oakland/East Bay, CA*	98,216,078	0	0
Oklahoma City, OK	14,632,994	51,192	38,898
Omaha, NE	19,107,722	0	119,335
Orange County, CA	90,219,615	258,194	0
Orlando, FL	35,989,107	68,703	578,917
Palm Beach, FL	23,173,011	0	675,910
Philadelphia, PA	134,840,527	0	912,000
Phoenix, AZ	91,181,071	70,000	626,358
Pittsburgh, PA	93,980,231	0	686,889
Portland, OR	58,826,518	0	272,951
Providence, RI	23,331,403	0	n/a
Puget Sound - Eastside	37,018,163	454,208	3,874,064
Raleigh/Durham, NC	54,150,964	31,500	2,687,106
Reno, NV	8,144,237	0	112,054
Richmond, VA	55,886,498	78,974	145,152
Roanoke, VA	11,751,248	0	0
Rochester, NY	13,079,807	0	0
Sacramento, CA	68,477,248	0	569,000
Salt Lake City, UT	53,994,453	55,716	648,468
San Antonio, TX	50,683,135	893,844	825,681
San Diego, CA	71,358,061	0	1,627,745
San Francisco, CA	85,135,540	70,000	586,480
San Francisco North Bay, CA	20,119,598	0	0
San Jose, CA*	221,825,526	1,144,342	3,228,672
San Juan, PR	10,312,067	0	n/a
San Mateo County, CA*	40,079,885	430,583	985,554
Savannah, GA	3,950,583	0	0
Seattle, WA	66,445,137	404,805	1,678,353
Southern NH	14,614,928	0	280,000
St. Louis, MO	51,363,692	517,000	0
St. Petersburg/Clearwater, FL	10,629,797	0	45,000
Suburban MD	59,343,014	0	507,500
Syracuse, NY	13,812,863	0	298,000
Tampa, FL	31,090,455	75,000	131,955
Tucson, AZ	28,807,322	23,610	175,130
Tulsa, OK	49,851,255	32,602	557,680
Washington, DC	112,607,710	0	990,874
Westchester County, NY	23,272,875	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.

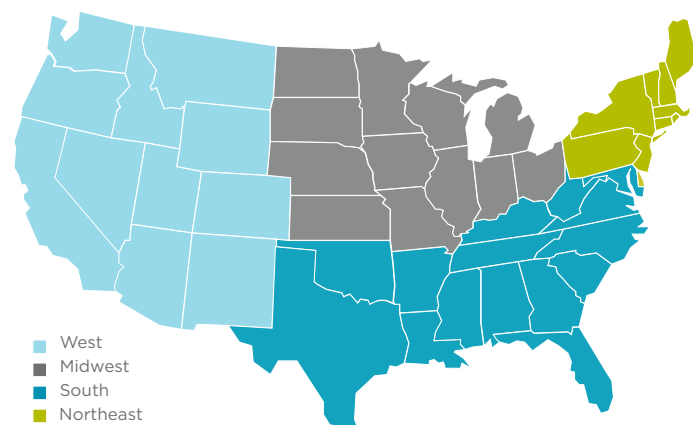
Absorption: The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

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 commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.

David C. Smith
Head of Americas Insights

Tel: +1 404.853.5310
david.smith4@cushwake.com

¹National Association for Business Economics, May 2023 NABE Outlook Survey.

²Richmond Fed, The CFO Survey, Q2 2023.

³The Conference Board, U.S. CEO Confidence Survey, Q2 2023.