Atlanta Q1 2016
Office Market Overview Report

Atlanta Office Market: Vacancy, Rents Rise

The overall Atlanta office market recorded a net absorption of negative (6,211) square feet in the first quarter 2016. In comparison, the Atlanta office market recorded a net absorption of positive 1,221,852 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Atlanta office market increased to 12.3% from 12.2%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 12.3%, Class-B projects recorded a vacancy rate of 13.7% and Class-C projects reported a vacancy rate of 8.7% at the end of the first quarter.

The overall average quoted asking rental rate in the Atlanta office market for the first quarter was $21.02 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $20.71 per square foot, representing a 1.5% increase in the first quarter.

During the first quarter, four buildings totaling 86,876 square feet was completed in the Atlanta office market. This is comparative to two buildings totaling 80,800 square feet completed in the fourth quarter 2015. At the end of the first quarter 3,137,140 square feet of office space was under construction in the Atlanta office market.

Market Overview:

Absorption: (6,211) down from 1,221,852

Class A vacancy: 12.3%, down from 12.5%

Rental rate (per sq. ft.): $21.02 up 1.5%

New construction: 86,876 sq. ft. delivered

Overall Market Trends for Q1 2016

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES
The overall Baltimore office market recorded a net absorption of negative (79,714) square feet in the first quarter 2016. In comparison, the Baltimore office market recorded a net absorption of positive 164,154 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Baltimore office market decreased to 10.6% from 10.7%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 10.9%, Class-B projects recorded a vacancy rate of 11.6% and Class-C projects reported a vacancy rate of 7.6% at the end of the first quarter.

The overall average quoted asking rental rate in the Baltimore office market for the first quarter was $22.03 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $21.95 per square foot, representing a 0.4% increase in the first quarter.

During the first quarter, three buildings totaling 89,214 square feet were completed in the Baltimore office market. This is comparative to three buildings totaling 42,400 square feet completed in the fourth quarter 2015. At the end of the first quarter 2,107,908 square feet of office space was under construction in the Baltimore office market.
The overall Boston office market recorded a net absorption of positive 743,403 square feet in the first quarter 2016. In comparison, the Boston office market recorded a net absorption of positive 1,766,146 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Boston office market remained at 8.8%. Class-A projects recorded a vacancy rate of 10%, Class-B projects recorded a vacancy rate of 9.8% and Class-C projects reported a vacancy rate of 5% at the end of the first quarter.

The overall average quoted asking rental rate in the Boston office market for the first quarter remained at $21.29 per square foot.

During the first quarter, ten buildings totaling 1,134,544 square feet were completed in the Boston office market. This is comparative to ten buildings totaling 1,222,516 square feet completed in the fourth quarter 2015. At the end of the first quarter 4,820,940 square feet of office space was under construction in the Boston office market.

Market Overview:

Absorption: 743,403 down from 1,766,146

Class A vacancy: 10%, up from 9.8%

Rental rate (per sq. ft.): $21.29, unchanged

New construction: 1,134,544 sq. ft. delivered
Chicago Q1 2016
Office Market Overview Report

Chicago Office Market: Vacancy, Rents Rise

The overall Chicago office market recorded a net absorption of negative (519,523) square feet in the first quarter 2016. In comparison, the Chicago office market recorded a net absorption of positive 2,236,300 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Chicago office market increased to 13.2% from 13.1%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 14.4%, Class-B projects recorded a vacancy rate of 13.4% and Class-C projects reported a vacancy rate of 10.3% at the end of the first quarter.

The overall average quoted asking rental rate in the Chicago office market for the first quarter was $23.41 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $23.30 per square foot, representing a 0.5% increase in the first quarter.

During the first quarter, seven buildings totaling 527,997 square feet were completed in the Chicago office market. This is comparative to four buildings totaling 160,804 square feet completed in the fourth quarter 2015. At the end of the first quarter 7,245,865 square feet of office space was under construction in the Chicago office market.

Market Overview:

Absorption: (519,523) down from 2,236,300

Class A vacancy: 14.4%, up from 14.3%

Rental rate (per sq. ft.): $23.41 up 0.5%

New construction: 527,997 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
Dallas/Ft. Worth Office Market: Vacancy, Rents Rise

The overall Dallas/Ft. Worth office market recorded a net absorption of positive 781,041 square feet in the first quarter 2016. In comparison, the Dallas/Ft. Worth office market recorded a net absorption of positive 1,670,194 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Dallas/Ft. Worth office market increased to 14.4% from 14.2%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 16%, Class-B projects recorded a vacancy rate of 14.9% and Class-C projects reported a vacancy rate of 8.0% at the end of the first quarter.

The overall average quoted asking rental rate in the Dallas/Ft. Worth office market for the first quarter was $23.74 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $23.38 per square foot, representing a 1.5% increase in the fourth quarter.

During the first quarter, thirty-seven buildings totaling 1,757,654 square feet were completed in the Dallas/Ft. Worth office market. This is comparative to twenty-nine buildings totaling 1,487,460 square feet completed in the fourth quarter 2015. At the end of the first quarter 11,149,415 square feet of office space was under construction in the Dallas/Ft. Worth office market.

Market Overview:

Absorption: 781,041 down from 1,670,194

Class A vacancy: 14.4%, up from 14.2%

Rental rate (per sq. ft.): $23.74 up 1.5%

New construction: 1,757,654 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
The overall Denver office market recorded a net absorption of positive 641,679 square feet in the first quarter 2016.  In comparison, the Denver office market recorded a net absorption of positive 1,011,955 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Denver office market decreased to 9.6% from 9.8%, which was recorded at the conclusion of the fourth quarter.  Class-A projects recorded a vacancy rate of 10.2%, Class-B projects recorded a vacancy rate of 10.3% and Class-C projects reported a vacancy rate of 4.9% at the end of the first quarter.

The overall average quoted asking rental rate in the Denver office market for the first quarter was $24.84 per square foot.  In the fourth quarter 2015, the average quoted asking rental rate was $24.45 per square foot, representing a 1.6% increase in the first quarter.

During the first quarter, three buildings totaling 146,717 square feet were completed in the Denver office market.  This is comparative to twelve buildings totaling 799,481 square feet completed in the fourth quarter 2015.  At the end of the first quarter 4,307,660 square feet of office space was under construction in the Denver office market.
Detroit Office Market: Vacancy Dips as Rents Rise

The overall Detroit office market recorded a net absorption of positive 617,472 square feet in the first quarter 2016. In comparison, the Detroit office market recorded a net absorption of positive 747,113 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Detroit office market decreased to 14% from 14.2%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 12.6%, Class-B projects recorded a vacancy rate of 16.2% and Class-C projects reported a vacancy rate of 10.5% at the end of the first quarter.

The overall average quoted asking rental rate in the Detroit office market for the first quarter was $18.81 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $18.60 per square foot, representing a 1.1% increase in the first quarter.

During the first quarter, four buildings totaling 187,167 square feet were completed in the Detroit office market. This is comparative to four buildings totaling 330,922 square feet completed in the fourth quarter 2015. At the end of the first quarter 671,474 square feet of office space was under construction in the Detroit office market.

Market Overview:

Absorption: 617,472 down from 747,113

Class A vacancy: 12.6%, down from 13.4%

Rental rate (per sq. ft.): $18.81 up 1.1%

New construction: 187,167 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
Houston Office Market: Vacancy Dips, Rents Firm

The overall Houston office market recorded a net absorption of 1,591,797 square feet in the first quarter 2016. In comparison, the Houston office market recorded a net absorption of positive 793,220 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Houston office market decreased to 13.5% from 13.6%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 14.6%, Class-B projects recorded a vacancy rate of 14% and Class-C projects reported a vacancy rate of 8.2% at the end of the first quarter.

The overall average quoted asking rental rate in the Houston office market for the first quarter remained at $28.06 per square foot.

During the first quarter, thirteen buildings totaling 1,673,383 square feet were completed in the Houston office market. This is comparative to twenty buildings totaling 3,719,369 square feet completed in the fourth quarter 2015. At the end of the first quarter 6,795,251 square feet of office space was under construction in the Houston office market.

Market Overview:

Absorption: 1,591,797 up from 793,220

Class A vacancy: 14.6%, down from 14.7%

Rental rate (per sq. ft.): $28.06, unchanged

New construction: 1,673,383 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
The overall Kansas City office market recorded a net absorption of negative (149,479) square feet in the first quarter 2016. In comparison, the Kansas City office market recorded a net absorption of positive 205,211 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Kansas City office market increased to 10.3% from 10.1%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 11.4%, Class-B projects recorded a vacancy rate of 10.4% and Class-C projects reported a vacancy rate of 8.4% at the end of the first quarter.

The overall average quoted asking rental rate in the Kansas City office market for the first quarter was $17.91 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $17.85 per square foot, representing a 0.3% increase in the first quarter.

During the first quarter, no new space was completed in the Kansas City office market. This is comparative to two buildings totaling 7,200 square feet completed in the fourth quarter 2015. At the end of the first quarter 1,680,913 square feet of office space was under construction in the Kansas City office market.

Market Overview:

Absorption: (149,479) down from 205,211

Class A vacancy: 11.4%, up from 11.2%

Rental rate (per sq. ft.): $17.91 up 0.3%

New construction: 0 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
Los Angeles Office Market: Vacancy Dips as Rents Rise

The overall Los Angeles office market recorded a net absorption of positive 811,328 square feet in the first quarter 2016. In comparison, the Los Angeles office market recorded a net absorption of positive 1,821,501 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Los Angeles office market decreased to 10.9% from 11%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 14.1%, Class-B projects recorded a vacancy rate of 10.9% and Class-C projects reported a vacancy rate of 4.5% at the end of the first quarter.

The overall average quoted asking rental rate in the Los Angeles office market for the first quarter was $32.03 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $31.61 per square foot, representing a 1.3% increase in the first quarter.

During the first quarter, six buildings totaling 466,075 square feet were completed in the Los Angeles office market. This is comparative to sixteen buildings totaling 878,350 square feet completed in the fourth quarter 2015. At the end of the first quarter 3,167,075 square feet of office space was under construction in the Los Angeles office market.

Market Overview:

Absorption: 811,328 down from 1,821,501

Class A vacancy: 14.1%, up from 14%

Rental rate (per sq. ft.): $32.03 up 1.3%

New construction: 466,075 sq. ft. delivered

Overall Market Trends for Q1 2016

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES
Miami-Dade Q1 2016
Office Market Overview Report

Miami-Dade Office Market: Vacancy, Rents Rise

The overall Miami-Dade office market recorded a net absorption of negative (110,640) square feet in the first quarter 2016. In comparison, the Miami-Dade office market recorded a net absorption of positive 463,761 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Miami-Dade office market increased to 10.4% from 10%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 13.6%, Class-B projects recorded a vacancy rate of 11.2% and Class-C projects reported a vacancy rate of 5.6% at the end of the first quarter.

The overall average quoted asking rental rate in the Miami-Dade office market for the first quarter was $31.68 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $31.21 per square foot, representing a 1.5% increase in the first quarter.

During the first quarter, three buildings totaling 309,228 square feet were completed in the Miami-Dade office market. This is comparative to three buildings totaling 36,020 square feet completed in the fourth quarter 2015. At the end of the first quarter, 1,092,713 square feet of office space was under construction in the Miami-Dade office market.

Market Overview:
Absorption: (110,640) down from 463,761
Class A vacancy: 13.6%, up from 12.4%
Rental rate (per sq. ft.): $31.68 up 1.5%
New construction: 309,228 sq. ft. delivered

Overall Market Trends for Q1 2016
- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
**Minneapolis Office Market: Vacancy, Rents Rise**

The overall Minneapolis office market recorded a net absorption of positive 13,951 square feet in the first quarter 2016. In comparison, the Minneapolis office market recorded a net absorption of positive 1,060,856 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Minneapolis office market increased to 8.8% from 8.5%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 8.5%, Class-B projects recorded a vacancy rate of 9.8% and Class-C projects reported a vacancy rate of 6.6% at the end of the first quarter.

The overall average quoted asking rental rate in the Minneapolis office market for the first quarter was $18.70 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $18.61 per square foot, representing a 0.5% increase in the first quarter.

During the first quarter, two buildings totaling 621,345 square feet were completed in the Minneapolis office market. This is comparative to six buildings totaling 872,468 square feet completed in the fourth quarter 2015. At the end of the first quarter 1,468,641 square feet of office space was under construction in the Minneapolis office market.

**Market Overview:**

**Absorption:** 13,951 down from 1,060,856

**Class A vacancy:** 8.5%, up from 8.3%

**Rental rate (per sq. ft.):** $18.70 up 0.5%

**New construction:** 621,345 sq. ft. delivered

**Overall Market Trends for Q1 2016**

- **NET ABSORPTION**
- **VACANCY RATE**
- **CONSTRUCTION**
- **ASKING RATES**
The overall New York City office market recorded a net absorption of negative (1,188,504) square feet in the first quarter 2016. In comparison, the New York City office market recorded a net absorption of positive 259,468 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the New York City office market increased to 7.8% from 7.7%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 8.7%, Class-B projects recorded a vacancy rate of 7% and Class-C projects reported a vacancy rate of 5.3% at the end of the first quarter.

The overall average quoted asking rental rate in the New York City office market for the first quarter was $59.55 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $59.58 per square foot, representing a 0.1% decrease in the first quarter.

During the first quarter, one building totaling 10,968 square feet was completed in the New York City office market. This is comparative to one building totaling 85,202 square feet completed in the fourth quarter 2015. At the end of the first quarter 13,239,553 square feet of office space was under construction in the New York City office market.
Philadelphia Office Market: Vacancy Rises, Rates Firm

The overall Philadelphia office market recorded a net absorption of negative (225,455) square feet in the first quarter 2016. In comparison, the Philadelphia office market recorded a net absorption of positive 337,168 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Philadelphia office market increased to 9.9% from 9.8%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 10.8%, Class-B projects recorded a vacancy rate of 10.7% and Class-C projects reported a vacancy rate of 7.4% at the end of the first quarter.

The overall average quoted asking rental rate in the Philadelphia office market for the first quarter remained at $22.06 per square foot.

During the first quarter, five buildings totaling 49,449 square feet were completed in the Philadelphia office market. This is comparative to two buildings totaling 136,234 square feet completed in the fourth quarter 2015. At the end of the first quarter 3,345,280 square feet of office space was under construction in the Philadelphia office market.

Market Overview:

Absorption: (225,455) down from 337,168

Class A vacancy: 10.8%, unchanged

Rental rate (per sq. ft.): $22.06, unchanged

New construction: 49,449 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
Phoenix Q1 2016
Office Market Overview Report

Phoenix Office Market: Vacancy Firm as Rents Rise

The overall Phoenix office market recorded a net absorption of positive 677,361 square feet in the first quarter 2016. In comparison, the Phoenix office market recorded a net absorption of positive 2,252,971 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Phoenix office market remained at 16.4%. Class-A projects recorded a vacancy rate of 16.4%, Class-B projects recorded a vacancy rate of 17.4% and Class-C projects reported a vacancy rate of 12.4% at the end of the first quarter.

The overall average quoted asking rental rate in the Phoenix office market for the first quarter was $22.48 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $22.08 per square foot, representing a 1.8% increase in the first quarter.

During the first quarter, seven buildings totaling 978,919 square feet were completed in the Phoenix office market. This is comparative to thirteen buildings totaling 1,559,392 square feet completed in the fourth quarter 2015. At the end of the first quarter 1,995,114 square feet of office space was under construction in the Phoenix office market.

Market Overview:

Absorption: 677,361 down from 2,252,971

Class A vacancy: 16.4%, up from 15%

Rental rate (per sq. ft.): $22.48 up 1.8%

New construction: 978,919 sq. ft. delivered

Overall Market Trends for Q1 2016

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES

Source: CoStar Property®
Sacramento Office Market: Vacancy, Rents Rise

The overall Sacramento office market recorded a net absorption of negative (156,476) square feet in the first quarter 2016. In comparison, the Sacramento office market recorded a net absorption of positive 928,286 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Sacramento office market increased to 12.6% from 12.5%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 11.9%, Class-B projects recorded a vacancy rate of 12.5% and Class-C projects reported a vacancy rate of 13.4% at the end of the first quarter.

The overall average quoted asking rental rate in the Sacramento office market for the first quarter was $20.73 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $20.69 per square foot, representing a 0.2% increase in the first quarter.

During the first quarter, one building totaling 6,000 square feet was completed in the Sacramento office market. That compares to no new space completed in the fourth quarter 2015. At the end of the first quarter 385,815 square feet of office space was under construction in the Sacramento office market.

Market Overview:

Absorption: (156,476) down from 928,286

Class A vacancy: 11.9%, up from 10.8%

Rental rate (per sq. ft.): $20.73 up 0.2%

New construction: 6,000 sq. ft. delivered
The overall San Diego office market recorded a net absorption of positive 561,610 square feet in the first quarter 2016. In comparison, the San Diego office market recorded a net absorption of positive 488,516 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the San Diego office market decreased to 10.9% from 11.4%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 10.9%, Class-B projects recorded a vacancy rate of 12.9% and Class-C projects reported a vacancy rate of 6.3% at the end of the first quarter.

The overall average quoted asking rental rate in the San Diego office market for the first quarter was $29.35 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $29.48 per square foot, representing a 0.4% decrease in the first quarter.

During the first quarter, no new office buildings were completed in the San Diego office market. This is comparative to four buildings totaling 111,534 square feet completed in the fourth quarter 2015. At the end of the first quarter 304,272 square feet of office space was under construction in the San Diego office market.
San Francisco Office Market: Vacancy Dips as Rents Rise

The overall San Francisco office market recorded a net absorption of positive 887,196 square feet in the first quarter 2016. In comparison, the San Francisco office market recorded a net absorption of positive 680,988 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the San Francisco office market decreased to 6.8% from 7%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 7.7%, Class-B projects recorded a vacancy rate of 6.7% and Class-C projects reported a vacancy rate of 3.8% at the end of the first quarter.

The overall average quoted asking rental rate in the San Francisco office market for the first quarter was $52.43 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $51.84 per square foot, representing a 1.1% increase in the fourth quarter.

During the first quarter, two buildings totaling 480,000 square feet were completed in the San Francisco office market. This is comparative to six buildings totaling 1,556,955 square feet completed in the fourth quarter 2015. At the end of the first quarter 5,352,288 square feet of office space was under construction in the San Francisco office market.

Market Overview:

Absorption: 887,196 up from 680,988

Class A vacancy: 7.7%, down from 8%

Rental rate (per sq. ft.): $52.43 up 1.1%

New construction: 480,000 sq. ft. delivered
Seattle/Puget Sound Office Market: Vacancy Dips as Rents Rise

The overall Seattle/Puget Sound office market recorded a net absorption of positive 940,992 square feet in the first quarter 2016. In comparison, the Seattle/Puget Sound office market recorded a net absorption of positive 2,032,081 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Seattle/Puget Sound office market decreased to 7.7% from 8.1%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 8.6%, Class-B projects recorded a vacancy rate of 8.1% and Class-C projects reported a vacancy rate of 4.5% at the end of the first quarter.

The overall average quoted asking rental rate in the Seattle/Puget Sound office market for the first quarter was $30.84 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $30.64 per square foot, representing a 0.7% decrease in the first quarter.

During the first quarter, three buildings totaling 185,710 square feet were completed in the Seattle/Puget Sound office market. This is comparative to four buildings totaling 1,718,908 square feet completed in the fourth quarter 2015. At the end of the first quarter 7,715,559 square feet of office space was under construction in the Seattle/Puget Sound office market.

Market Overview:

Absorption: 940,992 down from 2,032,081

Class A vacancy: 8.6% down from 9.7%

Rental rate (per sq. ft.): $30.84 up 0.7%

New construction: 185,710 sq. ft. delivered

Overall Market Trends for Q1 2016

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES
St. Louis Q1 2016
Office Market Overview Report

St. Louis Office Market: Vacancy Rises as Rents Dip

The overall St. Louis office market recorded a net absorption of negative (80,828) square feet in the first quarter 2016. In comparison, the St. Louis office market recorded a net absorption of positive 136,266 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the St. Louis office market increased to 10.7% from 10.6%, which was recorded at the conclusion of the fourth quarter. Class-A projects recorded a vacancy rate of 8.8%, Class-B projects recorded a vacancy rate of 12.9% and Class-C projects reported a vacancy rate of 8.9% at the end of the first quarter.

The overall average quoted asking rental rate in the St. Louis office market for the first quarter was $18.19 per square foot. In the fourth quarter 2015, the average quoted asking rental rate was $18.29 per square foot, representing a 0.5% decrease in the first quarter.

During the first quarter, two buildings totaling 51,600 square feet were completed in the St. Louis office market. This is comparative to four buildings totaling 146,335 square feet completed in the fourth quarter 2015. At the end of the first quarter, 1,029,500 square feet of office space was under construction in the St. Louis office market.

Market Overview:

Absorption: (80,828) down from 136,266

Class A vacancy: 8.8%, up from 8.7%

Rental rate (per sq. ft.): $18.19 down 0.5%

New construction: 51,600 sq. ft. delivered

Overall Market Trends for Q1 2016

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES

U.S Rental Rates

Source: CoStar Property®
The overall Washington office market recorded a net absorption of negative (1,186,480) square feet in the first quarter 2016. In comparison, the Washington office market recorded a net absorption of positive 291,802 square feet in the fourth quarter 2015.

In the first quarter, the overall total vacancy rate in the Washington office market increased to 15.2%. Class-A projects recorded a vacancy rate of 16.5%, Class-B projects recorded a vacancy rate of 14.8% and Class-C projects reported a vacancy rate of 7.4% at the end of the first quarter.

The overall average quoted asking rental rate in the Washington office market for the first quarter was $34.45 per square foot. In the fourth quarter 2015, the average quoted asking rental rate remained at $34.37 per square foot.

During the first quarter, ten buildings totaling 981,985 square feet were completed in the Washington office market. This is comparative to nine buildings totaling 236,647 square feet completed in the fourth quarter 2015. At the end of the first quarter 7,522,339 square feet of office space was under construction in the Washington office market.