Atlantic Q2 2017
Office Market Overview Report

Atlanta Office Market: Vacancy, Rents Rise

The overall Atlanta office market recorded a net absorption of positive 617,490 square feet in the second quarter 2017. In comparison, the Atlanta office market recorded a net absorption of negative (26,166) square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Atlanta office market increased to 12.1% from 11.9%, which was recorded at the end of the first quarter. Class-A projects recorded a vacancy rate of 13.5%, Class-B projects recorded a vacancy rate of 12.8% and Class-C projects reported a vacancy rate of 7.3% at the end of the second quarter.

The overall average quoted asking rental rate in the Atlanta office market for the second quarter was $22.71 per square foot. In the first quarter 2017, the average quoted asking rental rate was $22.29 per square foot, representing a 1.9% increase in the second quarter.

During the second quarter, 18 buildings totaling 1,544,925 square feet were completed in the Atlanta office market. This is comparative to seven buildings totaling 122,244 square feet completed in the first quarter 2017. At the end of the second quarter 5,273,668 square feet of office space were under construction in the Atlanta office market.

Market Overview:

Absorption: 617,490 up from (26,166)

Class A vacancy: 13.5%, up from 12.9%

Rental rate (per sq. ft.): $22.71 up 1.9%

New construction: 1,544,925 sq. ft. delivered

Overall Market Trends for Q2 2017

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES
The overall Baltimore office market recorded a net absorption of positive 697,945 square feet in the second quarter 2017. In comparison, the Baltimore office market recorded a net absorption of positive 638,234 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Baltimore office market decreased to 10.1% from 10.6%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 11.7%, Class-B projects recorded a vacancy rate of 10.7% and Class-C projects reported a vacancy rate of 5.3% at the end of the second quarter.

The overall average quoted asking rental rate in the Baltimore office market for the second quarter was $22.52 per square foot. In the first quarter 2017, the average quoted asking rental rate was $22.50 per square foot, representing a 0.1% increase in the second quarter.

During the second quarter, five buildings totaling 275,762 square feet were completed in the Baltimore office market. This is comparative to four buildings totaling 349,079 square feet completed in the first quarter 2017. At the end of the second quarter 1,023,692 square feet of office space were under construction in the Baltimore office market.

**Market Overview:**

**Absorption:** 697,945 up from 638,234

**Class A vacancy:** 11.7%, down from 12.2%

**Rental rate (per sq. ft.):** $22.52 up 0.1%

**New construction:** 275,762 sq. ft. delivered

**Overall Market Trends for Q2 2017**

- **NET ABSORPTION**
- **VACANCY RATE**
- **CONSTRUCTION**
- **ASKING RATES**
Boston Q2 2017
Office Market Overview Report

Boston Office Market: Vacancy Dips, Rents Rise

The overall Boston office market recorded a net absorption of positive 1,207,496 square feet in the second quarter 2017. In comparison, the Boston office market recorded a net absorption of positive 1,209,973 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Boston office market decreased to 7.8% from 8.0%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 9.5%, Class-B projects recorded a vacancy rate of 8.4% and Class-C projects reported a vacancy rate of 3.5% at the end of the second quarter.

The overall average quoted asking rental rate in the Boston office market for the second quarter was $22.25 per square foot. In the first quarter 2017, the average quoted asking rental rate was $21.59 per square foot, representing a 3.1% increase in the second quarter.

During the second quarter, six buildings totaling 726,564 square feet were completed in the Boston office market. This is comparative to five buildings totaling 910,027 square feet completed in the first quarter 2017. At the end of the second quarter 3,914,320 square feet of office space were under construction in the Boston office market.

Market Overview:
Absorption: 1,207,496 down from 1,209,973
Class A vacancy: 9.5%, down from 9.7%
Rental rate (per sq. ft.): $22.25, up 3.1%
New construction: 726,564 sq. ft. delivered

Overall Market Trends for Q2 2017

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates

U.S Rental Rates
Source: CoStar Property®
The overall Chicago office market recorded a net absorption of negative (1,260,224) square feet in the second quarter 2017. In comparison, the Chicago office market recorded a net absorption of positive 2,631,500 square feet in the first quarter 2015.

In the second quarter, the overall total vacancy rate in the Chicago office market increased to 13.5% from 13.2%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 16.8%, Class-B projects recorded a vacancy rate of 12.4% and Class-C projects reported a vacancy rate of 8.8% at the end of the second quarter.

The overall average quoted asking rental rate in the Chicago office market for the second quarter was $23.34 per square foot. In the first quarter 2017, the average quoted asking rental rate was $23.86 per square foot, representing a 2.2% decrease in the second quarter.

During the second quarter, six buildings totaling 283,643 square feet were completed in the Chicago office market. This is comparative to nine buildings totaling 1,872,634 square feet completed in the first quarter 2017. At the end of the second quarter, 4,345,206 square feet of office space were under construction in the Chicago office market.

Absorption: (1,260,224) down from 2,631,500

Class A vacancy: 16.8%, up from 16.4%

Rental rate (per sq. ft.): $23.34 down 2.2%

New construction: 283,643 sq. ft. delivered
Dallas/Ft. Worth Office Market: Vacancy Firm as Rents Rise

The overall Dallas/Ft. Worth office market recorded a net absorption of positive 1,022,657 square feet in the second quarter 2017. In comparison, the Dallas/Ft. Worth office market recorded a net absorption of positive 1,379,308 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Dallas/Ft. Worth office market remained at 14.3%, which was also recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 17.1%, Class-B projects recorded a vacancy rate of 13.8% and Class-C projects reported a vacancy rate of 7.5% at the end of the second quarter.

The overall average quoted asking rental rate in the Dallas/Ft. Worth office market for the second quarter was $24.64 per square foot. In the first quarter 2017, the average quoted asking rental rate was $24.52 per square foot, representing a 0.5% increase in the second quarter.

During the second quarter, 45 buildings totaling 1,412,525 square feet were completed in the Dallas/Ft. Worth office market. This is comparative to 38 buildings totaling 2,295,828 square feet completed in the first quarter 2017. At the end of the second quarter 11,366,335 square feet of office space were under construction in the Dallas/Ft. Worth office market.

Market Overview:

Absorption: 1,022,657 down from 1,379,308

Class A vacancy: 17.1%, up from 17.0%

Rental rate (per sq. ft.): $24.64 up 0.5%

New construction: 1,412,525. ft. delivered

Overall Market Trends for Q2 2017

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates
Denver Q2 2017
Office Market Overview Report

Denver Office Market: Vacancy, Rents Rise

The overall Denver office market recorded a net absorption of positive 623,355 square feet in the second quarter 2017. In comparison, the Denver office market recorded a net absorption of positive 62,497 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Denver office market increased to 10.4% from 10.2%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 14.1%, Class-B projects recorded a vacancy rate of 9.6% and Class-C projects reported a vacancy rate of 4.1% at the end of the second quarter.

The overall average quoted asking rental rate in the Denver office market for the second quarter was $25.84 per square foot. In the first quarter 2017, the average quoted asking rental rate was $25.58 per square foot, representing a 1.0% increase in the second quarter.

During the second quarter, 14 buildings totaling 886,365 square feet were completed in the Denver office market. This is comparative to 14 buildings totaling 940,828 square feet completed in the first quarter 2017. At the end of the second quarter 4,820,922 square feet of office space were under construction in the Denver office market.

Market Overview:

Absorption: 623,355 up from 62,497

Class A vacancy: 14.1%, up from 13.3%

Rental rate (per sq. ft.): $25.84 up 1.0%

New construction: 886,365 sq. ft. delivered

Overall Market Trends for Q2 2017:

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates
Detroit Office Market: Vacancy Dips as Rents Rise

The overall Detroit office market recorded a net absorption of positive 827,705 square feet in the second quarter 2017. In comparison, the Detroit office market recorded a net absorption of positive 479,501 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Detroit office market decreased to 10.9% from 11.2%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 12.3%, Class-B projects recorded a vacancy rate of 11.9% and Class-C projects reported a vacancy rate of 7.2% at the end of the second quarter.

The overall average quoted asking rental rate in the Detroit office market for the second quarter was $19.00 per square foot. In the first quarter 2017, the average quoted asking rental rate was $18.93 per square foot, representing a 0.4% increase in the second quarter.

During the second quarter, four buildings totaling 211,518 square feet were completed in the Detroit office market. This is comparative to four buildings totaling 319,870 square feet completed in the first quarter 2017. At the end of the second quarter 995,396 square feet of office space were under construction in the Detroit office market.

Market Overview:

Absorption: 827,705 up from 479,501

Class A vacancy: 12.3% down from 12.5%

Rental rate (per sq. ft.): $19.00 up 0.4%

New construction: 211,518 sq. ft. delivered

Overall Market Trends for Q2 2017
Houston Office Market: Vacancy, Rents Rise

The overall Houston office market recorded a net absorption of negative (609,626) square feet in the second quarter 2017. In comparison, the Houston office market recorded a net absorption of negative (1,167,753) square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Houston office market increased to 16.1% from 15.9%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 19.4%, Class-B projects recorded a vacancy rate of 15.2% and Class-C projects reported a vacancy rate of 7.0% at the end of the second quarter.

The overall average quoted asking rental rate in the Houston office market for the second quarter was $27.70 per square foot. In the first quarter 2017, the average quoted asking rental rate was $27.57 per square foot, representing a 0.5% increase in the second quarter.

During the second quarter, 19 buildings totaling 350,424 square feet were completed in the Houston office market. This is comparative to 19 buildings totaling 1,943,613 square feet completed in the first quarter 2017. At the end of the second quarter 3,096,080 square feet of office space were under construction in the Houston office market.

Market Overview:

Absorption: (609,626) up from (1,167,753)

Class A vacancy: 19.4%, up from 18.9%

Rental rate (per sq. ft.): $27.70, up 0.5%

New construction: 350,424 sq. ft. delivered

Overall Market Trends for Q2 2017

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates

U.S Rental Rates

Source: CoStar Property®
Kansas City Q2 2017
Office Market Overview Report

Kansas City Office Market: Vacancy Dips, Rents Rise

The overall Kansas City office market recorded a net absorption of positive 651,017 square feet in the second quarter 2017. In comparison, the Kansas City office market recorded a net absorption of positive 775,695 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Kansas City office market decreased to 8.1% from 8.3%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 9.7%, Class-B projects recorded a vacancy rate of 8.1% and Class-C projects reported a vacancy rate of 5.9% at the end of the second quarter.

The overall average quoted asking rental rate in the Kansas City office market for the second quarter was $18.79 per square foot. In the first quarter 2017, the average quoted asking rental rate was $18.58 per square foot, representing a 1.1% increase in the second quarter.

During the second quarter, six new buildings totaling 451,345 square feet was completed in the Kansas City office market. This is comparative to seven new buildings completed in the first quarter 2017, totaling 405,816 square feet. At the end of the second quarter 414,929 square feet of office space were under construction in the Kansas City office market.

Market Overview:

Absorption: 651,017 down from 775,695

Class A vacancy: 9.7%, down from 10.5%

Rental rate (per sq. ft.): $18.79 up 1.1%

New construction: 451,345 sq. ft. delivered

Overall Market Trends for Q2 2017

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES

U.S Rental Rates

Source: CoStar Property®
Los Angeles Office Market: Vacancy Dips as Rents Rise

The overall Los Angeles office market recorded a net absorption of positive 571,782 square feet in the second quarter 2017. In comparison, the Los Angeles office market recorded a net absorption of negative (1,176,434) square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Los Angeles office market decreased to 10.8% from 10.9%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 13.6%, Class-B projects recorded a vacancy rate of 11.1% and Class-C projects reported a vacancy rate of 4.5% at the end of the second quarter.

The overall average quoted asking rental rate in the Los Angeles office market for the second quarter was $34.15 per square foot. In the first quarter 2017, the average quoted asking rental rate was $34.09 per square foot, representing a 0.2% increase in the second quarter.

During the second quarter, eight buildings totaling 370,879 square feet were completed in the Los Angeles office market. This is comparative to seven buildings totaling 1,087,839 square feet completed in the first quarter 2017. At the end of the second quarter 5,874,320 square feet of office space were under construction in the Los Angeles office market.

Market Overview:

Absorption: 571,782 up from (1,176,434)

Class A vacancy: 13.6%, down from 13.8%

Rental rate (per sq. ft.): $34.15 up 0.2%

New construction: 370,879 sq. ft. delivered

Overall Market Trends for Q2 2017

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES
Miami-Dade Q2 2017
Office Market Overview Report

Miami-Dade Office Market: Vacancy Dips, Rents Rise

The overall Miami-Dade office market recorded a net absorption of positive 280,022 square feet in the second quarter 2017. In comparison, the Miami-Dade office market recorded a net absorption of positive 423,657 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Miami-Dade office market decreased to 8.8% from 9.0%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 12.4%, Class-B projects recorded a vacancy rate of 9.2% and Class-C projects reported a vacancy rate of 4.0% at the end of the second quarter.

The overall average quoted asking rental rate in the Miami-Dade office market for the second quarter was $33.99 per square foot. In the first quarter 2017, the average quoted asking rental rate was $33.81 per square foot, representing a 0.5% increase in the second quarter.

During the second quarter, four buildings totaling 109,145 square feet was completed in the Miami-Dade office market. This is comparative to two buildings totaling 151,614 square feet completed in the first quarter 2017. At the end of the second quarter, 2,077,495 square feet of office space were under construction in the Miami-Dade office market.

Market Overview:

Absorption: 280,022 down from 423,657

Class A vacancy: 12.4%, down from 12.5%

Rental rate (per sq. ft.): $33.99 up 0.5%

New construction: 109,145 sq. ft. delivered

Overall Market Trends for Q2 2017

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates
Minneapolis Office Market: Vacancy, Rents Rise

The overall Minneapolis office market recorded a net absorption of negative (1,022,197) square feet in the second quarter 2017. In comparison, the Minneapolis office market recorded a net absorption of positive 865,999 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Minneapolis office market increased to 7.4% from 6.7%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 8.0%, Class-B projects recorded a vacancy rate of 7.7% and Class-C projects reported a vacancy rate of 5.6% at the end of the second quarter.

The overall average quoted asking rental rate in the Minneapolis office market for the second quarter was $19.41 per square foot. In the first quarter 2017, the average quoted asking rental rate was $19.07 per square foot, representing a 1.8% increase in the second quarter.

During the second quarter, nine buildings totaling 276,195 square feet was completed in the Minneapolis office market. This is comparative to three buildings totaling 128,900 square feet completed in the first quarter 2017. At the end of the second quarter 1,087,308 square feet of office space were under construction in the Minneapolis office market.

Market Overview:

Absorption: (1,022,197) down from 865,999

Class A vacancy: 8.0%, up from 7.6%

Rental rate (per sq. ft.): $19.41 up 1.8%

New construction: 276,195 sq. ft. delivered

Overall Market Trends for Q2 2017

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
New York City Office Market: Vacancy Rises as Rents Dip

The overall New York City office market recorded a net absorption of negative (628,949) square feet in the second quarter 2017. In comparison, the New York City office market recorded a net absorption of negative (843,234) square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the New York City office market increased to 8.2% from 8.1%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 9.2%, Class-B projects recorded a vacancy rate of 7.1% and Class-C projects reported a vacancy rate of 6.2% at the end of the second quarter.

The overall average quoted asking rental rate in the New York City office market for the second quarter was $59.93 per square foot. In the first quarter 2017, the average quoted asking rental rate was $65.41 per square foot, representing a 8.4% decrease in the second quarter.

During the second quarter, two buildings totaling 244,412 square feet were completed in the New York City office market. This is comparative to no new buildings completed in the first quarter 2017. At the end of the second quarter 15,532,985 square feet of office space were under construction in the New York City office market.

Market Overview:

Absorption: (628,949) up from (843,234)

Class A vacancy: 9.2%, up from 9.0%

Rental rate (per sq. ft.): $59.93 down 8.4%

New construction: 244,412 sq. ft. delivered

Overall Market Trends for Q2 2017
Philadelphia Office Market: Vacancy Dips, Rents Rise

The overall Philadelphia office market recorded a net absorption of positive 824,544 square feet in the second quarter 2017. In comparison, the Philadelphia office market recorded a net absorption of positive 559,300 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Philadelphia office market decreased to 8.5% from 8.6%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 10.7%, Class-B projects recorded a vacancy rate of 8.4% and Class-C projects reported a vacancy rate of 5.8% at the end of the second quarter.

The overall average quoted asking rental rate in the Philadelphia office market for the second quarter was $22.94 per square foot. In the first quarter 2017, the average quoted asking rental rate was $22.66 per square foot, representing a 1.2% increase in the second quarter.

During the second quarter, 10 buildings totaling 297,246 square feet were completed in the Philadelphia office market. This is comparative to five buildings totaling 252,991 square feet completed in the first quarter 2017. At the of the second quarter 3,974,874 square feet of office space were under construction in the Philadelphia office market.

Market Overview:

Absorption: 824,544 up from 559,300

Class A vacancy: 10.7% up from 10.6%

Rental rate (per sq. ft.): $22.94, up 1.2%

New construction: 297,246 sq. ft. delivered

Overall Market Trends for Q2 2017

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES
Phoenix Q2 2017
Office Market Overview Report

Phoenix Office Market: Vacancy Dips as Rents Rise

The overall Phoenix office market recorded a net absorption of positive 590,275 square feet in the second quarter 2017. In comparison, the Phoenix office market recorded a net absorption of positive 778,135 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Phoenix office market decreased to 15.0% from 15.2%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 14.4%, Class-B projects recorded a vacancy rate of 16.2% and Class-C projects reported a vacancy rate of 11.2% at the end of the second quarter.

The overall average quoted asking rental rate in the Phoenix office market for the second quarter was $23.86 per square foot. In the first quarter 2017, the average quoted asking rental rate was $23.54 per square foot, representing a 1.4% increase in the second quarter.

During the second quarter, eight buildings totaling 335,327 square feet were completed in the Phoenix office market. This is comparative to 10 buildings totaling 1,242,992 square feet completed in the first quarter 2017. At the end of the second quarter 1,013,705 square feet of office space were under construction in the Phoenix office market.

Market Overview:

Absorption: 590,275 down from 778,135

Class A vacancy: 14.4%, up from 14.3%

Rental rate (per sq. ft.): $23.86 up 1.4%

New construction: 335,327 sq. ft. delivered

Overall Market Trends for Q2 2017

NET ABSORPTION
VACANCY RATE
CONSTRUCTION
ASKING RATES

Vacancy Rates

New Construction

U.S Rental Rates

Source: CoStar Property®
Sacramento Office Market: Vacancy Dips as Rents Rise

The overall Sacramento office market recorded a net absorption of positive 283,896 square feet in the second quarter 2017. In comparison, the Sacramento office market recorded a net absorption of negative (123,974) square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Sacramento office market decreased to 10.9% from 11.2%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 10.9%, Class-B projects recorded a vacancy rate of 11.4% and Class-C projects reported a vacancy rate of 10.1% at the end of the second quarter.

The overall average quoted asking rental rate in the Sacramento office market for the second quarter was $21.29 per square foot. In the first quarter 2017, the average quoted asking rental rate was $21.21 per square foot, representing a 0.4% increase in the second quarter.

During the second quarter, no new buildings were completed in the Sacramento office market. No new space was completed in first quarter 2017 either. At the end of the second quarter 449,790 square feet of office space were under construction in the Sacramento office market.

Market Overview:

Absorption: 283,896 up from (123,974)

Class A vacancy: 10.9%, down from 11.5%

Rental rate (per sq. ft.): $21.29 up 0.4%

New construction: 0 sq. ft. delivered

Overall Market Trends for Q2 2017

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates
San Diego Office Market: Vacancy, Rents Rise

The overall San Diego office market recorded a net absorption of negative (362,100) square feet in the second quarter 2017. In comparison, the San Diego office market recorded a net absorption of positive 696,730 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the San Diego office market increased to 9.9% from 9.6%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 11.6%, Class-B projects recorded a vacancy rate of 10.9% and Class-C projects reported a vacancy rate of 4.8% at the end of the second quarter.

The overall average quoted asking rental rate in the San Diego office market for the second quarter was $31.52 per square foot. In the first quarter 2017, the average quoted asking rental rate was $31.20 per square foot, representing a 1.0% increase in the second quarter.

During the second quarter, no new buildings were completed in the San Diego office market. This is comparative three buildings totaling 114,243 square feet completed in the first quarter 2017. At the end of the second quarter 770,644 square feet of office space were under construction in the San Diego office market.

Market Overview:

Absorption: (362,100) down from 696,730

Class A vacancy: 11.6%, up from 10.9%

Rental rate (per sq. ft.): $31.52 up 1.0%

New construction: 0 sq. ft. delivered

Overall Market Trends for Q2 2017

NET ABSORPTION  VACANCY RATE
CONSTRUCTION  ASKING RATES
San Francisco Q2 2017 Office Market Overview Report

San Francisco Office Market: Vacancy Dips as Rents Rise

The overall San Francisco office market recorded a net absorption of positive 171,657 square feet in the second quarter 2017. In comparison, the San Francisco office market recorded a net absorption of negative (416,151) square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the San Francisco office market decreased to 7.0% from 7.1% which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 8.1%, Class-B projects recorded a vacancy rate of 6.9% and Class-C projects reported a vacancy rate of 3.8% at the end of the second quarter.

The overall average quoted asking rental rate in the San Francisco office market for the second quarter was $58.34 per square foot. In the first quarter 2017, the average quoted asking rental rate was $57.79 per square foot, representing a 1.0% increase in the second quarter.

During the second quarter, one building totaling 107,072 square feet was completed in the San Francisco office market. This is comparative to two buildings totaling 305,673 square feet completed in the first quarter 2017. At the end of the second quarter 9,220,026 square feet of office space were under construction in the San Francisco office market.

Market Overview:

Absorption: 171,657 up from (416,151)

Class A vacancy: 8.1%, down from 8.2%

Rental rate (per sq. ft.): $58.34 up 1.0%

New construction: 107,072 sq. ft. delivered

Overall Market Trends for Q2 2017

- Net Absorption
- Vacancy Rate
- Construction
- Asking Rates

[Graphs and charts showing vacancy rates, new construction, and U.S. rental rates]
Seattle/Puget Sound Office Market: Vacancy Holds as Rents Rise

The overall Seattle/Puget Sound office market recorded a net absorption of positive 282,653 square feet in the second quarter 2017. In comparison, the Seattle/Puget Sound office market recorded a net absorption of positive 51,051 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Seattle/Puget Sound office market remained at 7.8%, which was the same figure recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 8.8%, Class-B projects recorded a vacancy rate of 8.3% and Class-C projects reported a vacancy rate of 3.6% at the end of the second quarter.

The overall average quoted asking rental rate in the Seattle/Puget Sound office market for the second quarter was $31.10 per square foot. In the first quarter 2017, the average quoted asking rental rate was $30.92 per square foot, representing a 0.6% increase in the second quarter.

During the second quarter, five buildings totaling 316,217 square feet were completed in the Seattle/Puget Sound office market. This is comparative to five buildings totaling 212,258 square feet completed in the first quarter 2017. At the end of the second quarter 7,762,137 square feet of office space were under construction in the Seattle/Puget Sound office market.

Market Overview:

Absorption: 282,653 up from 51,051

Class A vacancy: 8.8% down from 9.2%

Rental rate (per sq. ft.): $31.10 up 0.6%

New construction: 316,217 sq. ft. delivered

Overall Market Trends for Q2 2017

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES
St. Louis Q2 2017
Office Market Overview Report

St. Louis Office Market: Vacancy Dips, Rents Rise

The overall St. Louis office market recorded a net absorption of positive 276,850 square feet in the second quarter 2017. In comparison, the St. Louis office market recorded a net absorption of positive 259,346 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the St. Louis office market decreased to 7.8% from 8.0%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 7.5%, Class-B projects recorded a vacancy rate of 8.9% and Class-C projects reported a vacancy rate of 6.0% at the end of the second quarter.

The overall average quoted asking rental rate in the St. Louis office market for the second quarter was $18.61 per square foot. In the first quarter 2017, the average quoted asking rental rate was $18.36 per square foot, representing a 1.4% increase in the second quarter.

During the second quarter, one building totaling 36,980 square feet was completed in the St. Louis office market. This is comparative to three buildings totaling 122,800 square feet completed in the first quarter 2017. At the end of the second quarter 1,498,601 square feet of office space were under construction in the St. Louis office market.

Market Overview:

Absorption: 276,850 up from 259,346

Class A vacancy: 7.5%, down from 7.6%

Rental rate (per sq. ft.): $18.61 up 1.4%

New construction: 36,980 sq. ft. delivered

Overall Market Trends for Q2 2017

Net Absorption
Vacancy Rate
Construction
Asking Rates

U.S Rental Rates

Source: CoStar Property®

New Construction
Square Feet
Source: CoStar Property®

Vacancy Rates

1Q 16' 2Q 16' 3Q 16' 4Q 16' 1Q 17' 2Q 17'
Class A Class B

RBA Under Const Class A RBA Under Const Class B

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

The overall Washington office market recorded a net absorption of negative (208,026) square feet in the second quarter 2017. In comparison, the Washington office market recorded a net absorption of positive 2,718,545 square feet in the first quarter 2017.

In the second quarter, the overall total vacancy rate in the Washington office market increased to 14.2% from 14.1%, which was recorded at the conclusion of the first quarter. Class-A projects recorded a vacancy rate of 16.4%, Class-B projects recorded a vacancy rate of 12.7% and Class-C projects reported a vacancy rate of 6.6% at the end of the second quarter.

The overall average quoted asking rental rate in the Washington office market for the second quarter was $35.62 per square foot. In the first quarter 2017, the average quoted asking rental rate was $35.28 per square foot, representing a 1.0% increase in the second quarter.

During the second quarter, four buildings totaling 479,192 square feet were completed in the Washington office market. This is comparative to five buildings totaling 688,476 square feet completed in the first quarter 2017. At the end of the second quarter 11,667,951 square feet of office space were under construction in the Washington office market.

Market Overview:

Absorption: (208,026) down from 2,718,545

Class A vacancy: 16.4%, up from 16.2%

Rental rate (per sq. ft.): $35.62 up 1.0%

New construction: 479,192 sq. ft. delivered

Overall Market Trends for Q2 2017

- NET ABSORPTION
- VACANCY RATE
- CONSTRUCTION
- ASKING RATES