

U.S.'s Vacancy Stays at 9.2% Net Absorption Positive 19,135,304 SF in the Quarter

The U.S. Office market ended the second quarter 2018 with a vacancy rate of 9.2%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 19,135,304 square feet in the second quarter. Vacant sublease space increased in the quarter, ending the quarter at 60,419,563 square feet. Rental rates ended the second quarter at \$25.19, an increase over the previous quarter. A total of 341 buildings delivered to the market in the quarter totaling 20,717,707 square feet, with 155,789,858 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall U.S. office market was positive 19,135,304 square feet in the second quarter 2018. That compares to positive 16,867,082 square feet in the first quarter 2018, positive 26,797,257 square feet in the fourth quarter 2017, and positive 14,894,987 square feet in the third quarter 2017.

The Class-A office market recorded net absorption of positive 13,986,311 square feet in the second quarter 2018, compared to positive 15,654,639 square feet in the first quarter 2018, positive 18,170,206 in the fourth quarter 2017, and positive 13,415,878 in the third quarter 2017.

The Class-B office market recorded net absorption of positive 3,121,203 square feet in the second quarter 2018, compared to negative (857,142) square feet in the first quarter 2018, positive 7,127,150 in the fourth quarter 2017, and positive 1,557,658 in the third quarter 2017.

The Class-C office market recorded net absorption of positive 2,027,790 square feet in the second quarter 2018

compared to positive 2,069,585 square feet in the first quarter 2018, positive 1,499,901 in the fourth quarter 2017, and negative (78,549) in the third quarter 2017.

Net absorption for U.S.'s central business district was positive 4,957,169 square feet in the second quarter 2018. That compares to positive 7,599,178 square feet in the first quarter 2018, positive 4,836,893 in the fourth quarter 2017, and positive 1,872,310 in the third quarter 2017.

Net absorption for the suburban markets was positive 14,178,135 square feet in the second quarter 2018. That compares to positive 9,267,904 square feet in first quarter 2018, positive 21,960,364 in the fourth quarter 2017, and positive 13,022,677 in the third quarter 2017.

Vacancy

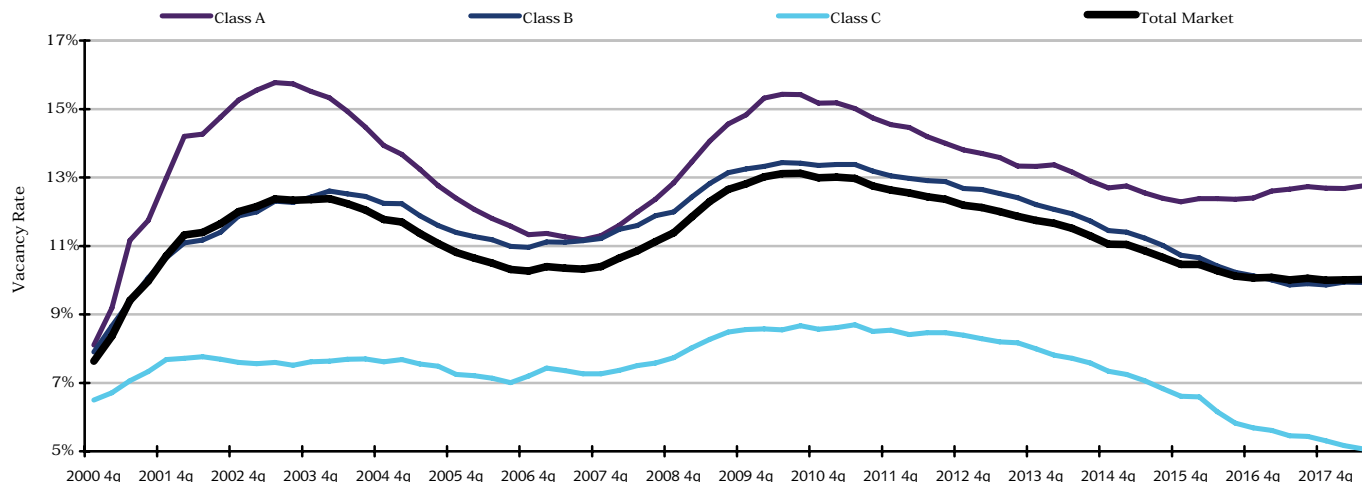
The office vacancy rate in the U.S. market area remained at 9.2% at the end of the second quarter 2018. The vacancy rate was 9.2% at the end of the first quarter 2018, 9.2% at the end of the fourth quarter 2017, and 9.3% at the end of the third quarter 2017.

Class-A projects reported a vacancy rate of 12.2% at the end of the second quarter 2018, 12.2% at the end of the first quarter 2018, 12.2% at the end of the fourth quarter 2017, and 12.3% at the end of the third quarter 2017.

Class-B projects reported a vacancy rate of 9.2% at the end of the second quarter 2018, 9.2% at the end of the first quarter 2018, 9.1% at the end of the fourth quarter 2017, and 9.1% at the end of the third quarter 2017.

Class-C projects reported a vacancy rate of 5.0% at the

Vacancy Rates by Class* 2000-2018



Source: CoStar Property® * Select markets included in this historical chart - see Methodology page.

end of the second quarter 2018, 5.1% at the end of first quarter 2018, 5.2% at the end of the fourth quarter 2017, and 5.3% at the end of the third quarter 2017.

The overall vacancy rate in U.S.'s central business district at the end of the second quarter 2018 changed to 9.6%. The vacancy rate was 9.6% at the end of the first quarter 2018, 9.7% at the end of the fourth quarter 2017, and 9.8% at the end of the third quarter 2017.

The vacancy rate in the suburban markets changed to 9.1% in the second quarter 2018. The vacancy rate was 9.1% at the end of the first quarter 2018, 9.1% at the end of the fourth quarter 2017, and 9.1% at the end of the third quarter 2017.

Sublease Vacancy

The amount of vacant sublease space in the U.S. market increased to 60,419,563 square feet by the end of the second quarter 2018, from 57,994,058 square feet at the end of the first quarter 2018. There was 55,386,788 square feet vacant at the end of the fourth quarter 2017 and 53,134,930 square feet at the end of the third quarter 2017.

U.S.'s Class-A projects reported vacant sublease space of 37,046,391 square feet at the end of second quarter 2018, up from the 36,315,100 square feet reported at the end of the first quarter 2018. There were 34,470,821 square feet of sublease space vacant at the end of the fourth quarter 2017, and 33,405,462 square feet at the end of the third quarter 2017.

Class-B projects reported vacant sublease space of 20,863,019 square feet at the end of the second quarter 2018, up from the 19,036,493 square feet reported at the end of the first quarter 2018. At the end of the fourth quarter 2017 there were 18,333,305 square feet, and at the end of the third quarter 2017 there were 17,486,817 square feet vacant.

Class-C projects reported decreased vacant sublease space from the first quarter 2018 to the second quarter 2018. Sublease vacancy went from 2,642,465 square feet to 2,510,153 square feet during that time. There was 2,582,662 square feet at the end of the fourth quarter 2017, and 2,242,651 square feet at the end of the third quarter 2017.

Sublease vacancy in U.S.'s central business district stood at 16,651,026 square feet at the end of the second quarter 2018. It was 16,551,240 square feet at the end of the first quarter 2018, 16,371,090 square feet at the end of the fourth quarter 2017, and 15,677,415 square feet at the end of the third quarter 2017.

Sublease vacancy in the suburban markets ended the second quarter 2018 at 43,768,537 square feet. At the end of the first quarter 2018 sublease vacancy was 41,442,818 square feet, was 39,015,698 square feet at the end of the fourth quarter 2017, and was 37,457,515 square feet at the end of the third quarter 2017.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$25.19 per square foot per year at the end of the second quarter 2018 in the U.S. market area. This represented a 0.7% increase in quoted rental rates from the end of the first quarter 2018, when rents were reported at \$25.02 per square foot.

The average quoted rate within the Class-A sector was \$31.09 at the end of the second quarter 2018, while Class-B rates stood at \$22.23, and Class-C rates at \$18.41. At the end of the first quarter 2018, Class-A rates were \$31.02 per square foot, Class-B rates were \$22.09, and Class-C rates were \$18.29.

The average quoted asking rental rate in U.S.'s CBD was \$32.84 at the end of the second quarter 2018, and \$23.66 in the suburban markets. In the first quarter 2018, quoted rates were \$32.64 in the CBD and \$23.48 in the suburbs.

Deliveries and Construction

During the second quarter 2018, 341 buildings totaling 20,717,707 square feet were completed in the U.S. market area. This compares to 472 buildings totaling 23,104,835 square feet that were completed in the first quarter 2018, 439 buildings totaling 23,151,363 square feet completed in the fourth quarter 2017, and 19,140,910 square feet in 382 buildings completed in the third quarter 2017.

There were 155,789,858 square feet of office space under construction at the end of the second quarter 2018.

Some of the notable 2018 deliveries include: 3 World Trade Center in the New York City market, a 2,861,402-square-foot facility that delivered in first quarter 2018 and is now 0% occupied, and Salesforce Tower, a 1,400,000-square-foot building that delivered in first quarter 2018 and is now 96% occupied on the San Francisco market.

The largest projects underway at the end of second quarter 2018 were 433 W Van Buren St, a 2,700,000-square-foot building with 7% of its space pre-leased in the Chicago market, and 30 Hudson Yards, a 2,600,000-square-foot facility that is 98% pre-leased in the New York City market.

Inventory

Total office inventory in the U.S. market area amounted to 11,324,898,878 square feet in 566,927 buildings as of the end of the second quarter 2018. The Class-A office sector consisted of 3,595,503,758 square feet in 19,489 projects. There were 220,559 Class-B buildings totaling 5,250,210,952 square feet, and the Class-C sector consisted of 2,479,184,168 square feet in 326,879 buildings. Within the Office market there were 23,524 owner-occupied buildings accounting for 1,012,085,437 square feet of office space.

Sales Activity

Tallying office building sales of 15,000 square feet or larger,

U.S. office sales figures fell during the first quarter 2018 in terms of dollar volume compared to the fourth quarter of 2017.

In the first quarter, 747 office transactions closed with a total volume of \$20,618,544,669. The 747 buildings totaled 75,444,969 square feet and the average price per square foot equated to \$273.29 per square foot. That compares to 875 transactions totaling \$26,696,809,136 in the fourth quarter 2017. The total square footage in the fourth quarter was 102,398,929 square feet for an average price per square foot of \$260.71.

Total office building sales activity in 2018 was down compared to 2017. In the first three months of 2018, the market saw 747 office sales transactions with a total volume of \$20,618,544,669. The price per square foot averaged \$273.29. In the same first three months of 2017, the market posted 802 transactions with a total volume of \$20,965,450,473. The price per square foot averaged \$258.96.

Cap rates have been lower in 2018, averaging 7.19% compared to the same period in 2017 when they averaged 7.49%.

One of the largest transactions that has occurred within the last 4 quarters in the U.S. market is the sale of 85 Broad St in the New York City market. This 1,118,509 square foot office building sold for \$ 652,000,000, or \$582.92 per square foot. The property sold on 5/24/2017 at a 3.9% cap rate.

Albany/Schenectady/Troy

The Albany/Schenectady/Troy office market ended the quarter with a vacancy rate of 4.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 90,560 square feet. Vacant sublease space stayed the same at 20,467 square feet. Rental rates ended the second quarter at \$15.53, a decrease over the previous quarter. A total of two buildings with 41,000 square feet of space delivered to the market, with 38,261 square feet still under construction at the end of the quarter.

Albuquerque

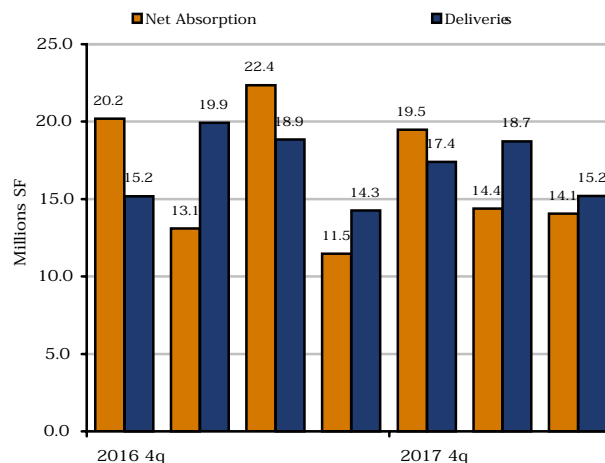
With no new office space being delivered to the market, and positive 30,478 square feet of net absorption, Albuquerque's vacancy rate went from 7.5% to 7.5% in the quarter. Rental rates went from \$14.85 to \$15.69 during that time. At the end of the quarter, there was 12,000 square feet underway for future delivery.

Anchorage

With no new office space being delivered to the market, and negative (2,281) square feet of net absorption, Anchorage's vacancy rate went from 5.7% to 5.7% in the quarter. Rental rates went from \$27.55 to \$27.73 during that time. At the end of the quarter, there was 46,000 square feet underway for future delivery.

Absorption & Deliveries*

Past 8 Quarters



Source: CoStar Property® * Select markets included in this chart - see Methodology page.

Asheville

The Asheville office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 2.3%, from 2.4% in the previous quarter. Rental rates ended the quarter at \$14.82 per square foot, from \$14.77 in the previous quarter. There was a total of 2,900 square feet that delivered in the quarter, with 22,200 square feet still under construction at the end of the quarter.

Atlanta

The Atlanta office market ended the quarter with a vacancy rate of 11.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 742,751 square feet. Vacant sublease space increased to 1,865,948 square feet. Rental rates ended the second quarter at \$23.93, an increase over the previous quarter. A total of 10 buildings with 734,575 square feet of space delivered to the market, with 3,856,488 square feet still under construction at the end of the quarter.

Augusta/Richmond County

The Augusta/Richmond County office market ended the quarter with a vacancy rate of 8.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 59,893 square feet. Vacant sublease space stayed the same at 0 square feet. Rental rates ended the second quarter at \$14.59, a decrease over the previous quarter. A total of one building with 3,600 square feet of space delivered to the market, with 330,184 square feet still under construction at the end of the quarter.

Austin

The Austin office market ended the quarter with a vacancy rate of 8.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (401,476) square feet. Vacant sublease space increased to 833,528 square feet. Rental rates ended the second quarter at \$33.22, a decrease over the previous quarter. A total of eight buildings with 311,060 square feet of space delivered to the market, with 4,487,421 square feet still under construction at the end of the quarter.

Bakersfield

With no new office space being delivered to the market, and positive 12,304 square feet of net absorption, Bakersfield's vacancy rate went from 6.3% to 6.2% in the quarter. Rental rates went from \$18.39 to \$18.49 during that time. At the end of the quarter, there was 43,207 square feet underway for future delivery.

Baltimore

With no new office space being delivered to the market, and positive 163,869 square feet of net absorption, Baltimore's vacancy rate went from 9.8% to 9.7% in the quarter. Rental rates went from \$22.68 to \$22.74 during that time. At the end of the quarter, there was 1,244,901 square feet underway for future delivery.

Baton Rouge

The Baton Rouge office market saw vacancies rise and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 8.6%, from 8.5% in the previous quarter. Rental rates ended the quarter at \$17.90 per square foot, from \$17.98 in the previous quarter. There was a total of 102,972 square feet that delivered in the quarter, with 129,054 square feet still under construction at the end of the quarter.

Beaumont/Port Arthur

The Beaumont/Port Arthur office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (64,724) square feet caused the vacancy rate to increase from 7.9% to 8.7% in the quarter. Rental rates stood at \$12.67.

Birmingham

The Birmingham office market ended the quarter with a vacancy rate of 10.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 323,547 square feet. Vacant sublease space increased to 838,404 square feet. Rental rates ended the second quarter at \$17.92, an increase over the previous quarter. A total of two buildings with 235,200 square feet of space delivered to the market, with 272,600 square feet still under construction at the end of the quarter.

Boise City/Nampa

The Boise City/Nampa office market saw vacancies rise and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 6.8%, from 6.4% in the previous quarter. Rental rates ended the quarter at \$16.59 per square foot, from \$16.75 in the previous quarter. There was a total of 17,885 square feet that delivered in the quarter, with 328,877 square feet still under construction at the end of the quarter.

Boston

The Boston office market ended the quarter with a vacancy rate of 7.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 649,018 square feet. Vacant sublease space increased to 2,176,166 square feet. Rental rates ended the second quarter at \$23.29, an increase over the previous quarter. A total of two buildings with 596,992 square feet of space delivered to the market, with 5,787,845 square feet still under construction at the end of the quarter.

Bremerton/Silverdale

The Bremerton/Silverdale office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 7,391 square feet caused the vacancy rate to decrease from 7.7% to 7.6% in the quarter. Rental rates stood at \$16.33.

Broward County

The Broward County office market ended the quarter with a vacancy rate of 8.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (71,310) square feet. Vacant sublease space increased to 220,888 square feet. Rental rates ended the second quarter at \$28.30, an increase over the previous quarter. A total of five buildings with 21,413 square feet of space delivered to the market, with 917,699 square feet still under construction at the end of the quarter.

Brownsville/Harlingen

The Brownsville/Harlingen office market saw vacancies rise and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 5.6%, from 5.4% in the previous quarter. Rental rates ended the quarter at \$16.09 per square foot, from \$15.24 in the previous quarter. There was a total of 51,754 square feet that delivered in the quarter, with 82,720 square feet still under construction at the end of the quarter.

Buffalo/Niagara Falls

With no new office space being delivered to the market, and positive 122,404 square feet of net absorption, Buffalo/Niagara Falls's vacancy rate went from 8.2% to 8.0% in the quarter. Rental rates went from \$15.58 to \$15.81 during that

time. At the end of the quarter, there was 307,000 square feet underway for future delivery.

Charleston WV

The Charleston WV office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (49,890) square feet caused the vacancy rate to increase from 5.7% to 6.0% in the quarter. Rental rates stood at \$14.91.

Charleston/N Charleston

The vacancy rate remained unchanged in Charleston/N Charleston in the second quarter. With 295,025 square feet in deliveries, and positive 286,955 square feet in net absorption, the vacancy rate held at 5.1%, the same rate reported in the previous quarter. The market had 425,142 square feet under construction at the end of the quarter, and rental rates stood at \$22.81 per square foot.

Charlotte

The Charlotte office market ended the quarter with a vacancy rate of 8.5%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (267,876) square feet. Vacant sublease space increased to 610,226 square feet. Rental rates ended the second quarter at \$24.99, an increase over the previous quarter. A total of four buildings with 127,715 square feet of space delivered to the market, with 3,669,679 square feet still under construction at the end of the quarter.

Chattanooga

With no new office space being delivered to the market, and negative (35,069) square feet of net absorption, Chattanooga's vacancy rate went from 4.6% to 4.8% in the quarter. Rental rates went from \$16.84 to \$16.67 during that time. At the end of the quarter, there was 123,000 square feet underway for future delivery.

Chicago

The Chicago office market ended the quarter with a vacancy rate of 12.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,924,396 square feet. Vacant sublease space increased to 3,186,084 square feet. Rental rates ended the second quarter at \$24.22, an increase over the previous quarter. A total of eight buildings with 1,865,756 square feet of space delivered to the market, with 7,514,561 square feet still under construction at the end of the quarter.

Cincinnati

The Cincinnati office market ended the quarter with a vacancy rate of 8.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 194,052

square feet. Vacant sublease space increased to 243,950 square feet. Rental rates ended the second quarter at \$16.03, a decrease over the previous quarter. A total of two buildings with 108,000 square feet of space delivered to the market, with 111,200 square feet still under construction at the end of the quarter.

Cleveland

The Cleveland office market ended the quarter with a vacancy rate of 8.6%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 193,193 square feet. Vacant sublease space decreased to 292,567 square feet. Rental rates ended the second quarter at \$17.36, an increase over the previous quarter. A total of eight buildings with 468,980 square feet of space delivered to the market, with 678,415 square feet still under construction at the end of the quarter.

Colorado Springs

With no new office space being delivered to the market, and positive 127,555 square feet of net absorption, Colorado Springs's vacancy rate went from 10.9% to 10.5% in the quarter. Rental rates went from \$15.46 to \$15.44 during that time. At the end of the quarter, there was 141,331 square feet underway for future delivery.

Columbia

The Columbia office market saw vacancies rise and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 7.1%, from 6.9% in the previous quarter. Rental rates ended the quarter at \$14.95 per square foot, from \$15.86 in the previous quarter. There was a total of 20,349 square feet that delivered in the quarter, with 90,965 square feet still under construction at the end of the quarter.

Columbus

The Columbus office market ended the quarter with a vacancy rate of 6.6%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (98,486) square feet. Vacant sublease space decreased to 370,708 square feet. Rental rates ended the second quarter at \$18.89, an increase over the previous quarter. A total of four buildings with 83,720 square feet of space delivered to the market, with 1,271,865 square feet still under construction at the end of the quarter.

Columbus GA

With no space currently under construction, Columbus GA absorbed 34,616 square feet of space and delivered 7,000 square feet of space, resulting in a vacancy rate that went from 8.1% to 7.8% over the course of the quarter. Rental rates went from \$12.94 to \$12.72 per square foot.

Corpus Christi

With no new office space being delivered to the market, and positive 185,831 square feet of net absorption, Corpus Christi's vacancy rate went from 8.5% to 6.8% in the quarter. Rental rates went from \$15.42 to \$14.34 during that time. At the end of the quarter, there was 61,967 square feet underway for future delivery.

Dallas/Ft Worth

The Dallas/Ft Worth office market ended the quarter with a vacancy rate of 15.0%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 321,275 square feet. Vacant sublease space increased to 3,966,537 square feet. Rental rates ended the second quarter at \$25.44, an increase over the previous quarter. A total of 35 buildings with 1,398,164 square feet of space delivered to the market, with 9,148,214 square feet still under construction at the end of the quarter.

Davenport/Moline/Rock Island

With no new office space being delivered to the market, and positive 88,034 square feet of net absorption, Davenport/Moline/Rock Island's vacancy rate went from 5.9% to 5.2% in the quarter. Rental rates went from \$10.82 to \$11.48 during that time. At the end of the quarter, there was 880 square feet underway for future delivery.

Dayton

With no new office space being delivered to the market, and positive 88,029 square feet of net absorption, Dayton's vacancy rate went from 8.6% to 8.4% in the quarter. Rental rates went from \$14.86 to \$14.58 during that time. At the end of the quarter, there was 421,040 square feet underway for future delivery.

Deltona/Daytona Beach

With no new office space being delivered to the market, and positive 89,997 square feet of net absorption, Deltona/Daytona Beach's vacancy rate went from 5.1% to 4.3% in the quarter. Rental rates went from \$13.80 to \$13.77 during that time. At the end of the quarter, there was 33,800 square feet underway for future delivery.

Denver

The vacancy rate remained unchanged in Denver in the second quarter. With 1,331,212 square feet in deliveries, and positive 1,236,318 square feet in net absorption, the vacancy rate held at 10.5%, the same rate reported in the previous quarter. The market had 3,886,173 square feet under construction at the end of the quarter, and rental rates stood at \$26.88 per square foot.

Des Moines

The Des Moines office market ended the quarter with a

vacancy rate of 3.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (88,625) square feet. Vacant sublease space decreased to 18,593 square feet. Rental rates ended the second quarter at \$14.04, a decrease over the previous quarter. A total of one building with 9,600 square feet of space delivered to the market, with 620,666 square feet still under construction at the end of the quarter.

Detroit

The Detroit office market ended the quarter with a vacancy rate of 9.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 821,283 square feet. Vacant sublease space decreased to 393,599 square feet. Rental rates ended the second quarter at \$19.32, an increase over the previous quarter. A total of six buildings with 161,396 square feet of space delivered to the market, with 1,743,489 square feet still under construction at the end of the quarter.

Duluth

The Duluth office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 4,544 square feet caused the vacancy rate to decrease from 4.2% to 4.1% in the quarter. Rental rates stood at \$13.38.

East Bay/Oakland

The East Bay/Oakland office market ended the quarter with a vacancy rate of 8.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 64,950 square feet. Vacant sublease space increased to 439,455 square feet. Rental rates ended the second quarter at \$37.72, an increase over the previous quarter. A total of one building with 8,237 square feet of space delivered to the market, with 2,083,067 square feet still under construction at the end of the quarter.

El Paso

The El Paso office market saw vacancies rise and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 6.5%, from 6.4% in the previous quarter. Rental rates ended the quarter at \$14.85 per square foot, from \$14.88 in the previous quarter. There was a total of 52,400 square feet that delivered in the quarter, with 278,500 square feet still under construction at the end of the quarter.

Erie

With no new office space being delivered to the market, and negative (14,944) square feet of net absorption, Erie's vacancy rate went from 2.7% to 3.3% in the quarter. Rental rates went from \$10.35 to \$10.04 during that time. At the end

of the quarter, there was 346,000 square feet underway for future delivery.

Evansville

With no new office space being delivered to the market, and negative (49,610) square feet of net absorption, Evansville's vacancy rate went from 3.7% to 4.1% in the quarter. Rental rates went from \$11.73 to \$11.38 during that time. At the end of the quarter, there was 14,000 square feet underway for future delivery.

Fayetteville

The Fayetteville office market saw vacancies rise and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 7.9%, from 7.1% in the previous quarter. Rental rates ended the quarter at \$15.88 per square foot, from \$15.51 in the previous quarter. There was a total of 43,829 square feet that delivered in the quarter, with 11,890 square feet still under construction at the end of the quarter.

Fayetteville/Springdale/Rogers

The Fayetteville/Springdale/Rogers office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 5.7%, from 6.4% in the previous quarter. Rental rates ended the quarter at \$18.13 per square foot, from \$16.45 in the previous quarter. There was a total of 55,020 square feet that delivered in the quarter, with 245,090 square feet still under construction at the end of the quarter.

Fort Smith

The Fort Smith office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 86,105 square feet caused the vacancy rate to decrease from 5.2% to 3.8% in the quarter. Rental rates stood at \$10.78.

Fort Wayne

With no new office space being delivered to the market, and negative (14,143) square feet of net absorption, Fort Wayne's vacancy rate went from 6.6% to 6.7% in the quarter. Rental rates went from \$14.30 to \$14.18 during that time. At the end of the quarter, there was 227,310 square feet underway for future delivery.

Fresno

The Fresno office market saw vacancies rise and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 7.6%, from 7.5% in the previous quarter. Rental rates ended the quarter at \$17.06 per square foot, from \$17.05 in the previous quarter. There was a total of 16,782 square feet that delivered in the

quarter, with 65,969 square feet still under construction at the end of the quarter.

Green Bay

The Green Bay office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (18,712) square feet caused the vacancy rate to increase from 6.4% to 6.5% in the quarter. Rental rates stood at \$12.28.

Greensboro/Winston-Salem

The vacancy rate remained unchanged in Greensboro/Winston-Salem in the second quarter. With 27,640 square feet in deliveries, and positive 8,762 square feet in net absorption, the vacancy rate held at 8.3%, the same rate reported in the previous quarter. The market had 200,500 square feet under construction at the end of the quarter, and rental rates stood at \$15.02 per square foot.

Greenville/Spartanburg

The vacancy rate remained unchanged in Greenville/Spartanburg in the second quarter. With 4,954 square feet in deliveries, and positive 17,601 square feet in net absorption, the vacancy rate held at 7.7%, the same rate reported in the previous quarter. The market had 155,244 square feet under construction at the end of the quarter, and rental rates stood at \$17.70 per square foot.

Hampton Roads

The Hampton Roads office market ended the quarter with a vacancy rate of 8.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 181,779 square feet. Vacant sublease space decreased to 79,957 square feet. Rental rates ended the second quarter at \$17.71, an increase over the previous quarter. A total of one building with 7,000 square feet of space delivered to the market, with 643,943 square feet still under construction at the end of the quarter.

Hartford

The Hartford office market ended the quarter with a vacancy rate of 8.6%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (430,484) square feet. Vacant sublease space increased to 510,655 square feet. Rental rates ended the second quarter at \$19.00, an increase over the previous quarter. A total of one building with 18,000 square feet of space delivered to the market, with 334,495 square feet still under construction at the end of the quarter.

Hawaii

The Hawaii office market ended the quarter with a vacancy rate of 5.9%. The vacancy rate was up over the pre-

vious quarter, with net absorption totaling negative (115,072) square feet. Vacant sublease space increased to 61,915 square feet. Rental rates ended the second quarter at \$24.54, a decrease over the previous quarter. A total of one building with 3,879 square feet of space delivered to the market, with 547,960 square feet still under construction at the end of the quarter.

Houston

The Houston office market ended the quarter with a vacancy rate of 16.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 202,720 square feet. Vacant sublease space decreased to 5,906,900 square feet. Rental rates ended the second quarter at \$27.60, a decrease over the previous quarter. A total of 19 buildings with 290,599 square feet of space delivered to the market, with 2,659,246 square feet still under construction at the end of the quarter.

Huntington/Ashland

The Huntington/Ashland office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 36,980 square feet caused the vacancy rate to decrease from 2.5% to 2.1% in the quarter. Rental rates stood at \$11.56.

Huntsville

The Huntsville office market ended the quarter with a vacancy rate of 6.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 140,123 square feet. Vacant sublease space increased to 34,488 square feet. Rental rates ended the second quarter at \$13.71, a decrease over the previous quarter. A total of one building with 100,000 square feet of space delivered to the market, with 399,000 square feet still under construction at the end of the quarter.

Indianapolis

The Indianapolis office market ended the quarter with a vacancy rate of 7.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 172,393 square feet. Vacant sublease space increased to 231,636 square feet. Rental rates ended the second quarter at \$18.82, an increase over the previous quarter. A total of three buildings with 79,000 square feet of space delivered to the market, with 128,413 square feet still under construction at the end of the quarter.

Inland Empire (California)

The vacancy rate remained unchanged in Inland Empire (California) in the second quarter. With 105,391 square feet in deliveries, and positive 143,677 square feet in net absorption, the vacancy rate held at 7.8%, the same rate reported in the

previous quarter. The market had 589,750 square feet under construction at the end of the quarter, and rental rates stood at \$20.97 per square foot.

Jackson

The Jackson office market saw vacancies fall and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 7.6%, from 7.9% in the previous quarter. Rental rates ended the quarter at \$16.53 per square foot, from \$16.74 in the previous quarter. There was a total of 28,133 square feet that delivered in the quarter, with 111,712 square feet still under construction at the end of the quarter.

Jacksonville (Florida)

The Jacksonville (Florida) office market ended the quarter with a vacancy rate of 8.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (110,135) square feet. Vacant sublease space increased to 458,462 square feet. Rental rates ended the second quarter at \$19.44, an increase over the previous quarter. A total of one building with 160,000 square feet of space delivered to the market, with 323,711 square feet still under construction at the end of the quarter.

Kansas City

The Kansas City office market ended the quarter with a vacancy rate of 6.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 173,436 square feet. Vacant sublease space decreased to 452,993 square feet. Rental rates ended the second quarter at \$19.27, an increase over the previous quarter. A total of three buildings with 61,463 square feet of space delivered to the market, with 1,157,028 square feet still under construction at the end of the quarter.

Killeen/Temple/Fort Hood

The Killeen/Temple/Fort Hood office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 5.6%, from 6.3% in the previous quarter. Rental rates ended the quarter at \$13.45 per square foot, from \$12.02 in the previous quarter. There was a total of 22,308 square feet that delivered in the quarter, with 52,788 square feet still under construction at the end of the quarter.

Kingsport/Bristol/Bristol

The Kingsport/Bristol/Bristol office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 43,137 square feet caused the vacancy rate to decrease from 6.0% to 5.5% in the quarter. Rental rates stood at \$15.26.

Knoxville

With no new office space being delivered to the market, and positive 42,917 square feet of net absorption, Knoxville's vacancy rate went from 5.0% to 4.9% in the quarter. Rental rates went from \$15.21 to \$15.21 during that time. At the end of the quarter, there was 110,850 square feet underway for future delivery.

Lafayette

With no new office space being delivered to the market, and positive 86,877 square feet of net absorption, Lafayette's vacancy rate went from 7.4% to 6.5% in the quarter. Rental rates went from \$15.27 to \$15.24 during that time. At the end of the quarter, there was 20,000 square feet underway for future delivery.

Las Vegas

The Las Vegas office market ended the quarter with a vacancy rate of 11.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 231,065 square feet. Vacant sublease space increased to 346,370 square feet. Rental rates ended the second quarter at \$19.21, a decrease over the previous quarter. A total of one building with 40,646 square feet of space delivered to the market, with 436,315 square feet still under construction at the end of the quarter.

Lexington/Fayette

The Lexington/Fayette office market saw vacancies rise and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 7.2%, from 6.1% in the previous quarter. Rental rates ended the quarter at \$17.17 per square foot, from \$16.99 in the previous quarter. There was a total of 73,000 square feet that delivered in the quarter, with 216,906 square feet still under construction at the end of the quarter.

Lincoln

With no new office space being delivered to the market, and negative (262,299) square feet of net absorption, Lincoln's vacancy rate went from 4.4% to 5.9% in the quarter. Rental rates went from \$13.46 to \$13.98 during that time. At the end of the quarter, there was 147,478 square feet underway for future delivery.

Little Rock/N Little Rock

The Little Rock/N Little Rock office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 4.1%, from 4.4% in the previous quarter. Rental rates ended the quarter at \$16.41 per square foot, from \$16.25 in the previous quarter. There was a total of 75,000 square feet that delivered in the quarter, with 14,000 square feet still under construction at the end of the quarter.

Long Island (New York)

The Long Island (New York) office market ended the quarter with a vacancy rate of 8.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (1,132,024) square feet. Vacant sublease space increased to 1,005,899 square feet. Rental rates ended the second quarter at \$27.43, a decrease over the previous quarter. A total of five buildings with 144,345 square feet of space delivered to the market, with 5,830,927 square feet still under construction at the end of the quarter.

Los Angeles

The vacancy rate remained unchanged in Los Angeles in the second quarter. With 539,343 square feet in deliveries, and positive 540,140 square feet in net absorption, the vacancy rate held at 10.5%, the same rate reported in the previous quarter. The market had 5,856,232 square feet under construction at the end of the quarter, and rental rates stood at \$35.48 per square foot.

Louisville

The Louisville office market ended the quarter with a vacancy rate of 5.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 325,778 square feet. Vacant sublease space increased to 42,300 square feet. Rental rates ended the second quarter at \$16.83, a decrease over the previous quarter. A total of three buildings with 120,898 square feet of space delivered to the market, with 325,737 square feet still under construction at the end of the quarter.

Lubbock

The Lubbock office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 6.0%, from 6.1% in the previous quarter. Rental rates ended the quarter at \$14.10 per square foot, from \$14.06 in the previous quarter. There was a total of 38,253 square feet that delivered in the quarter, with 4,386 square feet still under construction at the end of the quarter.

Madison

The Madison office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 6.0%, from 6.1% in the previous quarter. Rental rates ended the quarter at \$16.28 per square foot, from \$15.91 in the previous quarter. There was a total of 710,000 square feet that delivered in the quarter, with 348,893 square feet still under construction at the end of the quarter.

McAllen/Edinburg/Pharr

The McAllen/Edinburg/Pharr office market saw vacancies fall and rental rates decrease from the first quarter 2018

to the second quarter 2018. The overall vacancy rate currently sits at 6.4%, from 6.6% in the previous quarter. Rental rates ended the quarter at \$14.62 per square foot, from \$15.46 in the previous quarter. There was a total of 9,000 square feet that delivered in the quarter, with 97,886 square feet still under construction at the end of the quarter.

Memphis

The Memphis office market ended the quarter with a vacancy rate of 9.9%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 67,820 square feet. Vacant sublease space decreased to 28,114 square feet. Rental rates ended the second quarter at \$17.72, an increase over the previous quarter. A total of one building with 144,909 square feet of space delivered to the market, with 111,650 square feet still under construction at the end of the quarter.

Miami-Dade County

The Miami-Dade County office market ended the quarter with a vacancy rate of 8.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (8,636) square feet. Vacant sublease space decreased to 346,737 square feet. Rental rates ended the second quarter at \$35.67, an increase over the previous quarter. A total of five buildings with 322,553 square feet of space delivered to the market, with 2,203,784 square feet still under construction at the end of the quarter.

Milwaukee

With no new office space being delivered to the market, and positive 34,376 square feet of net absorption, Milwaukee's vacancy rate went from 7.3% to 7.2% in the quarter. Rental rates went from \$16.37 to \$16.22 during that time. At the end of the quarter, there was 755,537 square feet underway for future delivery.

Minneapolis

The Minneapolis office market ended the quarter with a vacancy rate of 7.7%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 462,614 square feet. Vacant sublease space increased to 688,007 square feet. Rental rates ended the second quarter at \$21.09, an increase over the previous quarter. A total of 10 buildings with 807,013 square feet of space delivered to the market, with 1,529,301 square feet still under construction at the end of the quarter.

Mobile

With no new office space being delivered to the market, and negative (16,587) square feet of net absorption, Mobile's vacancy rate went from 6.4% to 6.5% in the quarter. Rental rates went from \$14.03 to \$14.12 during that time. At the end of the quarter, there was 50,112 square feet underway for future delivery.

Montgomery

The Montgomery office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (9,947) square feet caused the vacancy rate to increase from 6.9% to 7.0% in the quarter. Rental rates stood at \$14.13.

Myrtle Beach/Conway

With no new office space being delivered to the market, and positive 24,474 square feet of net absorption, Myrtle Beach/Conway's vacancy rate went from 4.3% to 4.0% in the quarter. Rental rates went from \$13.12 to \$13.93 during that time. At the end of the quarter, there was 10,000 square feet underway for future delivery.

Nashville

The Nashville office market ended the quarter with a vacancy rate of 6.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 378,661 square feet. Vacant sublease space decreased to 586,940 square feet. Rental rates ended the second quarter at \$26.08, an increase over the previous quarter. A total of eight buildings with 181,358 square feet of space delivered to the market, with 2,403,246 square feet still under construction at the end of the quarter.

New Orleans/Metairie/Kenner

The New Orleans/Metairie/Kenner office market ended the quarter with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling negative (136,175) square feet. Vacant sublease space decreased to 70,601 square feet. Rental rates ended the second quarter at \$17.78, a decrease over the previous quarter. A total of two buildings with 19,000 square feet of space delivered to the market, with 19,200 square feet still under construction at the end of the quarter.

New York City

The New York City office market ended the quarter with a vacancy rate of 8.1%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 1,468,980 square feet. Vacant sublease space increased to 4,828,513 square feet. Rental rates ended the second quarter at \$60.26, a decrease over the previous quarter. A total of one building with 32,400 square feet of space delivered to the market, with 14,339,952 square feet still under construction at the end of the quarter.

North Bay/Santa Rosa

The North Bay/Santa Rosa office market saw vacancies fall and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 8.9%, from 9.4% in the previous quarter. Rental rates

ended the quarter at \$26.52 per square foot, from \$28.36 in the previous quarter. There was a total of 20,000 square feet that delivered in the quarter, with 103,107 square feet still under construction at the end of the quarter.

Northern New Jersey

The Northern New Jersey office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 11.9%, from 12.0% in the previous quarter. Rental rates ended the quarter at \$25.59 per square foot, from \$25.13 in the previous quarter. There was a total of 94,600 square feet that delivered in the quarter, with 2,053,191 square feet still under construction at the end of the quarter.

Ocala

The Ocala office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 5,504 square feet caused the vacancy rate to decrease from 6.7% to 6.6% in the quarter. Rental rates stood at \$13.84.

Oklahoma City

The Oklahoma City office market ended the quarter with a vacancy rate of 7.1%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (208,922) square feet. Vacant sublease space decreased to 86,651 square feet. Rental rates ended the second quarter at \$16.80, a decrease over the previous quarter. A total of nine buildings with 41,044 square feet of space delivered to the market, with 473,471 square feet still under construction at the end of the quarter.

Olympia

With no new office space being delivered to the market, and positive 305,337 square feet of net absorption, Olympia's vacancy rate went from 6.7% to 3.5% in the quarter. Rental rates went from \$16.72 to \$16.84 during that time. At the end of the quarter, there was 3,200 square feet underway for future delivery.

Omaha/Council Bluffs

The Omaha/Council Bluffs office market ended the quarter with a vacancy rate of 6.6%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 61,569 square feet. Vacant sublease space increased to 147,872 square feet. Rental rates ended the second quarter at \$15.56, a decrease over the previous quarter. A total of two buildings with 120,000 square feet of space delivered to the market, with 473,256 square feet still under construction at the end of the quarter.

Orange County (California)

With no new office space being delivered to the market,

and negative (85,666) square feet of net absorption, Orange County (California)'s vacancy rate went from 10.1% to 10.2% in the quarter. Rental rates went from \$30.89 to \$30.97 during that time. At the end of the quarter, there was 1,051,780 square feet underway for future delivery.

Orlando

The vacancy rate remained unchanged in Orlando in the second quarter. With 63,600 square feet in deliveries, and positive 17,196 square feet in net absorption, the vacancy rate held at 6.9%, the same rate reported in the previous quarter. The market had 1,352,677 square feet under construction at the end of the quarter, and rental rates stood at \$20.87 per square foot.

Palm Beach County

The Palm Beach County office market ended the quarter with a vacancy rate of 10.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 10,367 square feet. Vacant sublease space increased to 198,280 square feet. Rental rates ended the second quarter at \$29.73, an increase over the previous quarter. A total of one building with 3,600 square feet of space delivered to the market, with 547,573 square feet still under construction at the end of the quarter.

Pensacola

With no new office space being delivered to the market, and positive 73,512 square feet of net absorption, Pensacola's vacancy rate went from 4.8% to 4.3% in the quarter. Rental rates went from \$15.28 to \$15.21 during that time. At the end of the quarter, there was 248,915 square feet underway for future delivery.

Peoria

The Peoria office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 21,950 square feet caused the vacancy rate to decrease from 6.5% to 6.3% in the quarter. Rental rates stood at \$12.08.

Philadelphia

The vacancy rate remained unchanged in Philadelphia in the second quarter. With 590,632 square feet in deliveries, and positive 547,339 square feet in net absorption, the vacancy rate held at 8.1%, the same rate reported in the previous quarter. The market had 3,824,039 square feet under construction at the end of the quarter, and rental rates stood at \$22.72 per square foot.

Phoenix

The Phoenix office market ended the quarter with a vacancy rate of 13.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,097,616

square feet. Vacant sublease space increased to 1,833,660 square feet. Rental rates ended the second quarter at \$25.04, an increase over the previous quarter. A total of six buildings with 357,100 square feet of space delivered to the market, with 2,891,371 square feet still under construction at the end of the quarter.

Pittsburgh

The Pittsburgh office market ended the quarter with a vacancy rate of 8.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 452,350 square feet. Vacant sublease space increased to 499,896 square feet. Rental rates ended the second quarter at \$21.59, an increase over the previous quarter. A total of two buildings with 186,598 square feet of space delivered to the market, with 752,787 square feet still under construction at the end of the quarter.

Port St Lucie/Fort Pierce

The Port St Lucie/Fort Pierce office market saw vacancies rise and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 9.5%, from 9.4% in the previous quarter. Rental rates ended the quarter at \$14.57 per square foot, from \$14.33 in the previous quarter. There was a total of 6,000 square feet that delivered in the quarter, with 136,226 square feet still under construction at the end of the quarter.

Portland

The vacancy rate remained unchanged in Portland in the second quarter. With 1,185,358 square feet in deliveries, and positive 1,160,537 square feet in net absorption, the vacancy rate held at 6.6%, the same rate reported in the previous quarter. The market had 2,503,330 square feet under construction at the end of the quarter, and rental rates stood at \$23.81 per square foot.

Portland/South Portland

The Portland/South Portland office market saw vacancies fall and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 3.7%, from 4.5% in the previous quarter. Rental rates ended the quarter at \$14.28 per square foot, from \$14.03 in the previous quarter. There was a total of 12,150 square feet that delivered in the quarter, with 163,894 square feet still under construction at the end of the quarter.

Providence

With no new office space being delivered to the market, and positive 201,342 square feet of net absorption, Providence's vacancy rate went from 5.6% to 5.1% in the quarter. Rental rates went from \$17.48 to \$17.95 during that time. At the end of the quarter, there was 718,520 square feet underway for future delivery.

Raleigh/Durham

The Raleigh/Durham office market ended the quarter with a vacancy rate of 6.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 648,834 square feet. Vacant sublease space decreased to 236,059 square feet. Rental rates ended the second quarter at \$23.24, an increase over the previous quarter. A total of four buildings with 488,579 square feet of space delivered to the market, with 3,437,707 square feet still under construction at the end of the quarter.

Reno/Sparks

The Reno/Sparks office market saw vacancies fall and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 9.1%, from 9.2% in the previous quarter. Rental rates ended the quarter at \$17.85 per square foot, from \$17.94 in the previous quarter. There was a total of 14,513 square feet that delivered in the quarter, with 146,813 square feet still under construction at the end of the quarter.

Richmond VA

The Richmond VA office market ended the quarter with a vacancy rate of 6.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 199,916 square feet. Vacant sublease space increased to 212,911 square feet. Rental rates ended the second quarter at \$18.68, an increase over the previous quarter. A total of four buildings with 125,780 square feet of space delivered to the market, with 994,140 square feet still under construction at the end of the quarter.

Roanoke

The Roanoke office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (57,565) square feet caused the vacancy rate to increase from 6.7% to 7.2% in the quarter. Rental rates stood at \$15.76.

Rochester

With no new office space being delivered to the market, and negative (40,646) square feet of net absorption, Rochester's vacancy rate went from 6.4% to 6.5% in the quarter. Rental rates went from \$13.28 to \$13.10 during that time. At the end of the quarter, there was 81,834 square feet underway for future delivery.

Sacramento

The Sacramento office market ended the quarter with a vacancy rate of 9.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 249,315 square feet. Vacant sublease space increased to 235,754 square feet. Rental rates ended the second quarter at \$22.14,

an increase over the previous quarter. A total of one building with 138,850 square feet of space delivered to the market, with 559,276 square feet still under construction at the end of the quarter.

Salinas

With no new office space being delivered to the market, and positive 11,899 square feet of net absorption, Salinas's vacancy rate went from 6.1% to 6.0% in the quarter. Rental rates went from \$20.78 to \$20.69 during that time. At the end of the quarter, there was 9,731 square feet underway for future delivery.

Salt Lake City

The Salt Lake City office market ended the quarter with a vacancy rate of 7.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 686,588 square feet. Vacant sublease space increased to 588,574 square feet. Rental rates ended the second quarter at \$21.15, an increase over the previous quarter. A total of eight buildings with 634,424 square feet of space delivered to the market, with 3,365,007 square feet still under construction at the end of the quarter.

San Antonio

The San Antonio office market ended the quarter with a vacancy rate of 9.6%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 24,103 square feet. Vacant sublease space decreased to 146,275 square feet. Rental rates ended the second quarter at \$21.38, an increase over the previous quarter. A total of 12 buildings with 173,133 square feet of space delivered to the market, with 1,254,472 square feet still under construction at the end of the quarter.

San Diego

The San Diego office market ended the quarter with a vacancy rate of 9.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 241,462 square feet. Vacant sublease space decreased to 518,403 square feet. Rental rates ended the second quarter at \$32.34, an increase over the previous quarter. A total of two buildings with 57,809 square feet of space delivered to the market, with 1,074,645 square feet still under construction at the end of the quarter.

San Francisco

The San Francisco office market ended the quarter with a vacancy rate of 6.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,985,062 square feet. Vacant sublease space increased to 1,517,292 square feet. Rental rates ended the second quarter at \$59.50, a decrease over the previous quarter. A total of five buildings with 1,046,864 square feet of space delivered to the market, with 8,556,556 square feet still under construction at the end of the quarter.

San Luis Obispo/Paso Robles

With no new office space being delivered to the market, and negative (12,515) square feet of net absorption, San Luis Obispo/Paso Robles's vacancy rate went from 1.9% to 2.1% in the quarter. Rental rates went from \$20.62 to \$21.95 during that time. At the end of the quarter, there was 74,449 square feet underway for future delivery.

Santa Barbara/Sta Maria/Goleta

With no new office space being delivered to the market, and positive 33,657 square feet of net absorption, Santa Barbara/Sta Maria/Goleta's vacancy rate went from 4.1% to 3.9% in the quarter. Rental rates went from \$23.01 to \$23.25 during that time. At the end of the quarter, there was 90,000 square feet underway for future delivery.

Santa Cruz/Watsonville

With no new office space being delivered to the market, and negative (17,656) square feet of net absorption, Santa Cruz/Watsonville's vacancy rate went from 5.5% to 5.7% in the quarter. Rental rates went from \$21.40 to \$21.25 during that time. At the end of the quarter, there was 4,113 square feet underway for future delivery.

Savannah

With no new office space being delivered to the market, and negative (48,195) square feet of net absorption, Savannah's vacancy rate went from 4.0% to 4.4% in the quarter. Rental rates went from \$17.73 to \$17.03 during that time. At the end of the quarter, there was 20,800 square feet underway for future delivery.

Seattle/Puget Sound

The Seattle/Puget Sound office market ended the quarter with a vacancy rate of 7.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 412,182 square feet. Vacant sublease space decreased to 951,754 square feet. Rental rates ended the second quarter at \$32.74, an increase over the previous quarter. A total of two buildings with 80,477 square feet of space delivered to the market, with 6,918,652 square feet still under construction at the end of the quarter.

Shreveport/Bossier City

The Shreveport/Bossier City office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (94,256) square feet caused the vacancy rate to increase from 8.2% to 9.0% in the quarter. Rental rates stood at \$14.45.

South Bay/San Jose

The South Bay/San Jose office market ended the quarter with a vacancy rate of 9.9%. The vacancy rate was down over the previous quarter, with net absorption totaling posi-

tive 1,127,820 square feet. Vacant sublease space increased to 2,262,607 square feet. Rental rates ended the second quarter at \$42.33, a decrease over the previous quarter. A total of three buildings with 789,765 square feet of space delivered to the market, with 2,949,901 square feet still under construction at the end of the quarter.

South Bend/Mishawaka

With no new office space being delivered to the market, and negative (64,361) square feet of net absorption, South Bend/Mishawaka's vacancy rate went from 7.3% to 7.8% in the quarter. Rental rates went from \$14.20 to \$14.52 during that time. At the end of the quarter, there was 8,400 square feet underway for future delivery.

Southwest Florida

The Southwest Florida office market saw vacancies rise and rental rates increase from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 7.4%, from 6.9% in the previous quarter. Rental rates ended the quarter at \$15.03 per square foot, from \$14.99 in the previous quarter. There was a total of 10,000 square feet that delivered in the quarter, with 73,738 square feet still under construction at the end of the quarter.

Spokane

With no new office space being delivered to the market, and negative (321,921) square feet of net absorption, Spokane's vacancy rate went from 9.0% to 10.4% in the quarter. Rental rates went from \$16.14 to \$15.78 during that time. At the end of the quarter, there was 49,879 square feet underway for future delivery.

Springfield

The Springfield office market saw vacancies fall and rental rates decrease from the first quarter 2018 to the second quarter 2018. The overall vacancy rate currently sits at 5.0%, from 5.6% in the previous quarter. Rental rates ended the quarter at \$12.42 per square foot, from \$12.74 in the previous quarter. There was a total of 1,810 square feet that delivered in the quarter, with 4,541 square feet still under construction at the end of the quarter.

St. Louis

The St. Louis office market ended the quarter with a vacancy rate of 8.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 385,897 square feet. Vacant sublease space increased to 333,558 square feet. Rental rates ended the second quarter at \$19.43, an increase over the previous quarter. A total of two buildings with 264,416 square feet of space delivered to the market, with 1,596,150 square feet still under construction at the end of the quarter.

Stockton/Modesto

With no new office space being delivered to the market, and positive 72,244 square feet of net absorption, Stockton/Modesto's vacancy rate went from 6.1% to 5.8% in the quarter. Rental rates went from \$16.29 to \$16.02 during that time. At the end of the quarter, there was 23,051 square feet underway for future delivery.

Syracuse

With no new office space being delivered to the market, and negative (135,317) square feet of net absorption, Syracuse's vacancy rate went from 6.8% to 7.2% in the quarter. Rental rates went from \$13.91 to \$13.90 during that time. At the end of the quarter, there was 37,945 square feet underway for future delivery.

Tallahassee

With no new office space being delivered to the market, and negative (73,315) square feet of net absorption, Tallahassee's vacancy rate went from 4.1% to 4.4% in the quarter. Rental rates went from \$16.44 to \$16.40 during that time. At the end of the quarter, there was 66,600 square feet underway for future delivery.

Tampa/St Petersburg

The Tampa/St Petersburg office market ended the quarter with a vacancy rate of 7.0%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (398,681) square feet. Vacant sublease space increased to 607,870 square feet. Rental rates ended the second quarter at \$21.11, an increase over the previous quarter. A total of two buildings with 9,530 square feet of space delivered to the market, with 1,019,850 square feet still under construction at the end of the quarter.

Toledo

The Toledo office market ended the quarter with a vacancy rate of 5.0%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 28,345 square feet. Vacant sublease space increased to 14,882 square feet. Rental rates ended the second quarter at \$13.25, an increase over the previous quarter. A total of one building with 11,967 square feet of space delivered to the market, with 115,352 square feet still under construction at the end of the quarter.

Tucson

The Tucson office market ended the quarter with a vacancy rate of 8.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 100,436 square feet. Vacant sublease space increased to 80,492 square feet. Rental rates ended the second quarter at \$18.83, a decrease over the previous quarter. A total of one building with 61,000 square feet of space delivered to the market, with 462,135 square feet still under construction at the end of the quarter.

Tulsa

The Tulsa office market ended the quarter with a vacancy rate of 10.6%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (187,288) square feet. Vacant sublease space increased to 473,461 square feet. Rental rates ended the second quarter at \$15.27, an increase over the previous quarter. A total of two buildings with 14,386 square feet of space delivered to the market, with 405,405 square feet still under construction at the end of the quarter.

Utica/Rome

The Utica/Rome office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of positive 8,576 square feet caused the vacancy rate to decrease from 2.1% to 2.0% in the quarter. Rental rates stood at \$9.03.

Visalia/Porterville

With no new office space being delivered to the market, and negative (23,555) square feet of net absorption, Visalia/Porterville's vacancy rate went from 2.8% to 3.2% in the quarter. Rental rates went from \$15.59 to \$16.48 during that time. At the end of the quarter, there was 11,000 square feet underway for future delivery.

Washington

The Washington office market ended the quarter with a vacancy rate of 13.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (375,928) square feet. Vacant sublease space increased to 3,307,944 square feet. Rental rates ended the second quarter at \$35.86, an increase over the previous quarter. A total of seven buildings with 1,678,046 square feet of space delivered to the market, with 10,471,962 square feet still under construction at the end of the quarter.

West Michigan

The vacancy rate remained unchanged in West Michigan in the second quarter. With 29,993 square feet in deliveries, and positive 773 square feet in net absorption, the vacancy rate held at 4.7%, the same rate reported in the previous quarter. The market had 409,700 square feet under construction at the end of the quarter, and rental rates stood at \$14.37 per square foot.

Westchester/So Connecticut

The vacancy rate remained unchanged in Westchester/So Connecticut in the second quarter. With 67,062 square feet in deliveries, and positive 40,271 square feet in net absorption, the vacancy rate held at 11.9%, the same rate reported in the previous quarter. The market had 543,858 square feet under construction at the end of the quarter, and rental rates stood at \$28.44 per square foot.

Wichita

With no new office space being delivered to the market, and negative (204,475) square feet of net absorption, Wichita's vacancy rate went from 7.1% to 7.9% in the quarter. Rental rates went from \$13.28 to \$13.33 during that time. At the end of the quarter, there was 68,000 square feet underway for future delivery.

Wilmington

With no new office space being delivered to the market, and positive 145,530 square feet of net absorption, Wilmington's vacancy rate went from 4.7% to 3.6% in the quarter. Rental rates went from \$17.02 to \$17.14 during that time. At the end of the quarter, there was 321,207 square feet underway for future delivery.

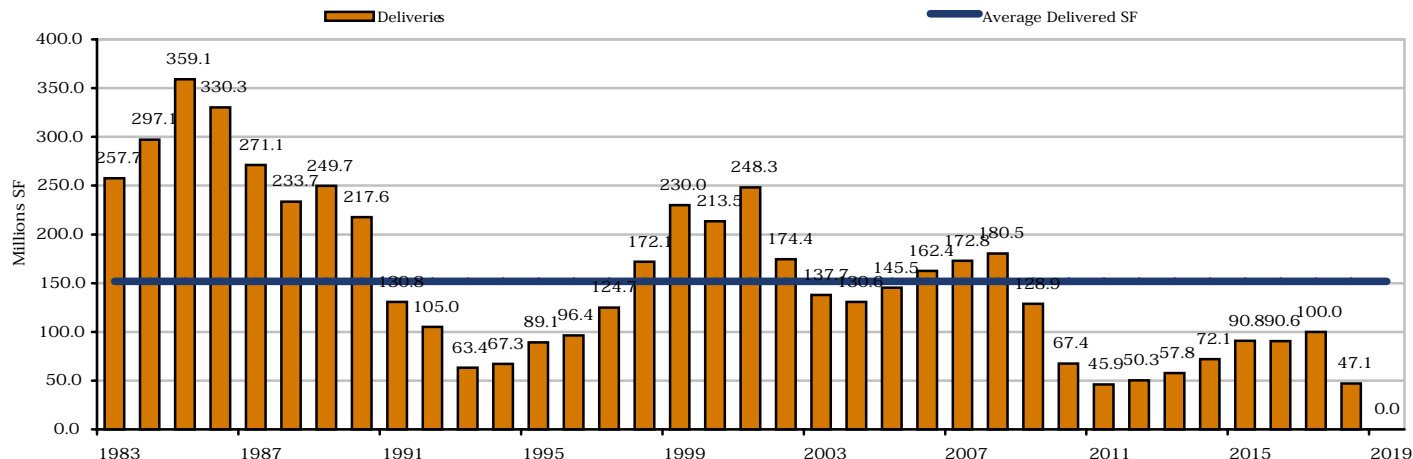
Yakima

With no new office space being delivered to the market, and positive 80,388 square feet of net absorption, Yakima's vacancy rate went from 6.3% to 4.7% in the quarter. Rental rates went from \$11.65 to \$11.84 during that time. At the end of the quarter, there was 8,800 square feet underway for future delivery.

Youngstown/Warren/Boardman

The Youngstown/Warren/Boardman office market reported no new deliveries and no space under construction at the end of the second quarter 2018. With this limited construction activity, net absorption of negative (3,293) square feet caused the vacancy rate to unchanged from 5.0% to 5.0% in the quarter. Rental rates stood at \$9.90.

Historical Deliveries 1983 - 2019



Source: CoStar Property®

* Future deliveries based on current under construction buildings.

Construction Activity Markets Ranked by Under Construction Square Footage

| Market | Under Construction Inventory | | | | Average Bldg Size | |
|----------------------------|------------------------------|--------------------|-------------------|--------------|-------------------|---------------|
| | # Bldgs | Total RBA | Preleased SF | Preleased % | All Existing | U/C |
| New York City | 29 | 14,339,952 | 11,631,712 | 81.1% | 147,387 | 494,481 |
| Washington | 44 | 10,471,962 | 6,439,230 | 61.5% | 39,689 | 237,999 |
| Dallas/Ft Worth | 101 | 9,148,214 | 6,346,192 | 69.4% | 29,137 | 90,576 |
| San Francisco | 39 | 8,556,556 | 5,504,741 | 64.3% | 43,827 | 219,399 |
| Chicago | 31 | 7,514,561 | 2,624,928 | 34.9% | 32,243 | 242,405 |
| Seattle/Puget Sound | 31 | 6,918,652 | 4,229,991 | 61.1% | 25,563 | 223,182 |
| Los Angeles | 55 | 5,856,232 | 2,681,456 | 45.8% | 23,744 | 106,477 |
| Long Island (New York) | 51 | 5,830,927 | 2,592,013 | 44.5% | 17,570 | 114,332 |
| Boston | 41 | 5,787,845 | 3,764,071 | 65.0% | 28,232 | 141,167 |
| Austin | 68 | 4,487,421 | 2,776,029 | 61.9% | 21,072 | 65,991 |
| Denver | 44 | 3,886,173 | 1,585,410 | 40.8% | 26,201 | 88,322 |
| Atlanta | 44 | 3,856,488 | 2,678,016 | 69.4% | 19,036 | 87,647 |
| Philadelphia | 33 | 3,824,039 | 3,056,796 | 79.9% | 17,385 | 115,880 |
| Charlotte | 27 | 3,669,679 | 1,900,125 | 51.8% | 16,104 | 135,914 |
| Raleigh/Durham | 39 | 3,437,707 | 2,152,726 | 62.6% | 20,824 | 88,146 |
| Salt Lake City | 43 | 3,365,007 | 1,712,812 | 50.9% | 21,447 | 78,256 |
| South Bay/San Jose | 21 | 2,949,901 | 2,369,612 | 80.3% | 27,946 | 140,471 |
| Phoenix | 27 | 2,891,371 | 853,481 | 29.5% | 20,652 | 107,088 |
| Houston | 50 | 2,659,246 | 1,382,026 | 52.0% | 35,232 | 53,185 |
| Portland | 32 | 2,503,330 | 1,848,358 | 73.8% | 14,851 | 78,229 |
| Nashville | 33 | 2,403,246 | 709,578 | 29.5% | 16,706 | 72,826 |
| Miami-Dade County | 31 | 2,203,784 | 855,562 | 38.8% | 23,975 | 71,090 |
| East Bay/Oakland | 13 | 2,083,067 | 1,118,861 | 53.7% | 20,984 | 160,236 |
| Northern New Jersey | 27 | 2,053,191 | 1,043,715 | 50.8% | 20,188 | 76,044 |
| Detroit | 29 | 1,743,489 | 1,315,571 | 75.5% | 18,857 | 60,120 |
| St. Louis | 11 | 1,596,150 | 1,129,344 | 70.8% | 21,776 | 145,105 |
| Minneapolis | 15 | 1,529,301 | 917,303 | 60.0% | 31,186 | 101,953 |
| Orlando | 22 | 1,352,677 | 995,640 | 73.6% | 12,337 | 61,485 |
| Columbus | 18 | 1,271,865 | 804,283 | 63.2% | 21,292 | 70,659 |
| San Antonio | 33 | 1,254,472 | 764,478 | 60.9% | 19,397 | 38,014 |
| Baltimore | 12 | 1,244,901 | 425,522 | 34.2% | 21,696 | 103,742 |
| Kansas City | 17 | 1,157,028 | 886,771 | 76.6% | 22,919 | 68,060 |
| San Diego | 16 | 1,074,645 | 794,290 | 73.9% | 20,876 | 67,165 |
| Orange County (California) | 16 | 1,051,780 | 430,106 | 40.9% | 25,793 | 65,736 |
| Tampa/St Petersburg | 34 | 1,019,850 | 815,880 | 80.0% | 11,207 | 29,996 |
| Richmond/VA | 16 | 994,140 | 792,204 | 79.7% | 19,715 | 62,134 |
| Broward County | 15 | 917,699 | 392,989 | 42.8% | 17,342 | 61,180 |
| Milwaukee | 7 | 755,537 | 495,095 | 65.5% | 21,682 | 107,934 |
| Pittsburgh | 15 | 752,787 | 307,246 | 40.8% | 18,217 | 50,186 |
| Providence | 9 | 718,520 | 668,520 | 93.0% | 14,886 | 79,836 |
| Cleveland | 14 | 678,415 | 354,695 | 52.3% | 18,555 | 48,458 |
| Hampton Roads | 5 | 643,943 | 592,516 | 92.0% | 14,817 | 128,789 |
| Des Moines | 7 | 620,666 | 325,100 | 52.4% | 26,122 | 88,667 |
| Inland Empire (California) | 12 | 589,750 | 419,000 | 71.0% | 11,736 | 49,146 |
| Totals | 1,688 | 155,789,858 | 94,623,219 | 60.7% | 19,976 | 92,293 |

Source: CoStar Property®

Class A Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|-------------|------------|------------|-------|--------------------|----------------|----------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Albany/Schen. | 38 | 6,721,256 | 161,232 | 161,232 | 2.4% | 102,568 | 0 | 0 | \$18.46 |
| Albuquerque | 29 | 4,800,525 | 413,999 | 422,400 | 8.8% | (9,966) | 0 | 0 | \$19.06 |
| Anchorage | 24 | 3,107,114 | 201,561 | 216,927 | 7.0% | 45,897 | 0 | 0 | \$35.11 |
| Asheville | 17 | 1,020,789 | 26,098 | 26,098 | 2.6% | 2,920 | 0 | 0 | \$25.85 |
| Atlanta | 577 | 128,791,237 | 16,320,368 | 17,838,556 | 13.9% | 1,042,118 | 1,783,098 | 3,355,700 | \$28.51 |
| Augusta/Rich. | 12 | 919,889 | 82,558 | 82,558 | 9.0% | (403) | 0 | 317,000 | \$16.82 |
| Austin | 297 | 40,479,615 | 3,262,878 | 3,774,606 | 9.3% | 714,505 | 1,074,082 | 3,879,205 | \$38.01 |
| Bakersfield | 20 | 1,490,127 | 145,847 | 145,847 | 9.8% | (11,782) | 0 | 0 | \$21.31 |
| Baltimore | 408 | 50,075,645 | 6,274,889 | 6,610,092 | 13.2% | (437,847) | 0 | 1,187,374 | \$26.65 |
| Baton Rouge | 20 | 3,506,960 | 510,407 | 547,203 | 15.6% | 13,568 | 34,000 | 86,169 | \$23.59 |
| Beaumont/Port | 5 | 801,914 | 20,625 | 20,625 | 2.6% | 68,810 | 0 | 0 | \$17.86 |
| Birmingham | 92 | 14,257,099 | 1,670,883 | 2,364,778 | 16.6% | 858,977 | 200,000 | 75,000 | \$20.80 |
| Boise City/N. | 35 | 6,407,983 | 389,724 | 408,416 | 6.4% | (128,177) | 0 | 127,559 | \$22.01 |
| Boston | 800 | 154,686,005 | 13,448,256 | 14,591,846 | 9.4% | 570,732 | 421,320 | 5,282,368 | \$30.23 |
| Bremerton/Si. | 2 | 108,049 | 5,523 | 5,523 | 5.1% | 0 | 0 | 0 | \$24.00 |
| Broward Coun | 147 | 18,287,649 | 2,183,377 | 2,312,686 | 12.6% | (15,690) | 27,744 | 478,151 | \$33.95 |
| Brownsville/. | 2 | 124,752 | 22,842 | 22,842 | 18.3% | 0 | 0 | 0 | \$21.00 |
| Buffalo/Niag. | 75 | 10,875,546 | 1,689,413 | 1,689,413 | 15.5% | 125,497 | 0 | 242,000 | \$18.76 |
| Charleston W. | 11 | 1,090,739 | 198,285 | 198,285 | 18.2% | (36,823) | 0 | 0 | \$18.97 |
| Charleston/N. | 87 | 6,142,912 | 538,461 | 545,574 | 8.9% | 191,330 | 388,200 | 249,832 | \$30.09 |
| Charlotte | 297 | 43,913,644 | 5,331,546 | 5,658,668 | 12.9% | 193,296 | 207,354 | 3,442,259 | \$29.37 |
| Chattanooga | 25 | 3,008,329 | 105,914 | 139,434 | 4.6% | (39,987) | 0 | 60,000 | \$21.11 |
| Chicago | 665 | 192,328,045 | 27,689,323 | 29,528,215 | 15.4% | 2,126,884 | 1,849,122 | 7,040,300 | \$27.64 |
| Cincinnati | 205 | 32,482,868 | 4,039,154 | 4,190,762 | 12.9% | 243,774 | 163,593 | 67,000 | \$18.06 |
| Cleveland | 174 | 29,224,815 | 2,857,447 | 2,949,562 | 10.1% | 573,898 | 640,502 | 459,992 | \$21.60 |
| Colorado Spr. | 51 | 5,700,959 | 404,465 | 426,424 | 7.5% | 27,453 | 0 | 109,169 | \$19.02 |
| Columbia | 29 | 3,313,911 | 329,502 | 348,711 | 10.5% | 7,722 | 0 | 81,773 | \$19.19 |
| Columbus | 192 | 30,286,554 | 2,056,960 | 2,302,021 | 7.6% | 493,372 | 0 | 873,725 | \$19.95 |
| Columbus GA | 11 | 789,518 | 66,007 | 66,007 | 8.4% | 4,484 | 0 | 0 | \$12.00 |
| Corpus Chris. | 3 | 942,087 | 31,799 | 31,799 | 3.4% | 39,213 | 0 | 0 | \$19.61 |
| Dallas/Ft Wo. | 632 | 157,911,431 | 25,952,576 | 28,175,513 | 17.8% | 2,833,678 | 3,405,577 | 7,788,684 | \$29.00 |
| Davenport/Mo | 9 | 389,137 | 49,906 | 49,906 | 12.8% | (18,977) | 0 | 0 | \$17.28 |
| Dayton | 61 | 6,039,032 | 722,267 | 736,710 | 12.2% | 361 | 18,316 | 378,000 | \$17.13 |
| Deltona/Dayt. | 7 | 497,784 | 25,970 | 25,970 | 5.2% | 31,438 | 0 | 0 | \$21.66 |
| Denver | 407 | 72,339,715 | 9,025,634 | 9,967,140 | 13.8% | 2,081,189 | 2,691,486 | 3,432,519 | \$30.72 |
| Des Moines | 57 | 12,476,742 | 461,570 | 470,880 | 3.8% | (170,691) | 0 | 425,000 | \$14.93 |
| Detroit | 239 | 50,261,094 | 5,316,611 | 5,558,672 | 11.1% | (35,222) | 120,000 | 1,097,500 | \$22.35 |
| Duluth | 11 | 1,173,503 | 77,929 | 79,563 | 6.8% | (8,346) | 0 | 0 | \$17.80 |
| East Bay/Oak. | 121 | 28,310,201 | 2,806,355 | 3,033,113 | 10.7% | (63,562) | 0 | 1,733,081 | \$47.35 |
| El Paso | 8 | 1,323,376 | 120,648 | 120,648 | 9.1% | 51,443 | 52,400 | 262,000 | \$15.44 |
| Erie | 5 | 476,444 | 10,200 | 10,200 | 2.1% | 0 | 0 | 0 | \$11.50 |
| Evansville | 17 | 2,249,815 | 96,919 | 96,919 | 4.3% | (19,201) | 0 | 0 | \$11.06 |
| Fayetteville | 11 | 730,751 | 59,521 | 59,521 | 8.1% | 14,183 | 29,749 | 0 | \$19.60 |
| Fayetteville. | 33 | 3,318,795 | 197,825 | 203,496 | 6.1% | 136,369 | 0 | 65,000 | \$22.36 |
| Fort Smith | 3 | 544,972 | 27,000 | 27,000 | 5.0% | 67,700 | 0 | 0 | \$12.98 |
| Fort Wayne | 23 | 2,265,088 | 186,919 | 186,919 | 8.3% | 10,819 | 0 | 192,000 | \$15.65 |
| Fresno | 27 | 2,641,973 | 278,528 | 291,886 | 11.0% | 80,692 | 0 | 0 | \$22.26 |
| Green Bay | 17 | 1,483,029 | 137,665 | 145,490 | 9.8% | (44,288) | 0 | 0 | \$14.58 |

Source: CoStar Property®

Class A Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|-------------|------------|------------|-------|--------------------|----------------|----------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Greensboro/W. | 72 | 8,815,100 | 1,202,435 | 1,248,846 | 14.2% | 103,411 | 0 | 90,000 | \$19.16 |
| Greenville/S. | 77 | 7,218,389 | 751,960 | 751,960 | 10.4% | 2,439 | 0 | 86,567 | \$23.67 |
| Hampton Road | 145 | 14,100,112 | 1,205,231 | 1,215,897 | 8.6% | 173,320 | 28,300 | 589,600 | \$21.68 |
| Hartford | 85 | 20,691,874 | 2,087,101 | 2,218,208 | 10.7% | (36,203) | 0 | 0 | \$21.91 |
| Hawaii | 48 | 10,496,715 | 792,342 | 828,782 | 7.9% | (86,680) | 0 | 373,000 | \$25.85 |
| Houston | 512 | 146,131,526 | 24,707,678 | 29,905,564 | 20.5% | (20,325) | 226,624 | 2,102,309 | \$32.74 |
| Huntington/A. | 8 | 545,312 | 31,500 | 31,500 | 5.8% | (400) | 0 | 0 | \$13.72 |
| Huntsville | 28 | 2,322,732 | 34,327 | 34,327 | 1.5% | 80,562 | 0 | 347,000 | \$21.29 |
| Indianapolis | 198 | 28,719,145 | 2,907,964 | 3,044,206 | 10.6% | 25,383 | 125,000 | 80,000 | \$21.17 |
| Inland Empir. | 105 | 8,966,688 | 642,468 | 682,441 | 7.6% | 88,045 | 0 | 319,200 | \$27.63 |
| Jackson | 50 | 5,517,063 | 651,717 | 689,224 | 12.5% | (7,742) | 0 | 0 | \$20.55 |
| Jacksonville. | 101 | 15,853,694 | 1,295,272 | 1,375,732 | 8.7% | 142,197 | 205,000 | 175,010 | \$22.29 |
| Kansas City | 196 | 33,154,316 | 2,500,709 | 2,755,837 | 8.3% | 166,986 | 117,985 | 796,615 | \$22.61 |
| Killeen/Temp. | 4 | 254,788 | 0 | 0 | 0.0% | 2,348 | 0 | 0 | \$30.00 |
| Kingsport/Br. | 5 | 724,363 | 135,773 | 135,773 | 18.7% | 0 | 0 | 0 | \$24.77 |
| Knoxville | 40 | 4,877,974 | 308,335 | 324,119 | 6.6% | (31,604) | 0 | 72,000 | \$18.32 |
| Lafayette | 10 | 727,540 | 20,462 | 20,462 | 2.8% | 13,446 | 0 | 0 | \$14.03 |
| Las Vegas | 106 | 11,941,045 | 1,435,440 | 1,516,551 | 12.7% | 307,012 | 152,000 | 243,406 | \$28.08 |
| Lexington/Fa. | 79 | 4,808,055 | 364,469 | 429,603 | 8.9% | 9,441 | 73,000 | 186,906 | \$20.14 |
| Lincoln | 17 | 2,768,439 | 102,103 | 102,103 | 3.7% | 18,433 | 0 | 138,032 | \$17.47 |
| Little Rock/. | 28 | 4,639,919 | 383,383 | 451,338 | 9.7% | 115,229 | 0 | 0 | \$18.40 |
| Long Island . | 248 | 48,449,915 | 4,658,697 | 5,122,930 | 10.6% | (420,318) | 120,580 | 3,915,779 | \$30.54 |
| Los Angeles | 982 | 181,234,486 | 22,683,525 | 24,394,238 | 13.5% | (131,476) | 620,317 | 4,388,255 | \$39.25 |
| Louisville | 120 | 12,056,738 | 1,032,674 | 1,042,483 | 8.6% | 32,003 | 26,000 | 300,000 | \$20.52 |
| Lubbock | 7 | 557,814 | 50,236 | 50,236 | 9.0% | (1,159) | 0 | 0 | \$17.34 |
| Madison | 75 | 8,383,301 | 259,574 | 262,272 | 3.1% | 781,263 | 860,000 | 251,600 | \$19.48 |
| McAllen/Edin. | 6 | 441,370 | 22,500 | 22,500 | 5.1% | (7,500) | 0 | 97,886 | \$25.48 |
| Memphis | 95 | 12,773,426 | 1,279,406 | 1,300,423 | 10.2% | 386,542 | 466,909 | 0 | \$20.86 |
| Miami-Dade C. | 177 | 29,890,399 | 3,578,237 | 3,858,646 | 12.9% | 59,117 | 206,717 | 1,882,081 | \$42.30 |
| Milwaukee | 115 | 18,433,079 | 1,581,469 | 1,806,199 | 9.8% | 12,388 | 0 | 493,537 | \$19.38 |
| Minneapolis | 187 | 55,139,079 | 4,300,649 | 4,454,937 | 8.1% | 439,387 | 981,384 | 1,199,000 | \$28.38 |
| Mobile | 12 | 1,445,744 | 132,814 | 132,814 | 9.2% | (35,212) | 0 | 0 | \$17.85 |
| Montgomery | 22 | 3,007,315 | 90,831 | 91,117 | 3.0% | 80,004 | 0 | 0 | \$23.39 |
| Myrtle Beach. | 10 | 687,786 | 57,473 | 57,473 | 8.4% | (4,980) | 0 | 0 | \$12.97 |
| Nashville | 176 | 26,859,774 | 2,113,517 | 2,557,637 | 9.5% | 328,978 | 105,000 | 2,129,973 | \$30.71 |
| New Orleans/. | 38 | 12,454,678 | 1,329,945 | 1,389,889 | 11.2% | 67,122 | 30,000 | 0 | \$19.48 |
| New York Cit. | 482 | 333,283,233 | 27,535,691 | 31,018,451 | 9.3% | 1,937,574 | 189,809 | 13,803,720 | \$64.33 |
| North Bay/Sa. | 52 | 4,097,930 | 1,101,292 | 1,124,732 | 27.4% | 8,700 | 0 | 0 | \$29.35 |
| Northern New. | 932 | 158,440,228 | 24,133,933 | 27,055,444 | 17.1% | (351,997) | 231,434 | 1,314,732 | \$28.79 |
| Ocala | 4 | 231,577 | 24,987 | 24,987 | 10.8% | 2,700 | 0 | 0 | \$14.66 |
| Oklahoma Cit. | 53 | 9,172,226 | 499,943 | 518,442 | 5.7% | 824,141 | 757,716 | 308,179 | \$21.81 |
| Olympia | 2 | 340,759 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Omaha/Counc. | 77 | 9,517,137 | 366,634 | 390,557 | 4.1% | 125,975 | 60,000 | 374,000 | \$22.01 |
| Orange Count. | 293 | 48,276,484 | 6,243,541 | 6,931,021 | 14.4% | 6,178 | 477,226 | 782,239 | \$35.20 |
| Orlando | 220 | 26,703,077 | 1,792,489 | 1,854,678 | 6.9% | 191,751 | 39,000 | 1,106,216 | \$26.89 |
| Palm Beach C. | 144 | 14,600,505 | 1,829,994 | 1,936,458 | 13.3% | 54,807 | 0 | 315,751 | \$34.48 |
| Pensacola | 11 | 480,232 | 38,503 | 38,503 | 8.0% | (170) | 0 | 48,915 | \$19.66 |
| Peoria | 9 | 989,081 | 21,179 | 21,179 | 2.1% | 2,917 | 0 | 0 | \$18.38 |

Source: CoStar Property®

Class A Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|----------------------|--------------------|--------------------|--------------|--------------------|-------------------|--------------------|----------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Philadelphia | 1,011 | 135,680,387 | 12,954,371 | 14,222,318 | 10.5% | 34,398 | 559,832 | 3,549,695 | \$27.35 |
| Phoenix | 324 | 50,973,307 | 6,179,716 | 7,139,043 | 14.0% | 476,117 | 572,987 | 2,267,525 | \$30.03 |
| Pittsburgh | 229 | 38,889,013 | 4,061,785 | 4,452,858 | 11.5% | 82,548 | 186,598 | 598,264 | \$26.60 |
| Port St Luci. | 22 | 1,126,831 | 179,666 | 179,666 | 15.9% | (31,452) | 0 | 0 | \$16.75 |
| Portland | 241 | 33,651,922 | 2,503,240 | 2,678,206 | 8.0% | 1,024,787 | 1,417,488 | 1,922,060 | \$30.11 |
| Portland/Sou. | 29 | 3,050,678 | 58,271 | 58,271 | 1.9% | 88,034 | 53,770 | 0 | \$18.78 |
| Providence | 31 | 6,052,607 | 446,545 | 459,470 | 7.6% | (11,305) | 0 | 638,000 | \$26.38 |
| Raleigh/Durh. | 341 | 37,144,817 | 2,851,747 | 3,009,816 | 8.1% | 569,866 | 418,579 | 3,161,603 | \$27.47 |
| Reno/Sparks | 27 | 1,996,646 | 207,782 | 259,365 | 13.0% | (49,567) | 0 | 40,826 | \$23.41 |
| Richmond VA | 164 | 21,384,425 | 1,516,500 | 1,687,788 | 7.9% | (66,595) | 48,000 | 858,243 | \$21.34 |
| Roanoke | 7 | 676,876 | 49,588 | 57,378 | 8.5% | 33,518 | 0 | 0 | \$20.13 |
| Rochester | 69 | 9,547,313 | 1,081,682 | 1,167,826 | 12.2% | 323,747 | 0 | 45,000 | \$15.80 |
| Sacramento | 204 | 27,444,956 | 2,356,342 | 2,434,795 | 8.9% | 260,710 | 138,850 | 0 | \$26.93 |
| Salinas | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Salt Lake Ci. | 229 | 27,376,137 | 2,271,355 | 2,497,637 | 9.1% | 629,407 | 619,500 | 1,894,567 | \$25.95 |
| San Antonio | 133 | 16,959,563 | 2,350,870 | 2,429,822 | 14.3% | (85,716) | 37,500 | 882,092 | \$26.37 |
| San Diego | 279 | 35,364,221 | 4,259,893 | 4,531,271 | 12.8% | (263,889) | 48,954 | 965,394 | \$38.66 |
| San Francisc. | 319 | 81,703,249 | 4,871,740 | 5,623,517 | 6.9% | 3,438,884 | 2,740,747 | 6,402,056 | \$62.38 |
| San Luis Obi. | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Santa Barbar. | 1 | 72,200 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$19.80 |
| Santa Cruz/W. | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Savannah | 10 | 411,610 | 8,822 | 8,822 | 2.1% | 3,692 | 0 | 0 | \$25.42 |
| Seattle/Puge. | 336 | 72,972,303 | 4,991,232 | 5,393,518 | 7.4% | 1,221,078 | 273,840 | 5,447,198 | \$43.50 |
| Shreveport/B. | 5 | 548,172 | 54,733 | 54,733 | 10.0% | 16,341 | 0 | 0 | \$16.16 |
| South Bay/Sa. | 191 | 41,170,093 | 4,769,067 | 5,496,904 | 13.4% | 2,908,057 | 2,974,540 | 1,818,296 | \$44.91 |
| South Bend/M | 15 | 1,143,860 | 231,998 | 236,108 | 20.6% | 523 | 0 | 0 | \$16.75 |
| Southwest Fl. | 79 | 4,253,759 | 597,294 | 597,294 | 14.0% | (70,748) | 0 | 0 | \$17.01 |
| Spokane | 14 | 1,777,364 | 367,729 | 382,363 | 21.5% | (127,189) | 0 | 0 | \$19.09 |
| Springfield | 12 | 1,209,359 | 36,555 | 36,555 | 3.0% | (550) | 0 | 0 | \$18.29 |
| St. Louis | 270 | 42,607,220 | 4,127,163 | 4,405,528 | 10.3% | 222,518 | 264,416 | 1,558,000 | \$22.75 |
| Stockton/Mod. | 20 | 2,256,164 | 169,545 | 184,660 | 8.2% | 18,877 | 0 | 0 | \$23.15 |
| Syracuse | 24 | 3,674,012 | 430,990 | 444,362 | 12.1% | 49,469 | 0 | 25,000 | \$18.10 |
| Tallahassee | 18 | 1,501,508 | 68,610 | 68,610 | 4.6% | 2,925 | 0 | 21,800 | \$26.40 |
| Tampa/St Pet. | 253 | 36,192,882 | 2,453,903 | 2,710,738 | 7.5% | 28,471 | 180,800 | 707,000 | \$27.95 |
| Toledo | 15 | 3,171,460 | 117,869 | 117,869 | 3.7% | 14,902 | 0 | 0 | \$17.93 |
| Tucson | 25 | 2,874,400 | 172,859 | 213,804 | 7.4% | 18,440 | 61,000 | 234,400 | \$23.62 |
| Tulsa | 30 | 8,455,915 | 739,549 | 829,952 | 9.8% | (113,750) | 0 | 100,000 | \$19.33 |
| Utica/Rome | 1 | 122,760 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Visalia/Port. | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | \$0.00 |
| Washington | 1,458 | 271,274,050 | 40,511,299 | 42,699,804 | 15.7% | 1,946,560 | 2,463,317 | 10,137,669 | \$39.73 |
| West Michiga. | 83 | 8,792,542 | 339,282 | 347,866 | 4.0% | (58,299) | 0 | 231,100 | \$20.13 |
| Westchester/. | 422 | 66,673,761 | 10,009,210 | 10,578,051 | 15.9% | (318,833) | 0 | 24,000 | \$34.04 |
| Wichita | 17 | 2,025,526 | 135,443 | 150,461 | 7.4% | 129,171 | 60,000 | 60,000 | \$14.29 |
| Wilmington | 22 | 1,360,633 | 109,019 | 109,019 | 8.0% | 118,078 | 0 | 90,355 | \$20.36 |
| Yakima | 1 | 129,857 | 26,049 | 26,049 | 20.1% | 954 | 0 | 0 | \$21.76 |
| Youngstown/V. | 7 | 467,821 | 54,032 | 54,032 | 11.5% | 8,810 | 0 | 0 | \$9.71 |
| Totals | 19,489 | 3,595,503,758 | 403,077,133 | 440,123,524 | 12.2% | 29,640,950 | 32,327,262 | 124,780,011 | \$31.09 |

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|-------------|------------|------------|-------|--------------------|----------------|----------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Albany/Schen. | 1,742 | 41,915,503 | 1,773,137 | 1,793,604 | 4.3% | 150,438 | 42,600 | 38,261 | \$15.54 |
| Albuquerque | 1,640 | 24,807,369 | 2,010,053 | 2,053,825 | 8.3% | (74,456) | 21,530 | 12,000 | \$15.15 |
| Anchorage | 314 | 8,801,772 | 432,726 | 474,020 | 5.4% | (32,274) | 12,800 | 46,000 | \$25.91 |
| Asheville | 861 | 8,807,077 | 185,053 | 185,053 | 2.1% | 9,577 | 29,900 | 22,200 | \$15.45 |
| Atlanta | 6,134 | 130,535,115 | 14,934,151 | 15,245,654 | 11.7% | 495,397 | 181,735 | 500,788 | \$19.19 |
| Augusta/Rich. | 788 | 8,669,114 | 700,005 | 700,005 | 8.1% | 29,809 | 20,600 | 13,184 | \$15.43 |
| Austin | 2,307 | 47,916,716 | 4,329,106 | 4,626,278 | 9.7% | (411,899) | 278,871 | 608,216 | \$28.26 |
| Bakersfield | 591 | 9,146,726 | 564,080 | 573,663 | 6.3% | 116,270 | 0 | 43,207 | \$18.84 |
| Baltimore | 2,839 | 68,477,394 | 5,997,917 | 6,184,238 | 9.0% | 637,852 | 0 | 57,527 | \$21.18 |
| Baton Rouge | 663 | 7,858,097 | 783,186 | 817,993 | 10.4% | 131,635 | 102,710 | 42,885 | \$19.35 |
| Beaumont/Port | 155 | 3,092,922 | 457,383 | 457,383 | 14.8% | (178,044) | 0 | 0 | \$11.87 |
| Birmingham | 941 | 23,634,485 | 2,287,001 | 2,429,986 | 10.3% | 60,814 | 43,278 | 197,600 | \$16.75 |
| Boise City/N. | 1,188 | 17,563,591 | 1,278,849 | 1,342,692 | 7.6% | 85,657 | 36,385 | 201,318 | \$16.54 |
| Boston | 4,750 | 158,549,614 | 12,543,417 | 13,528,824 | 8.5% | (8,399) | 244,672 | 505,477 | \$20.98 |
| Bremerton/Si. | 167 | 2,492,174 | 240,978 | 240,978 | 9.7% | (24,391) | 0 | 0 | \$16.71 |
| Broward Coun. | 1,255 | 32,923,152 | 3,118,239 | 3,203,981 | 9.7% | (593,861) | 33,413 | 439,548 | \$24.33 |
| Brownsville/. | 252 | 2,950,693 | 180,905 | 180,905 | 6.1% | 45,416 | 51,754 | 82,720 | \$15.84 |
| Buffalo/Niag. | 1,117 | 25,779,986 | 1,374,327 | 1,461,914 | 5.7% | 74,479 | 30,000 | 65,000 | \$14.67 |
| Charleston W. | 804 | 10,776,786 | 537,819 | 571,703 | 5.3% | 45,747 | 0 | 0 | \$14.71 |
| Charleston/N. | 1,398 | 15,826,587 | 814,671 | 859,391 | 5.4% | 220,051 | 267,946 | 175,310 | \$19.90 |
| Charlotte | 2,836 | 52,950,596 | 3,537,286 | 3,809,294 | 7.2% | 133,292 | 106,454 | 227,420 | \$20.65 |
| Chattanooga | 426 | 10,908,552 | 401,570 | 402,970 | 3.7% | 8,548 | 0 | 63,000 | \$16.51 |
| Chicago | 6,990 | 217,120,910 | 23,427,128 | 24,621,844 | 11.3% | (504,812) | 245,592 | 474,261 | \$21.15 |
| Cincinnati | 1,213 | 37,418,099 | 3,137,497 | 3,228,139 | 8.6% | 222,957 | 24,157 | 44,200 | \$14.90 |
| Cleveland | 2,511 | 77,739,073 | 7,998,163 | 8,086,279 | 10.4% | (268,853) | 132,037 | 218,423 | \$17.03 |
| Colorado Spr. | 946 | 18,700,128 | 2,249,380 | 2,330,922 | 12.5% | 36,741 | 0 | 32,162 | \$14.89 |
| Columbia | 1,523 | 22,897,732 | 1,516,546 | 1,574,718 | 6.9% | 5,394 | 20,349 | 9,192 | \$14.33 |
| Columbus | 1,392 | 44,053,111 | 3,253,285 | 3,354,580 | 7.6% | (149,501) | 161,720 | 398,140 | \$18.84 |
| Columbus GA | 440 | 6,346,685 | 538,756 | 546,704 | 8.6% | (1,295) | 7,000 | 0 | \$14.29 |
| Corpus Chris. | 432 | 7,263,266 | 560,622 | 560,622 | 7.7% | 82,411 | 0 | 61,967 | \$14.11 |
| Dallas/Ft Wo. | 6,044 | 171,773,168 | 23,736,885 | 25,464,847 | 14.8% | (831,364) | 660,541 | 1,359,530 | \$21.86 |
| Davenport/Mo | 374 | 6,437,002 | 310,148 | 313,876 | 4.9% | (26,512) | 0 | 880 | \$11.90 |
| Dayton | 541 | 14,298,849 | 1,693,773 | 1,693,917 | 11.8% | 66,990 | 0 | 43,040 | \$14.90 |
| Deltona/Dayt. | 986 | 8,060,294 | 380,824 | 380,824 | 4.7% | 30,539 | 0 | 33,800 | \$13.41 |
| Denver | 4,151 | 108,570,584 | 10,149,252 | 10,744,858 | 9.9% | 3,021 | 191,868 | 453,654 | \$23.77 |
| Des Moines | 732 | 19,457,010 | 820,080 | 829,363 | 4.3% | 39,663 | 9,600 | 195,666 | \$14.18 |
| Detroit | 3,790 | 112,116,050 | 11,576,450 | 11,706,736 | 10.4% | 823,330 | 250,776 | 645,989 | \$18.90 |
| Duluth | 79 | 3,042,093 | 113,022 | 113,022 | 3.7% | 4,353 | 0 | 0 | \$13.48 |
| East Bay/Oak. | 1,781 | 56,350,862 | 5,368,308 | 5,564,565 | 9.9% | 676,375 | 343,237 | 349,986 | \$34.71 |
| El Paso | 570 | 9,885,320 | 674,672 | 696,412 | 7.0% | (110,651) | 0 | 16,500 | \$16.05 |
| Erie | 372 | 6,047,051 | 180,361 | 180,361 | 3.0% | (21,508) | 0 | 346,000 | \$9.67 |
| Evansville | 435 | 6,198,240 | 298,724 | 308,133 | 5.0% | 7,134 | 0 | 14,000 | \$11.83 |
| Fayetteville | 539 | 4,661,638 | 405,495 | 405,495 | 8.7% | (33,692) | 14,080 | 11,890 | \$16.01 |
| Fayetteville. | 689 | 10,851,734 | 554,236 | 583,922 | 5.4% | 269,096 | 113,668 | 180,090 | \$17.76 |
| Fort Smith | 315 | 3,413,514 | 119,580 | 123,080 | 3.6% | 33,523 | 3,232 | 0 | \$10.97 |
| Fort Wayne | 440 | 9,106,926 | 726,073 | 759,073 | 8.3% | (199,811) | 0 | 35,310 | \$14.39 |
| Fresno | 994 | 14,772,693 | 1,399,281 | 1,415,654 | 9.6% | 154,251 | 234,612 | 65,969 | \$18.53 |
| Green Bay | 615 | 11,495,739 | 648,081 | 663,151 | 5.8% | 22,390 | 0 | 0 | \$12.74 |

Source: CoStar Property®

Class B Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|-------------|------------|------------|-------|--------------------|----------------|----------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Greensboro/W. | 1,133 | 28,017,221 | 2,410,734 | 2,414,279 | 8.6% | 43,750 | 54,326 | 110,500 | \$14.51 |
| Greenville/S. | 1,983 | 21,114,263 | 1,623,430 | 1,749,098 | 8.3% | (50,662) | 20,235 | 68,677 | \$15.93 |
| Hampton Roac. | 1,653 | 27,879,226 | 2,568,815 | 2,627,111 | 9.4% | 27,695 | 50,524 | 54,343 | \$16.56 |
| Hartford | 1,542 | 42,526,831 | 3,988,684 | 4,313,310 | 10.1% | (520,981) | 30,674 | 334,495 | \$18.33 |
| Hawaii | 457 | 15,911,399 | 788,435 | 813,910 | 5.1% | (71,652) | 3,879 | 174,960 | \$24.66 |
| Houston | 3,946 | 136,703,441 | 20,113,525 | 20,795,267 | 15.2% | (1,066,802) | 439,897 | 556,937 | \$21.95 |
| Huntington/A. | 604 | 5,567,402 | 38,871 | 38,871 | 0.7% | 29,353 | 0 | 0 | \$11.45 |
| Huntsville | 479 | 12,828,984 | 986,055 | 997,254 | 7.8% | 82,197 | 100,000 | 52,000 | \$14.19 |
| Indianapolis | 2,665 | 55,637,506 | 3,370,321 | 3,449,822 | 6.2% | 232,305 | 236,157 | 48,413 | \$17.91 |
| Inland Empir. | 3,108 | 45,782,945 | 3,947,374 | 4,016,415 | 8.8% | 343,206 | 216,026 | 270,550 | \$20.82 |
| Jackson | 978 | 14,700,584 | 1,063,444 | 1,099,303 | 7.5% | (76,502) | 28,133 | 111,712 | \$14.49 |
| Jacksonville. | 1,868 | 33,768,573 | 2,554,657 | 2,928,146 | 8.7% | (322,989) | 9,600 | 148,701 | \$19.19 |
| Kansas City | 2,556 | 75,488,034 | 5,146,239 | 5,341,022 | 7.1% | 155,499 | 126,463 | 360,413 | \$18.59 |
| Killeen/Temp. | 191 | 1,907,967 | 109,598 | 109,598 | 5.7% | (336) | 22,308 | 52,788 | \$15.24 |
| Kingsport/Br. | 211 | 3,780,294 | 160,585 | 160,585 | 4.2% | 49,662 | 0 | 0 | \$14.32 |
| Knoxville | 745 | 14,090,078 | 879,466 | 973,242 | 6.9% | (82,136) | 0 | 38,850 | \$15.25 |
| Lafayette | 191 | 4,187,675 | 290,842 | 300,842 | 7.2% | 98,242 | 0 | 20,000 | \$15.59 |
| Las Vegas | 2,357 | 44,227,145 | 5,159,784 | 5,425,043 | 12.3% | 332,096 | 100,646 | 192,909 | \$17.60 |
| Lexington/Fa. | 584 | 10,829,752 | 806,984 | 884,018 | 8.2% | (122,405) | 0 | 30,000 | \$16.34 |
| Lincoln | 547 | 12,137,724 | 691,756 | 832,343 | 6.9% | (367,880) | 0 | 9,446 | \$13.37 |
| Little Rock/. | 375 | 10,682,281 | 408,521 | 411,978 | 3.9% | 116,043 | 75,000 | 14,000 | \$16.99 |
| Long Island . | 4,518 | 92,527,115 | 7,615,549 | 7,994,560 | 8.6% | (507,838) | 359,488 | 1,915,148 | \$27.15 |
| Los Angeles | 6,022 | 170,774,595 | 17,424,676 | 18,028,165 | 10.6% | 115,079 | 527,276 | 1,467,977 | \$32.05 |
| Louisville | 1,287 | 27,179,678 | 1,567,743 | 1,598,091 | 5.9% | 133,745 | 110,198 | 25,737 | \$16.11 |
| Lubbock | 329 | 5,750,645 | 324,777 | 324,777 | 5.6% | 73,213 | 65,021 | 4,386 | \$15.36 |
| Madison | 846 | 23,162,491 | 1,359,326 | 1,419,255 | 6.1% | 60,763 | 124,000 | 97,293 | \$15.81 |
| McAllen/Edin. | 585 | 7,784,970 | 504,244 | 505,530 | 6.5% | 124,516 | 84,000 | 0 | \$14.49 |
| Memphis | 1,366 | 29,262,586 | 3,232,313 | 3,239,410 | 11.1% | 45,582 | 40,492 | 111,650 | \$17.23 |
| Miami-Dade C. | 1,235 | 50,233,613 | 4,294,203 | 4,355,200 | 8.7% | (151,173) | 190,172 | 321,703 | \$30.51 |
| Milwaukee | 1,584 | 48,565,409 | 3,481,554 | 3,535,903 | 7.3% | (127,275) | 6,070 | 262,000 | \$15.19 |
| Minneapolis | 2,220 | 101,561,172 | 8,047,475 | 8,480,794 | 8.4% | (154,709) | 303,769 | 330,301 | \$18.82 |
| Mobile | 945 | 10,709,051 | 719,829 | 719,829 | 6.7% | (35,566) | 13,654 | 50,112 | \$14.33 |
| Montgomery | 509 | 7,572,538 | 643,970 | 646,227 | 8.5% | (21,439) | 0 | 0 | \$12.38 |
| Myrtle Beach. | 415 | 4,363,124 | 148,669 | 151,169 | 3.5% | 18,235 | 0 | 10,000 | \$15.42 |
| Nashville | 1,897 | 41,268,298 | 2,356,814 | 2,494,170 | 6.0% | 146,931 | 190,308 | 273,273 | \$23.92 |
| New Orleans/. | 794 | 16,365,745 | 1,504,910 | 1,508,517 | 9.2% | (235,554) | 25,788 | 19,200 | \$17.33 |
| New York Cit. | 1,450 | 161,697,965 | 9,636,780 | 10,667,897 | 6.6% | 733,751 | 0 | 536,232 | \$60.46 |
| North Bay/Sa. | 1,331 | 23,119,263 | 1,871,591 | 1,922,533 | 8.3% | 91,276 | 20,000 | 103,107 | \$29.52 |
| Northern New. | 5,806 | 128,929,272 | 12,374,899 | 12,802,636 | 9.9% | 318,607 | 31,600 | 738,459 | \$22.53 |
| Ocala | 268 | 2,220,888 | 196,171 | 196,171 | 8.8% | 11,992 | 0 | 0 | \$13.78 |
| Oklahoma Cit. | 1,968 | 35,410,173 | 2,973,960 | 3,019,157 | 8.5% | (446,242) | 95,411 | 165,292 | \$16.75 |
| Olympia | 445 | 6,567,669 | 213,474 | 213,474 | 3.3% | 272,316 | 0 | 3,200 | \$18.12 |
| Omaha/Counc. | 813 | 27,177,710 | 1,837,514 | 1,941,348 | 7.1% | 104,787 | 107,444 | 99,256 | \$15.68 |
| Orange Count. | 3,011 | 87,473,548 | 7,553,379 | 8,071,269 | 9.2% | (462,733) | 39,817 | 269,541 | \$29.93 |
| Orlando | 3,295 | 52,070,206 | 4,182,740 | 4,244,876 | 8.2% | (38,375) | 231,778 | 246,461 | \$19.85 |
| Palm Beach C. | 1,175 | 29,705,709 | 2,978,633 | 3,050,668 | 10.3% | (112,759) | 21,800 | 231,822 | \$27.36 |
| Pensacola | 642 | 6,937,669 | 306,941 | 306,941 | 4.4% | 113,307 | 53,200 | 200,000 | \$16.38 |
| Peoria | 354 | 7,469,819 | 517,806 | 517,806 | 6.9% | (33,567) | 0 | 0 | \$12.09 |

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Class B Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|----------------------|--------------------|--------------------|-------------|--------------------|-------------------|-------------------|----------------|
| | # Bids | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Philadelphia | 8,925 | 189,625,860 | 14,840,224 | 15,139,647 | 8.0% | 720,704 | 243,358 | 274,344 | \$20.64 |
| Phoenix | 4,831 | 104,631,810 | 14,444,656 | 15,300,020 | 14.6% | 697,109 | 111,351 | 623,846 | \$22.77 |
| Pittsburgh | 2,405 | 63,127,911 | 5,439,423 | 5,537,346 | 8.8% | (142,236) | 74,520 | 154,523 | \$20.07 |
| Port St Luci. | 490 | 6,414,777 | 696,349 | 700,589 | 10.9% | (37,936) | 40,572 | 136,226 | \$14.09 |
| Portland | 3,406 | 67,953,026 | 4,624,244 | 4,729,048 | 7.0% | (9,987) | 196,125 | 581,270 | \$22.27 |
| Portland/Sou. | 485 | 10,684,566 | 552,518 | 582,182 | 5.4% | 93,488 | 32,260 | 163,894 | \$15.58 |
| Providence | 748 | 21,145,848 | 1,151,550 | 1,153,400 | 5.5% | 36,716 | 0 | 80,520 | \$17.06 |
| Raleigh/Durh. | 2,229 | 48,607,601 | 3,607,514 | 3,682,338 | 7.6% | 312,678 | 282,242 | 276,104 | \$19.57 |
| Reno/Sparks | 807 | 10,884,943 | 939,557 | 955,211 | 8.8% | 91,447 | 14,513 | 105,987 | \$18.19 |
| Richmond VA | 1,331 | 30,658,710 | 1,946,497 | 1,988,120 | 6.5% | 7,061 | 85,982 | 135,897 | \$17.35 |
| Roanoke | 352 | 7,511,982 | 553,989 | 553,989 | 7.4% | (56,340) | 0 | 0 | \$17.67 |
| Rochester | 786 | 25,674,762 | 1,340,188 | 1,366,344 | 5.3% | 122,849 | 30,200 | 36,834 | \$12.18 |
| Sacramento | 1,914 | 46,909,198 | 4,845,832 | 4,986,050 | 10.6% | 267,780 | 9,798 | 559,276 | \$21.34 |
| Salinas | 275 | 4,943,862 | 384,749 | 384,749 | 7.8% | 112 | 0 | 9,731 | \$21.82 |
| Salt Lake Ci. | 2,864 | 63,217,167 | 4,530,058 | 4,769,696 | 7.5% | (177,896) | 298,070 | 1,470,440 | \$19.11 |
| San Antonio | 1,784 | 45,339,739 | 3,957,190 | 4,012,668 | 8.9% | 113,895 | 210,562 | 372,380 | \$19.78 |
| San Diego | 2,018 | 56,012,649 | 5,013,980 | 5,246,754 | 9.4% | 291,423 | 8,855 | 109,251 | \$30.16 |
| San Francisc. | 1,509 | 66,109,412 | 3,441,490 | 4,127,422 | 6.2% | 175,419 | 275,559 | 2,154,500 | \$58.25 |
| San Luis Obi. | 203 | 2,440,883 | 93,157 | 93,157 | 3.8% | 14,084 | 25,000 | 74,449 | \$23.25 |
| Santa Barbar. | 1,173 | 10,703,523 | 401,343 | 428,912 | 4.0% | 7,627 | 0 | 90,000 | \$23.49 |
| Santa Cruz/W. | 425 | 4,730,075 | 365,875 | 365,875 | 7.7% | (43,239) | 0 | 4,113 | \$21.84 |
| Savannah | 573 | 6,511,627 | 365,171 | 385,781 | 5.9% | (2,737) | 22,964 | 20,800 | \$17.26 |
| Seattle/Puge. | 3,078 | 99,085,621 | 6,928,912 | 7,449,940 | 7.5% | 1,093,748 | 362,282 | 1,471,454 | \$27.68 |
| Shreveport/B. | 149 | 4,284,079 | 498,830 | 503,330 | 11.7% | (59,381) | 12,414 | 0 | \$14.88 |
| South Bay/Sa. | 1,822 | 66,050,564 | 4,821,574 | 6,303,137 | 9.5% | (544,053) | 453,687 | 1,131,605 | \$41.02 |
| South Bend/M. | 410 | 5,710,964 | 611,935 | 613,717 | 10.7% | (29,995) | 720 | 8,400 | \$15.04 |
| Southwest Fl. | 1,734 | 20,777,689 | 1,513,252 | 1,560,188 | 7.5% | (243,715) | 38,504 | 73,738 | \$14.96 |
| Spokane | 993 | 16,148,339 | 1,621,067 | 1,674,084 | 10.4% | (201,908) | 0 | 49,879 | \$14.67 |
| Springfield | 473 | 6,206,648 | 375,352 | 404,655 | 6.5% | 59,983 | 1,810 | 4,541 | \$12.97 |
| St. Louis | 2,360 | 63,359,368 | 5,843,596 | 5,898,254 | 9.3% | (293,220) | 3,990 | 38,150 | \$17.84 |
| Stockton/Mod. | 680 | 9,956,795 | 549,468 | 553,900 | 5.6% | (39,419) | 0 | 23,051 | \$15.29 |
| Syracuse | 1,128 | 25,321,899 | 1,700,329 | 1,717,446 | 6.8% | 222,940 | 46,000 | 12,945 | \$13.43 |
| Tallahassee | 1,521 | 18,149,760 | 747,065 | 757,413 | 4.2% | (147,691) | 0 | 44,800 | \$15.72 |
| Tampa/St Pet. | 5,409 | 72,583,501 | 5,778,194 | 6,025,215 | 8.3% | (198,136) | 60,119 | 312,850 | \$19.89 |
| Toledo | 559 | 11,574,877 | 609,219 | 623,781 | 5.4% | 37,165 | 16,967 | 115,352 | \$11.92 |
| Tucson | 1,308 | 18,291,300 | 1,718,256 | 1,757,803 | 9.6% | 89,104 | 20,000 | 227,735 | \$18.79 |
| Tulsa | 976 | 31,336,609 | 3,936,471 | 4,319,529 | 13.8% | (46,845) | 72,769 | 305,405 | \$14.58 |
| Utica/Rome | 272 | 5,975,594 | 105,562 | 105,562 | 1.8% | 9,500 | 0 | 0 | \$8.29 |
| Visalia/Port. | 184 | 1,470,116 | 63,490 | 63,490 | 4.3% | 27,257 | 33,078 | 11,000 | \$19.59 |
| Washington | 5,778 | 194,848,185 | 21,890,540 | 22,955,741 | 11.8% | (144,963) | 79,822 | 334,293 | \$31.29 |
| West Michiga. | 2,153 | 43,607,452 | 2,239,915 | 2,339,285 | 5.4% | 257,398 | 133,368 | 178,600 | \$14.85 |
| Westchester/. | 2,428 | 63,348,481 | 7,872,283 | 7,960,147 | 12.6% | (44,756) | 84,372 | 519,858 | \$24.25 |
| Wichita | 731 | 14,623,637 | 1,506,245 | 1,509,495 | 10.3% | (313,143) | 7,981 | 8,000 | \$14.12 |
| Wilmington | 632 | 7,271,139 | 266,176 | 274,154 | 3.8% | 61,818 | 33,195 | 230,852 | \$16.85 |
| Yakima | 438 | 3,770,216 | 139,385 | 139,385 | 3.7% | 104,063 | 0 | 8,800 | \$12.74 |
| Youngstown/V. | 465 | 6,526,150 | 448,057 | 448,057 | 6.9% | 9,889 | 0 | 0 | \$10.79 |
| Totals | 220,559 | 5,250,210,952 | 460,617,268 | 481,480,287 | 9.2% | 2,264,061 | 11,495,280 | 31,009,847 | \$22.23 |

Source: CoStar Property®

Total Office Market Statistics

Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|-------------|------------|------------|-------|--------------------|----------------|----------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Greensboro/W. | 4,476 | 56,470,411 | 4,620,895 | 4,675,603 | 8.3% | 191,333 | 54,326 | 200,500 | \$15.02 |
| Greenville/S. | 4,464 | 39,487,624 | 2,902,666 | 3,039,299 | 7.7% | (47,307) | 20,235 | 155,244 | \$17.70 |
| Hampton Road | 3,483 | 51,608,576 | 4,183,909 | 4,263,866 | 8.3% | 172,328 | 78,824 | 643,943 | \$17.71 |
| Hartford | 5,986 | 97,391,669 | 7,820,437 | 8,331,092 | 8.6% | (361,823) | 30,674 | 334,495 | \$19.00 |
| Hawaii | 1,252 | 34,040,756 | 1,940,610 | 2,002,525 | 5.9% | (184,190) | 3,879 | 547,960 | \$24.54 |
| Houston | 9,265 | 326,424,477 | 48,050,304 | 53,957,204 | 16.5% | (1,146,067) | 666,521 | 2,659,246 | \$27.60 |
| Huntington/A. | 1,064 | 8,931,723 | 189,137 | 189,137 | 2.1% | 28,712 | 0 | 0 | \$11.56 |
| Huntsville | 1,060 | 20,786,769 | 1,322,465 | 1,356,953 | 6.5% | 168,861 | 100,000 | 399,000 | \$13.71 |
| Indianapolis | 5,910 | 107,980,284 | 7,443,742 | 7,675,378 | 7.1% | 242,923 | 361,157 | 128,413 | \$18.82 |
| Inland Empir. | 6,391 | 75,001,810 | 5,706,914 | 5,829,760 | 7.8% | 516,772 | 216,026 | 589,750 | \$20.97 |
| Jackson | 1,941 | 26,524,443 | 1,935,744 | 2,009,110 | 7.6% | (30,701) | 28,133 | 111,712 | \$16.53 |
| Jacksonville. | 4,645 | 64,150,615 | 4,693,590 | 5,152,052 | 8.0% | (52,977) | 214,600 | 323,711 | \$19.44 |
| Kansas City | 6,057 | 138,820,567 | 8,972,285 | 9,425,278 | 6.8% | 456,122 | 244,448 | 1,157,028 | \$19.27 |
| Killeen/Temp. | 479 | 3,842,269 | 208,656 | 214,910 | 5.6% | 48,258 | 22,308 | 52,788 | \$13.45 |
| Kingsport/Br. | 670 | 7,624,827 | 416,100 | 416,100 | 5.5% | 86,886 | 0 | 0 | \$15.26 |
| Knoxville | 2,974 | 34,435,012 | 1,559,787 | 1,681,794 | 4.9% | (103,234) | 0 | 110,850 | \$15.21 |
| Lafayette | 747 | 9,302,521 | 591,523 | 605,041 | 6.5% | 166,026 | 0 | 20,000 | \$15.24 |
| Las Vegas | 4,027 | 64,861,906 | 7,199,920 | 7,546,290 | 11.6% | 702,497 | 252,646 | 436,315 | \$19.21 |
| Lexington/Fa. | 1,317 | 20,056,364 | 1,294,596 | 1,436,764 | 7.2% | (106,808) | 73,000 | 216,906 | \$17.17 |
| Lincoln | 801 | 16,701,248 | 851,182 | 991,769 | 5.9% | (337,811) | 0 | 147,478 | \$13.98 |
| Little Rock/. | 2,523 | 34,444,202 | 1,349,909 | 1,429,178 | 4.1% | 374,935 | 75,000 | 14,000 | \$16.41 |
| Long Island . | 10,964 | 192,637,781 | 14,475,206 | 15,481,105 | 8.0% | (859,194) | 480,068 | 5,830,927 | \$27.43 |
| Los Angeles | 18,538 | 440,158,257 | 43,885,114 | 46,324,316 | 10.5% | (182,208) | 1,147,593 | 5,856,232 | \$35.48 |
| Louisville | 3,716 | 57,672,137 | 3,239,382 | 3,281,682 | 5.7% | 239,743 | 136,198 | 325,737 | \$16.83 |
| Lubbock | 1,529 | 12,437,795 | 731,672 | 741,204 | 6.0% | 11,084 | 65,021 | 4,386 | \$14.10 |
| Madison | 1,473 | 36,234,239 | 2,124,213 | 2,186,840 | 6.0% | 854,535 | 984,000 | 348,893 | \$16.28 |
| McAllen/Edin. | 1,016 | 11,115,694 | 708,835 | 710,121 | 6.4% | 124,514 | 84,000 | 97,886 | \$14.62 |
| Memphis | 3,052 | 54,510,031 | 5,353,866 | 5,381,980 | 9.9% | 589,647 | 507,401 | 111,650 | \$17.72 |
| Miami-Dade C. | 4,380 | 105,012,516 | 8,738,885 | 9,085,622 | 8.7% | (83,838) | 396,889 | 2,203,784 | \$35.67 |
| Milwaukee | 3,893 | 84,408,044 | 5,812,887 | 6,094,966 | 7.2% | (49,828) | 6,070 | 755,537 | \$16.22 |
| Minneapolis | 6,344 | 197,846,467 | 14,457,140 | 15,145,147 | 7.7% | 405,248 | 1,285,153 | 1,529,301 | \$21.09 |
| Mobile | 2,372 | 18,590,833 | 1,204,417 | 1,204,417 | 6.5% | (31,367) | 13,654 | 50,112 | \$14.12 |
| Montgomery | 1,357 | 16,272,530 | 1,131,978 | 1,134,521 | 7.0% | 13,851 | 0 | 0 | \$14.13 |
| Myrtle Beach. | 1,190 | 8,338,535 | 335,164 | 337,664 | 4.0% | 1,378 | 0 | 10,000 | \$13.93 |
| Nashville | 5,492 | 91,746,614 | 5,243,576 | 5,830,516 | 6.4% | 416,503 | 295,308 | 2,403,246 | \$26.08 |
| New Orleans/. | 3,493 | 49,564,415 | 3,673,258 | 3,743,859 | 7.6% | (198,447) | 55,788 | 19,200 | \$17.78 |
| New York Cit. | 3,832 | 564,786,213 | 40,744,930 | 45,573,443 | 8.1% | 2,786,205 | 189,809 | 14,339,952 | \$60.26 |
| North Bay/Sa. | 3,744 | 41,011,008 | 3,572,729 | 3,649,427 | 8.9% | 279,763 | 20,000 | 103,107 | \$26.52 |
| Northern New. | 18,439 | 372,238,954 | 41,013,315 | 44,387,262 | 11.9% | 552,143 | 263,034 | 2,053,191 | \$25.59 |
| Ocala | 913 | 6,256,852 | 415,062 | 415,062 | 6.6% | (3,911) | 0 | 0 | \$13.84 |
| Oklahoma Cit. | 4,631 | 61,860,491 | 4,300,453 | 4,387,104 | 7.1% | 352,017 | 853,127 | 473,471 | \$16.80 |
| Olympia | 877 | 9,682,605 | 338,064 | 338,064 | 3.5% | 413,983 | 0 | 3,200 | \$16.84 |
| Omaha/Counc. | 1,789 | 43,963,684 | 2,753,846 | 2,901,718 | 6.6% | 241,732 | 167,444 | 473,256 | \$15.56 |
| Orange Count. | 6,104 | 157,437,478 | 14,759,820 | 15,982,014 | 10.2% | (494,941) | 517,043 | 1,051,780 | \$30.97 |
| Orlando | 8,787 | 108,409,497 | 7,328,777 | 7,482,869 | 6.9% | 85,779 | 270,778 | 1,352,677 | \$20.87 |
| Palm Beach C. | 2,861 | 55,403,667 | 5,446,630 | 5,644,910 | 10.2% | (105,537) | 21,800 | 547,573 | \$29.73 |
| Pensacola | 2,039 | 14,820,220 | 642,940 | 642,940 | 4.3% | 71,749 | 53,200 | 248,915 | \$15.21 |
| Peoria | 720 | 11,431,369 | 720,371 | 720,371 | 6.3% | (23,224) | 0 | 0 | \$12.08 |

Source: CoStar Property®

Total Office Market Statistics

First Quarter 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------|--------------------|-------------|------------|------------|-------|--------------------|----------------|----------------|--------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Greensboro/W. | 4,463 | 56,423,201 | 4,658,265 | 4,734,978 | 8.4% | 221,216 | 129,686 | 125,140 | \$15.64 |
| Greenville/S. | 4,448 | 39,511,942 | 2,803,691 | 2,939,579 | 7.4% | (21,789) | 23,281 | 143,057 | \$17.43 |
| Hampton Road | 3,470 | 51,096,283 | 4,407,854 | 4,497,203 | 8.8% | 64,968 | 48,300 | 392,480 | \$17.47 |
| Hartford | 5,973 | 97,605,844 | 7,451,333 | 7,868,131 | 8.1% | 71,042 | 12,674 | 289,285 | \$18.95 |
| Hawaii | 1,247 | 34,256,820 | 1,799,571 | 1,858,248 | 5.4% | (58,604) | 0 | 408,839 | \$25.77 |
| Houston | 9,172 | 325,901,554 | 47,809,867 | 54,406,840 | 16.7% | (1,105,254) | 616,039 | 2,137,904 | \$27.73 |
| Huntington/A. | 1,063 | 8,928,469 | 237,517 | 237,517 | 2.7% | (8,268) | 0 | 0 | \$10.16 |
| Huntsville | 1,054 | 20,647,478 | 1,488,427 | 1,515,682 | 7.3% | 82,864 | 0 | 491,000 | \$14.52 |
| Indianapolis | 5,872 | 106,891,469 | 7,353,257 | 7,455,600 | 7.0% | 110,713 | 282,157 | 154,815 | \$18.68 |
| Inland Empir. | 6,383 | 75,036,021 | 5,790,503 | 5,929,010 | 7.9% | 323,738 | 108,704 | 201,671 | \$20.65 |
| Jackson | 1,927 | 26,189,780 | 1,999,618 | 2,094,101 | 8.0% | (145,789) | 0 | 81,133 | \$16.78 |
| Jacksonville. | 4,637 | 63,862,598 | 4,421,566 | 4,747,413 | 7.4% | 94,998 | 54,600 | 311,037 | \$19.22 |
| Kansas City | 6,013 | 138,441,569 | 9,426,313 | 9,928,249 | 7.2% | 141,047 | 40,000 | 747,647 | \$19.17 |
| Killeen/Temp. | 476 | 3,810,287 | 235,659 | 241,913 | 6.3% | (553) | 0 | 22,308 | \$12.02 |
| Kingsport/Br. | 669 | 7,636,722 | 509,302 | 509,302 | 6.7% | 29,971 | 0 | 0 | \$15.57 |
| Knoxville | 2,965 | 34,469,258 | 1,567,683 | 1,715,383 | 5.0% | (144,051) | 0 | 36,850 | \$15.22 |
| Lafayette | 742 | 9,259,428 | 688,492 | 707,593 | 7.6% | 70,776 | 0 | 20,000 | \$15.27 |
| Las Vegas | 4,024 | 64,760,917 | 7,784,391 | 8,099,579 | 12.5% | 474,438 | 266,506 | 403,977 | \$19.56 |
| Lexington/Fa. | 1,305 | 19,662,800 | 1,290,304 | 1,343,868 | 6.8% | 21,956 | 0 | 229,906 | \$17.07 |
| Lincoln | 800 | 16,647,590 | 736,924 | 749,572 | 4.5% | (74,912) | 0 | 143,227 | \$13.46 |
| Little Rock/. | 2,519 | 34,379,292 | 1,507,670 | 1,545,615 | 4.5% | 203,432 | 0 | 89,001 | \$16.24 |
| Long Island . | 10,897 | 191,050,812 | 13,490,914 | 14,432,241 | 7.6% | (277,292) | 323,723 | 5,459,408 | \$28.13 |
| Los Angeles | 18,493 | 439,942,548 | 44,693,057 | 47,192,165 | 10.7% | (1,072,566) | 700,850 | 5,366,121 | \$35.13 |
| Louisville | 3,695 | 57,373,298 | 3,402,193 | 3,436,762 | 6.0% | (8,460) | 9,100 | 312,835 | \$17.05 |
| Lubbock | 1,521 | 12,365,305 | 734,269 | 743,801 | 6.0% | (18,724) | 49,718 | 38,253 | \$14.06 |
| Madison | 1,466 | 35,313,884 | 1,790,382 | 1,853,438 | 5.2% | 174,649 | 274,000 | 981,600 | \$15.95 |
| McAllen/Edin. | 993 | 11,129,060 | 843,670 | 843,850 | 7.6% | 82,524 | 75,000 | 112,599 | \$15.48 |
| Memphis | 3,041 | 53,633,992 | 5,948,720 | 6,008,882 | 11.2% | 200,784 | 40,492 | 563,559 | \$17.74 |
| Miami-Dade C. | 4,374 | 104,465,723 | 8,556,765 | 8,917,890 | 8.5% | (61,146) | 179,561 | 1,956,688 | \$35.13 |
| Milwaukee | 3,877 | 84,115,117 | 5,772,514 | 5,856,200 | 7.0% | (85,704) | 6,070 | 670,537 | \$16.38 |
| Minneapolis | 6,304 | 196,638,444 | 14,590,031 | 15,156,230 | 7.7% | (12,083) | 478,140 | 1,547,684 | \$19.57 |
| Mobile | 2,368 | 18,563,115 | 1,128,856 | 1,133,246 | 6.1% | 32,766 | 13,654 | 36,000 | \$14.03 |
| Montgomery | 1,349 | 16,139,317 | 1,124,254 | 1,125,149 | 7.0% | 14,342 | 0 | 0 | \$13.93 |
| Myrtle Beach. | 1,186 | 8,296,374 | 355,938 | 362,138 | 4.4% | (23,096) | 0 | 0 | \$13.12 |
| Nashville | 5,441 | 91,063,211 | 5,852,827 | 6,461,629 | 7.1% | (148,649) | 117,850 | 1,810,350 | \$25.97 |
| New Orleans/. | 3,461 | 49,801,112 | 3,588,675 | 3,673,010 | 7.4% | (98,573) | 36,788 | 43,200 | \$17.96 |
| New York Cit. | 3,835 | 562,113,253 | 39,729,888 | 44,747,784 | 8.0% | 963,603 | 557,672 | 14,597,002 | \$61.15 |
| North Bay/Sa. | 3,741 | 40,920,898 | 3,793,954 | 3,861,394 | 9.4% | 42,911 | 0 | 19,000 | \$28.28 |
| Northern New. | 18,358 | 372,595,575 | 42,690,279 | 45,963,192 | 12.3% | 387,743 | 140,000 | 1,828,171 | \$25.16 |
| Ocala | 908 | 6,208,132 | 400,249 | 400,249 | 6.4% | (9,415) | 0 | 0 | \$13.75 |
| Oklahoma Cit. | 4,599 | 61,547,015 | 4,095,097 | 4,182,919 | 6.8% | 556,579 | 817,762 | 818,162 | \$16.96 |
| Olympia | 873 | 9,586,620 | 630,839 | 630,839 | 6.6% | 107,946 | 0 | 6,400 | \$16.73 |
| Omaha/Counc. | 1,780 | 43,624,898 | 3,016,419 | 3,149,794 | 7.2% | 2,329 | 16,944 | 933,840 | \$16.40 |
| Orange Count. | 6,104 | 157,252,720 | 14,205,441 | 15,291,124 | 9.7% | 128,155 | 505,523 | 1,041,780 | \$30.90 |
| Orlando | 8,746 | 108,112,550 | 7,218,507 | 7,449,394 | 6.9% | 31,054 | 190,344 | 1,432,904 | \$20.91 |
| Palm Beach C. | 2,854 | 55,496,187 | 5,539,677 | 5,716,400 | 10.3% | (138,544) | 18,200 | 297,794 | \$29.57 |
| Pensacola | 2,034 | 14,696,373 | 709,640 | 709,640 | 4.8% | (40,768) | 0 | 302,115 | \$15.27 |
| Peoria | 713 | 11,482,702 | 740,521 | 740,521 | 6.4% | (45,474) | 0 | 0 | \$12.44 |

Source: CoStar Property®

Total Office Market Statistics

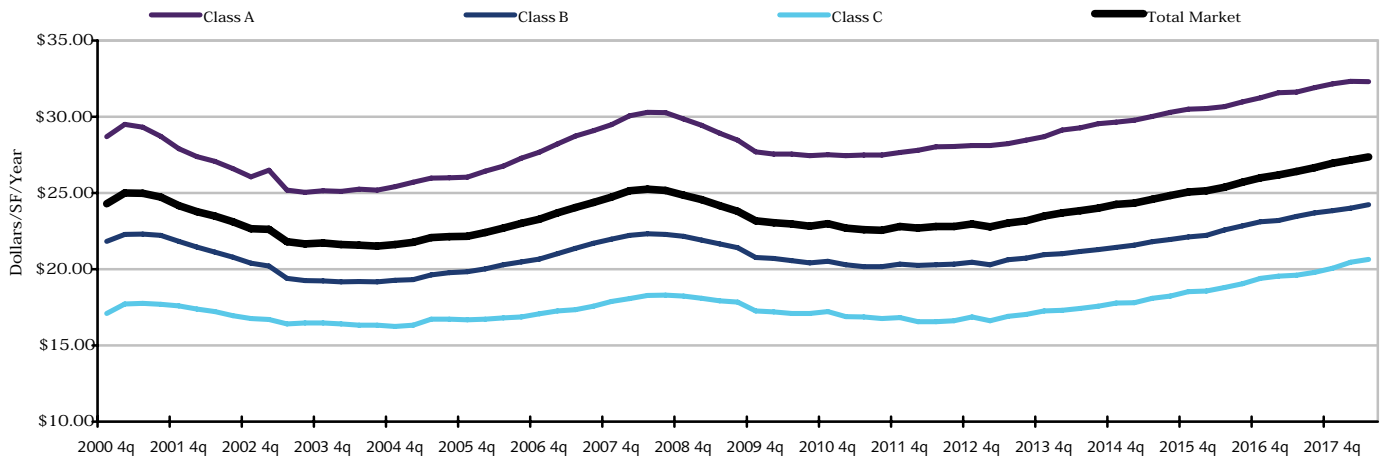
Mid-Year 2018

| Market | Existing Inventory | | Vacancy | | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|----------------|--------------------|-----------------------|--------------------|----------------------|-------------|--------------------|-------------------|--------------------|----------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Philadelphia | 25,387 | 441,351,106 | 34,032,682 | 35,702,648 | 8.1% | 1,009,575 | 803,190 | 3,824,039 | \$22.72 |
| Phoenix | 8,708 | 179,837,089 | 22,578,981 | 24,412,641 | 13.6% | 1,529,932 | 684,338 | 2,891,371 | \$25.04 |
| Pittsburgh | 7,302 | 133,023,097 | 10,755,313 | 11,255,209 | 8.5% | (113,414) | 261,118 | 752,787 | \$21.59 |
| Port St Luci. | 1,026 | 10,458,383 | 992,428 | 997,818 | 9.5% | (58,433) | 40,572 | 136,226 | \$14.57 |
| Portland | 9,165 | 136,106,401 | 8,660,288 | 8,995,098 | 6.6% | 973,254 | 1,613,613 | 2,503,330 | \$23.81 |
| Portland/Sou. | 1,803 | 24,619,733 | 870,489 | 900,153 | 3.7% | 345,135 | 86,030 | 163,894 | \$14.28 |
| Providence | 2,927 | 43,571,436 | 2,215,749 | 2,232,215 | 5.1% | 50,105 | 0 | 718,520 | \$17.95 |
| Raleigh/Durh. | 4,863 | 101,266,723 | 6,788,859 | 7,024,918 | 6.9% | 988,424 | 700,821 | 3,437,707 | \$23.24 |
| Reno/Sparks | 1,688 | 19,390,994 | 1,653,772 | 1,766,879 | 9.1% | 20,971 | 14,513 | 146,813 | \$17.85 |
| Richmond VA | 3,256 | 64,191,344 | 3,969,680 | 4,182,591 | 6.5% | (45,647) | 133,982 | 994,140 | \$18.68 |
| Roanoke | 1,109 | 14,223,575 | 1,009,469 | 1,017,259 | 7.2% | (39,125) | 0 | 0 | \$15.76 |
| Rochester | 2,170 | 47,079,146 | 2,927,572 | 3,042,546 | 6.5% | 455,380 | 30,200 | 81,834 | \$13.10 |
| Sacramento | 5,381 | 105,268,412 | 9,999,286 | 10,235,040 | 9.7% | 621,361 | 148,648 | 559,276 | \$22.14 |
| Salinas | 849 | 8,666,381 | 518,043 | 518,043 | 6.0% | 19,079 | 0 | 9,731 | \$20.69 |
| Salt Lake Ci. | 4,880 | 104,660,867 | 7,594,695 | 8,183,269 | 7.8% | 347,578 | 917,570 | 3,365,007 | \$21.15 |
| San Antonio | 4,022 | 78,013,065 | 7,325,022 | 7,471,297 | 9.6% | (3,977) | 248,062 | 1,254,472 | \$21.38 |
| San Diego | 5,525 | 115,337,560 | 10,461,615 | 10,980,018 | 9.5% | 14,197 | 57,809 | 1,074,645 | \$32.34 |
| San Francisc. | 3,916 | 171,624,815 | 8,960,136 | 10,477,428 | 6.1% | 3,704,563 | 3,016,306 | 8,556,556 | \$59.50 |
| San Luis Obi. | 881 | 6,309,956 | 133,279 | 135,279 | 2.1% | 18,270 | 25,000 | 74,449 | \$21.95 |
| Santa Barbar. | 1,448 | 12,297,964 | 440,643 | 474,569 | 3.9% | 2,728 | 0 | 90,000 | \$23.25 |
| Santa Cruz/W. | 874 | 7,377,147 | 422,079 | 422,079 | 5.7% | (20,287) | 0 | 4,113 | \$21.25 |
| Savannah | 1,550 | 12,032,642 | 510,642 | 531,252 | 4.4% | 4,488 | 22,964 | 20,800 | \$17.03 |
| Seattle/Puge. | 7,911 | 202,227,210 | 13,115,359 | 14,067,113 | 7.0% | 2,134,686 | 636,122 | 6,918,652 | \$32.74 |
| Shreveport/B. | 830 | 11,410,203 | 1,027,141 | 1,031,641 | 9.0% | (85,391) | 12,414 | 0 | \$14.45 |
| South Bay/Sa. | 4,602 | 128,606,006 | 10,436,072 | 12,698,679 | 9.9% | 2,406,265 | 3,428,227 | 2,949,901 | \$42.33 |
| South Bend/M. | 1,411 | 13,762,830 | 1,067,629 | 1,073,521 | 7.8% | (104,710) | 720 | 8,400 | \$14.52 |
| Southwest Fl. | 3,273 | 33,621,933 | 2,438,452 | 2,492,203 | 7.4% | (328,126) | 38,504 | 73,738 | \$15.03 |
| Spokane | 1,680 | 22,304,368 | 2,236,649 | 2,319,138 | 10.4% | (374,455) | 0 | 49,879 | \$15.78 |
| Springfield | 867 | 10,113,650 | 472,417 | 501,720 | 5.0% | 68,038 | 1,810 | 4,541 | \$12.42 |
| St. Louis | 6,383 | 138,994,550 | 11,098,363 | 11,431,921 | 8.2% | 9,760 | 268,406 | 1,596,150 | \$19.43 |
| Stockton/Mod. | 2,011 | 21,326,646 | 1,212,313 | 1,231,860 | 5.8% | (35,173) | 0 | 23,051 | \$16.02 |
| Syracuse | 2,199 | 38,574,651 | 2,733,232 | 2,764,721 | 7.2% | 225,924 | 46,000 | 37,945 | \$13.90 |
| Tallahassee | 2,242 | 22,871,013 | 998,537 | 1,010,785 | 4.4% | (137,181) | 0 | 66,600 | \$16.40 |
| Tampa/St Pet. | 14,268 | 159,907,358 | 10,555,910 | 11,163,780 | 7.0% | (183,281) | 240,919 | 1,019,850 | \$21.11 |
| Toledo | 2,706 | 31,788,621 | 1,576,102 | 1,590,984 | 5.0% | 54,569 | 16,967 | 115,352 | \$13.25 |
| Tucson | 2,543 | 26,341,465 | 2,122,704 | 2,203,196 | 8.4% | 146,447 | 81,000 | 462,135 | \$18.83 |
| Tulsa | 2,794 | 52,729,067 | 5,139,746 | 5,613,207 | 10.6% | (240,548) | 72,769 | 405,405 | \$15.27 |
| Utica/Rome | 639 | 9,218,525 | 187,105 | 187,105 | 2.0% | 11,845 | 0 | 0 | \$9.03 |
| Visalia/Port. | 1,160 | 6,532,278 | 207,550 | 207,550 | 3.2% | 29,301 | 33,078 | 11,000 | \$16.48 |
| Washington | 12,902 | 512,071,992 | 64,909,648 | 68,217,592 | 13.3% | 1,804,334 | 2,543,139 | 10,471,962 | \$35.86 |
| West Michiga. | 6,333 | 82,070,491 | 3,743,989 | 3,858,818 | 4.7% | 292,395 | 133,368 | 409,700 | \$14.37 |
| Westchester/. | 7,920 | 173,996,567 | 20,104,194 | 20,784,583 | 11.9% | (197,615) | 84,372 | 543,858 | \$28.44 |
| Wichita | 1,758 | 24,339,265 | 1,902,558 | 1,920,826 | 7.9% | (220,870) | 67,981 | 68,000 | \$13.33 |
| Wilmington | 1,800 | 13,130,345 | 460,189 | 468,167 | 3.6% | 189,503 | 33,195 | 321,207 | \$17.14 |
| Yakima | 630 | 4,977,353 | 231,489 | 231,489 | 4.7% | 134,795 | 0 | 8,800 | \$11.84 |
| Youngstown/V/. | 1,870 | 15,770,392 | 795,702 | 795,702 | 5.0% | 44,801 | 0 | 0 | \$9.90 |
| Totals | 566,927 | 11,324,898,878 | 984,233,580 | 1,044,653,143 | 9.2% | 36,002,386 | 43,822,542 | 155,789,858 | \$25.19 |

Source: CoStar Property®

Historical Rental Rates*

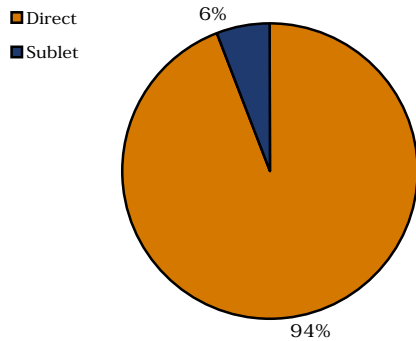
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property® * Select markets included in this historical chart - see Methodology page.

Vacancy by Available Space Type

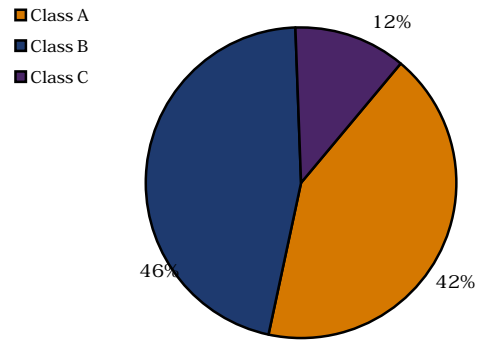
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Class

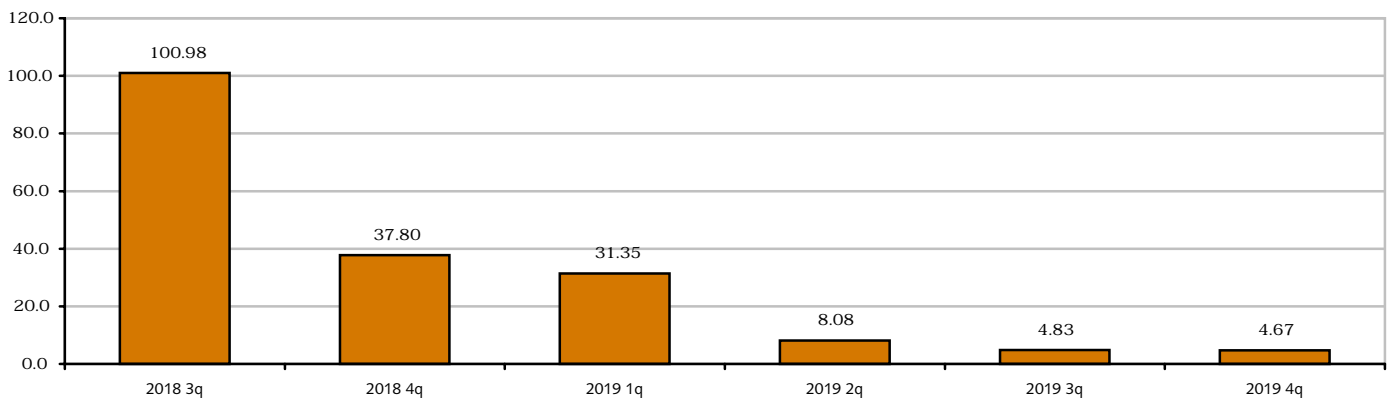
Percent of All Vacant Space by Class



Source: CoStar Property®

Future Space Available

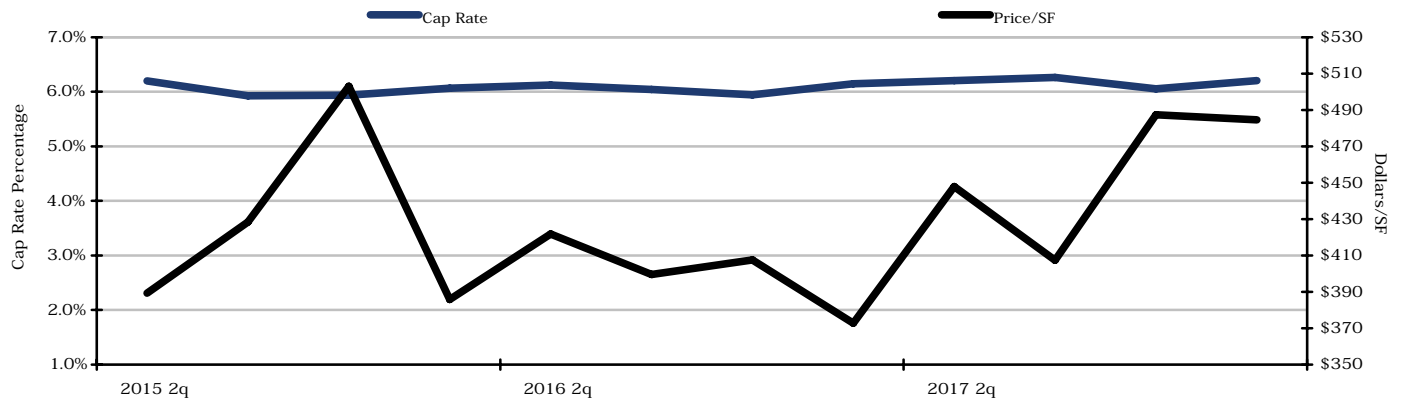
Space Scheduled to be Available for Occupancy in the Future*



* includes Under Construction Spaces Source: CoStar Property®

The Optimist Sales Index

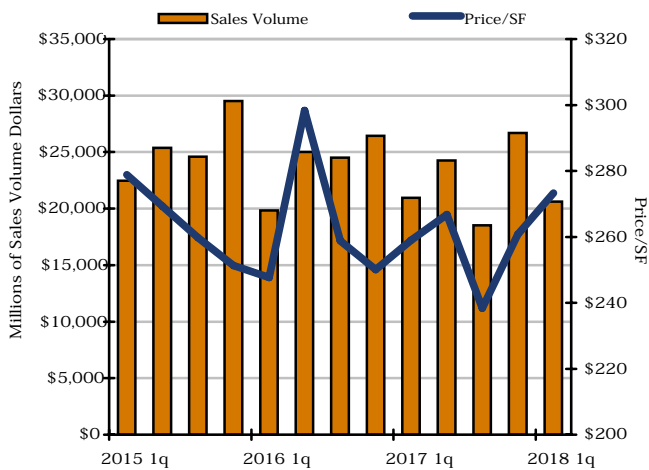
Average of Two Highest Price/SF's and Two Lowest Cap Rates From Each Region



Source: CoStar COMPS®

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

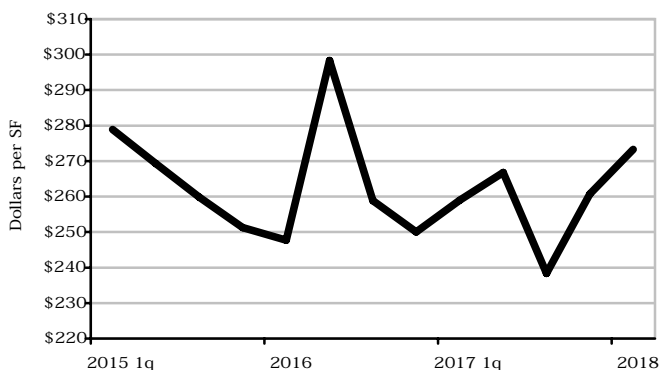
Based on Office Building Sales From April 2017 - March 2018

| Bldg Size | # | RBA | \$ Volume | Price/SF | Cap Rate |
|--------------|-------|-------------|------------------|-----------|----------|
| < 50,000 SF | 4,791 | 68,325,306 | \$15,679,816,084 | \$ 229.49 | 7.28% |
| 50K-249K SF | 1,192 | 135,574,736 | \$29,972,913,668 | \$ 221.08 | 7.18% |
| 250K-499K SF | 236 | 80,247,872 | \$21,779,550,344 | \$ 271.40 | 6.18% |
| >500K SF | 101 | 84,231,680 | \$28,921,796,644 | \$ 343.36 | 5.41% |

Source: CoStar COMPS®

Historical Price/SF Average

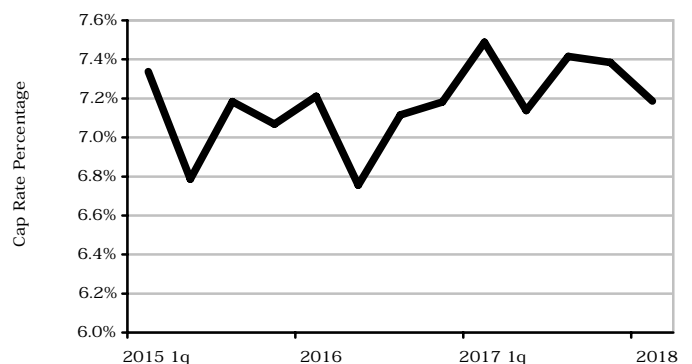
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Historical Cap Rate Average

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®