

U.S.'s Vacancy Stays at 9.1% Net Absorption Positive 20,779,962 SF in the Quarter

The U.S. Office market ended the third quarter 2018 with a vacancy rate of 9.1%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 20,779,962 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 59,189,351 square feet. Rental rates ended the third quarter at \$25.49, an increase over the previous quarter. A total of 296 buildings delivered to the market in the quarter totaling 16,277,264 square feet, with 160,984,154 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall U.S. office market was positive 20,779,962 square feet in the third quarter 2018. That compares to positive 23,281,764 square feet in the second quarter 2018, positive 20,500,310 square feet in the first quarter 2018, and positive 27,387,508 square feet in the fourth quarter 2017.

The Class-A office market recorded net absorption of positive 12,736,209 square feet in the third quarter 2018, compared to positive 16,386,314 square feet in the second quarter 2018, positive 17,322,244 in the first quarter 2018, and positive 18,200,413 in the fourth quarter 2017.

The Class-B office market recorded net absorption of positive 8,078,538 square feet in the third quarter 2018, compared to positive 4,525,338 square feet in the second quarter 2018, positive 852,608 in the first quarter 2018, and positive 7,294,992 in the fourth quarter 2017.

The Class-C office market recorded net absorption of negative (34,785) square feet in the third quarter 2018 compared to positive 2,370,112 square feet in the second quarter 2018, positive 2,325,458 in the first quarter 2018, and positive

1,892,103 in the fourth quarter 2017.

Net absorption for U.S.'s central business district was positive 4,158,171 square feet in the third quarter 2018. That compares to positive 6,455,736 square feet in the second quarter 2018, positive 7,971,332 in the first quarter 2018, and positive 5,099,477 in the fourth quarter 2017.

Net absorption for the suburban markets was positive 16,621,791 square feet in the third quarter 2018. That compares to positive 16,826,028 square feet in second quarter 2018, positive 12,528,978 in the first quarter 2018, and positive 22,288,031 in the fourth quarter 2017.

Vacancy

The office vacancy rate in the U.S. market area remained at 9.1% at the end of the third quarter 2018. The vacancy rate was 9.1% at the end of the second quarter 2018, 9.2% at the end of the first quarter 2018, and 9.2% at the end of the fourth quarter 2017.

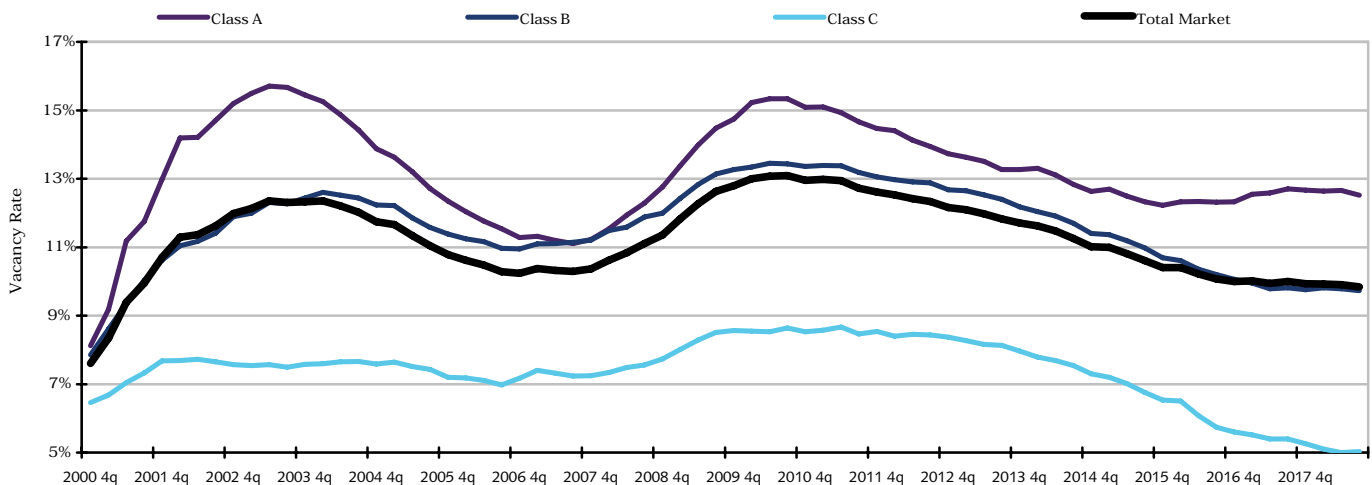
Class-A projects reported a vacancy rate of 12.1% at the end of the third quarter 2018, 12.2% at the end of the second quarter 2018, 12.2% at the end of the first quarter 2018, and 12.3% at the end of the fourth quarter 2017.

Class-B projects reported a vacancy rate of 9.0% at the end of the third quarter 2018, 9.0% at the end of the second quarter 2018, 9.0% at the end of the first quarter 2018, and 9.0% at the end of the fourth quarter 2017.

Class-C projects reported a vacancy rate of 4.9% at the end of the third quarter 2018, 4.9% at the end of second quarter 2018, 5.0% at the end of the first quarter 2018, and 5.1% at the end of the fourth quarter 2017.

The overall vacancy rate in U.S.'s central business district

Vacancy Rates by Class* 2000-2018



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

at the end of the third quarter 2018 decreased to 9.5%. The vacancy rate was 9.6% at the end of the second quarter 2018, 9.6% at the end of the first quarter 2018, and 9.8% at the end of the fourth quarter 2017.

The vacancy rate in the suburban markets changed to 9.0% in the third quarter 2018. The vacancy rate was 9.0% at the end of the second quarter 2018, 9.0% at the end of the first quarter 2018, and 9.0% at the end of the fourth quarter 2017.

Largest Lease Signings

The largest lease signings occurring in 2018 included: the 521,374-square-foot lease signed by 1199SEIU Family of Funds at Deco Tower in the New York City market; the 429,990-square-foot deal signed by Amazon.com at 390 Congress St in the Boston market; and the 413,100-square-foot lease signed by Amazon.com at Expedia Building (333 108th Ave NE) in the W Seattle/Puget Sound market.

Sublease Vacancy

The amount of vacant sublease space in the U.S. market decreased to 59,189,351 square feet by the end of the third quarter 2018, from 59,384,414 square feet at the end of the second quarter 2018. There was 57,313,166 square feet vacant at the end of the first quarter 2018 and 54,915,272 square feet at the end of the fourth quarter 2017.

U.S.'s Class-A projects reported vacant sublease space of 36,534,288 square feet at the end of third quarter 2018, down from the 36,539,376 square feet reported at the end of the second quarter 2018. There were 36,140,225 square feet of sublease space vacant at the end of the first quarter 2018, and 34,373,896 square feet at the end of the fourth quarter 2017.

Class-B projects reported vacant sublease space of 20,257,413 square feet at the end of the third quarter 2018, down from the 20,491,138 square feet reported at the end of the second quarter 2018. At the end of the first quarter 2018 there were 18,682,129 square feet, and at the end of the fourth quarter 2017 there were 18,141,733 square feet vacant.

Class-C projects reported increased vacant sublease space from the second quarter 2018 to the third quarter 2018. Sublease vacancy went from 2,353,900 square feet to 2,397,650 square feet during that time. There was 2,490,812 square feet at the end of the first quarter 2018, and 2,399,643 square feet at the end of the fourth quarter 2017.

Sublease vacancy in U.S.'s central business district stood at 16,105,630 square feet at the end of the third quarter 2018. It was 16,155,915 square feet at the end of the second quarter 2018, 16,257,939 square feet at the end of the first quarter 2018, and 16,117,189 square feet at the end of the fourth quarter 2017.

Sublease vacancy in the suburban markets ended the third quarter 2018 at 43,083,721 square feet. At the end of the second quarter 2018 sublease vacancy was 43,228,499 square

feet, was 41,055,227 square feet at the end of the first quarter 2018, and was 38,798,083 square feet at the end of the fourth quarter 2017.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$25.49 per square foot per year at the end of the third quarter 2018 in the U.S. market area. This represented a 1.1% increase in quoted rental rates from the end of the second quarter 2018, when rents were reported at \$25.21 per square foot.

The average quoted rate within the Class-A sector was \$31.42 at the end of the third quarter 2018, while Class-B rates stood at \$22.43, and Class-C rates at \$18.50. At the end of the second quarter 2018, Class-A rates were \$31.11 per square foot, Class-B rates were \$22.26, and Class-C rates were \$18.35.

The average quoted asking rental rate in U.S.'s CBD was \$33.50 at the end of the third quarter 2018, and \$23.86 in the suburban markets. In the second quarter 2018, quoted rates were \$32.85 in the CBD and \$23.67 in the suburbs.

Deliveries and Construction

During the third quarter 2018, 296 buildings totaling 16,277,264 square feet were completed in the U.S. market area. This compares to 384 buildings totaling 23,052,788 square feet that were completed in the second quarter 2018, 497 buildings totaling 24,391,934 square feet completed in the first quarter 2018, and 22,653,988 square feet in 435 buildings completed in the fourth quarter 2017.

There were 160,984,154 square feet of office space under construction at the end of the third quarter 2018.

Some of the notable 2018 deliveries include: 3 World Trade Center, a 2,861,402-square-foot facility in the New York City market that delivered in second quarter 2018 and is now 42% occupied, and Salesforce Tower, a 1,400,000-square-foot building that delivered in first quarter 2018 in the San Francisco market and is now 98% occupied.

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

Inventory

Total office inventory in the U.S. market area amounted to 11,369,077,753 square feet in 569,311 buildings as of the end of the third quarter 2018. The Class-A office sector consisted of 3,608,137,462 square feet in 19,675 projects. There were 222,307 Class-B buildings totaling 5,287,434,788 square feet, and the Class-C sector consisted of 2,473,505,503 square feet in 327,329 buildings. Within the Office market there were 22,793 owner-occupied buildings accounting for 988,317,065 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 second quarter 2018 in terms of dollar volume compared to the first quarter of 2018.

In the second quarter, 827 office transactions closed with a total volume of \$20,673,113,456. The 827 buildings totaled 81,578,285 square feet and the average price per square foot equated to \$253.41 per square foot. That compares to 749 transactions totaling \$20,678,457,447 in the first quarter 2018. The total square footage in the first quarter was 75,655,330 square feet for an average price per square foot of \$273.32.

Total office building sales activity in 2018 was down compared to 2017. In the first six months of 2018, the market saw 1,576 office sales transactions with a total volume of \$41,351,570,903. The price per square foot averaged \$262.99. In the same first six months of 2017, the market posted 1,653 transactions with a total volume of \$44,892,356,945. The price per square foot averaged \$261.30.

Cap rates have been lower in 2018, averaging 7.16% compared to the same period in 2017 when they averaged 7.40%.

One of the largest transactions that has occurred within the last 4 quarters in the U.S. market is the sale of 666 Fifth Ave in New York. This 1,450,000 square foot office building sold for \$1.286-billion, or \$886.95 per square foot. The property sold on 8/3/2018, at a 4.90% 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 up over the previous quarter, with net absorption totaling negative (76,848) square feet. Vacant sublease space increased to 44,410 square feet. Rental rates ended the third quarter at \$15.46, a decrease over the previous quarter. A total of two buildings with 26,500 square feet of space delivered to the market, with 82,261 square feet still under construction at the end of the quarter.

Albuquerque

With no new office space being delivered to the market, and positive 286,004 square feet of net absorption, Albuquerque's vacancy rate went from 7.5% to 6.7% in the quarter. Rental rates went from \$15.70 to \$15.64 during that time. At the end of the quarter, there was 12,000 square feet underway for future delivery.

Anchorage

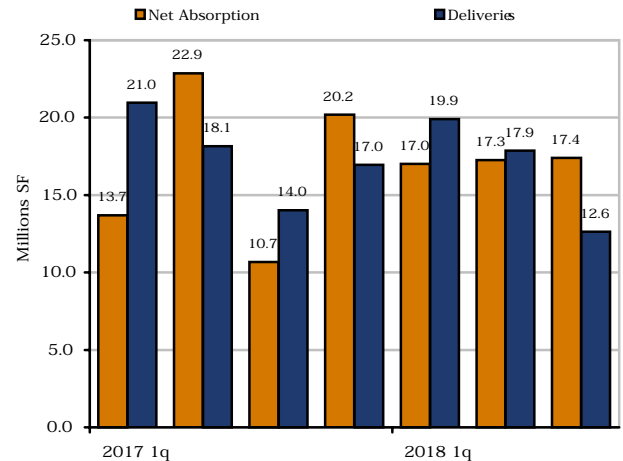
With no space currently under construction, Anchorage absorbed 15,044 square feet of space and delivered 6,000 square feet of space, resulting in a vacancy rate that went from 5.8% to 5.7% over the course of the quarter. Rental rates went from \$27.12 to \$27.04 per square foot.

Asheville

The Asheville office market saw vacancies fall and rental

Absorption & Deliveries*

Past 9 Quarters



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

rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 2.1%, from 2.4% in the previous quarter. Rental rates ended the quarter at \$15.35 per square foot, from \$15.00 in the previous quarter. There was a total of 9,000 square feet that delivered in the quarter, with 40,200 square feet still under construction at the end of the quarter.

Atlanta

The vacancy rate remained unchanged in Atlanta in the third quarter. With 154,384 square feet in deliveries, and positive 119,725 square feet in net absorption, the vacancy rate held at 11.6%, the same rate reported in the previous quarter. The market had 4,900,825 square feet under construction at the end of the quarter, and rental rates stood at \$24.63 per square foot.

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 174,026 square feet. Vacant sublease space increased to 20,243 square feet. Rental rates ended the third quarter at \$16.97, an increase over the previous quarter. A total of two buildings with 169,640 square feet of space delivered to the market, with 172,194 square feet still under construction at the end of the quarter.

Austin

The Austin office market ended the quarter with a vacancy rate of 8.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,059,906 square feet. Vacant sublease space increased to 758,791 square feet. Rental rates ended the third quarter at \$34.00, an increase over the previous quarter. A total of six buildings with 138,264

square feet of space delivered to the market, with 4,789,265 square feet still under construction at the end of the quarter.

Bakersfield

With no new office space being delivered to the market, and positive 32,988 square feet of net absorption, Bakersfield's vacancy rate went from 6.3% to 6.1% in the quarter. Rental rates went from \$18.52 to \$18.62 during that time. At the end of the quarter, there was 43,207 square feet underway for future delivery.

Baltimore

The Baltimore office market ended the quarter with a vacancy rate of 9.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (248,197) square feet. Vacant sublease space decreased to 481,138 square feet. Rental rates ended the third quarter at \$22.93, an increase over the previous quarter. A total of four buildings with 115,607 square feet of space delivered to the market, with 1,621,126 square feet still under construction at the end of the quarter.

Baton Rouge

The Baton Rouge office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 7.4%, from 8.0% in the previous quarter. Rental rates ended the quarter at \$17.99 per square foot, from \$17.90 in the previous quarter. There was a total of 23,947 square feet that delivered in the quarter, with 140,539 square feet still under construction at the end of the quarter.

Beaumont/Port Arthur

With no space currently under construction, Beaumont/Port Arthur absorbed (11,462) square feet of space and delivered 3,000 square feet of space, resulting in a vacancy rate that went from 8.4% to 8.6% over the course of the quarter. Rental rates went from \$12.67 to \$12.70 per square foot.

Birmingham

The Birmingham office market ended the quarter with a vacancy rate of 9.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 186,421 square feet. Vacant sublease space increased to 862,373 square feet. Rental rates ended the third quarter at \$18.13, an increase over the previous quarter. A total of one building with 50,000 square feet of space delivered to the market, with 251,600 square feet still under construction at the end of the quarter.

Boise City/Nampa

The Boise City/Nampa office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently

sits at 6.4%, from 6.9% in the previous quarter. Rental rates ended the quarter at \$17.25 per square foot, from \$16.61 in the previous quarter. There was a total of 41,571 square feet that delivered in the quarter, with 267,125 square feet still under construction at the end of the quarter.

Boston

The Boston office market ended the quarter with a vacancy rate of 7.6%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,383,159 square feet. Vacant sublease space increased to 2,159,843 square feet. Rental rates ended the third quarter at \$23.17, a decrease over the previous quarter. A total of eight buildings with 782,748 square feet of space delivered to the market, with 5,376,985 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 third quarter 2018. With this limited construction activity, net absorption of positive 18,497 square feet caused the vacancy rate decreased from 7.5% to 7.2% in the quarter. Rental rates stood at \$16.24.

Broward County

The Broward County 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 positive 2,326 square feet. Vacant sublease space increased to 233,292 square feet. Rental rates ended the third quarter at \$28.86, an increase over the previous quarter. A total of four buildings with 203,279 square feet of space delivered to the market, with 860,381 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 second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 6.5%, from 5.5% in the previous quarter. Rental rates ended the quarter at \$16.15 per square foot, from \$16.08 in the previous quarter. There was a total of 4,572 square feet that delivered in the quarter, with 82,901 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 negative (14,412) square feet of net absorption, Buffalo/Niagara Falls' vacancy rate went from 7.8% to 7.9% in the quarter. Rental rates went from \$15.81 to \$15.88 during that time. At the end of the quarter, there was 319,000 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 third quarter 2018. With this limited construction activity, net absorption of positive 27,034 square feet caused the vacancy rate decreased from 6.0% to 5.9% in the quarter. Rental rates stood at \$14.87.

Charleston/N Charleston

The Charleston/N Charleston office market saw vacancies rise and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 5.7%, from 4.9% in the previous quarter. Rental rates ended the quarter at \$25.10 per square foot, from \$23.05 in the previous quarter. There was a total of 37,400 square feet that delivered in the quarter, with 798,095 square feet still under construction at the end of the quarter.

Charlotte

The Charlotte office market ended the quarter with a vacancy rate of 7.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,780,906 square feet. Vacant sublease space decreased to 461,765 square feet. Rental rates ended the third quarter at \$25.53, an increase over the previous quarter. A total of eight buildings with 1,249,961 square feet of space delivered to the market, with 3,870,759 square feet still under construction at the end of the quarter.

Chattanooga

The Chattanooga office market saw vacancies rise and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 5.4%, from 4.7% in the previous quarter. Rental rates ended the quarter at \$17.19 per square foot, from \$16.62 in the previous quarter. There was a total of 33,000 square feet that delivered in the quarter, with 30,000 square feet still under construction at the end of the quarter.

Chicago

The vacancy rate remained unchanged in Chicago in the third quarter. With 396,930 square feet in deliveries, and positive 160,596 square feet in net absorption, the vacancy rate held at 12.1%, the same rate reported in the previous quarter. The market had 7,313,584 square feet under construction at the end of the quarter, and rental rates stood at \$24.53 per square foot.

Cincinnati

The Cincinnati 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 549,124 square feet. Vacant sublease space decreased to 195,052 square feet. Rental rates ended the third quarter at \$16.13,

an increase over the previous quarter. A total of one building with 67,000 square feet of space delivered to the market, with 35,200 square feet still under construction at the end of the quarter.

Cleveland

The Cleveland office market ended the quarter with a vacancy rate of 8.4%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 27,761 square feet. Vacant sublease space decreased to 254,985 square feet. Rental rates ended the third quarter at \$17.30, a decrease over the previous quarter. A total of five buildings with 120,847 square feet of space delivered to the market, with 467,819 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 210,779 square feet of net absorption, Colorado Springs's vacancy rate went from 10.6% to 9.9% in the quarter. Rental rates went from \$15.43 to \$15.64 during that time. At the end of the quarter, there was 202,045 square feet underway for future delivery.

Columbia

With no new office space being delivered to the market, and positive 28,731 square feet of net absorption, Columbia's vacancy rate went from 7.1% to 7.0% in the quarter. Rental rates went from \$14.95 to \$15.15 during that time. At the end of the quarter, there was 89,768 square feet underway for future delivery.

Columbus

The Columbus 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 (586,353) square feet. Vacant sublease space increased to 453,735 square feet. Rental rates ended the third quarter at \$18.45, a decrease over the previous quarter. A total of four buildings with 162,600 square feet of space delivered to the market, with 1,037,339 square feet still under construction at the end of the quarter.

Columbus GA

The Columbus GA office market reported no new deliveries and no space under construction at the end of the third quarter 2018. With this limited construction activity, net absorption of positive 6,372 square feet caused the vacancy rate to unchanged from 6.4% to 6.4% in the quarter. Rental rates stood at \$12.39.

Corpus Christi

The Corpus Christi office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 7.6%,

from 7.7% in the previous quarter. Rental rates ended the quarter at \$14.54 per square foot, from \$14.32 in the previous quarter. There was a total of 3,167 square feet that delivered in the quarter, with 50,000 square feet still under construction at the end of the quarter.

Dallas/Ft Worth

The Dallas/Ft Worth office market ended the quarter with a vacancy rate of 14.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,667,502 square feet. Vacant sublease space decreased to 3,605,543 square feet. Rental rates ended the third quarter at \$25.51, an increase over the previous quarter. A total of 32 buildings with 1,234,476 square feet of space delivered to the market, with 8,744,430 square feet still under construction at the end of the quarter.

Davenport/Moline/Rock Island

The Davenport/Moline/Rock Island office market reported no new deliveries and no space under construction at the end of the third quarter 2018. With this limited construction activity, net absorption of negative (62,160) square feet caused the vacancy rate increased from 5.4% to 6.0% in the quarter. Rental rates stood at \$11.40.

Dayton

With no new office space being delivered to the market, and positive 271,305 square feet of net absorption, Dayton's vacancy rate went from 8.6% to 7.9% in the quarter. Rental rates went from \$14.40 to \$14.59 during that time. At the end of the quarter, there was 384,640 square feet underway for future delivery.

Deltona/Daytona Beach

The Deltona/Daytona Beach office market saw vacancies rise and rental rates decrease from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 4.1%, from 4.0% in the previous quarter. Rental rates ended the quarter at \$13.28 per square foot, from \$13.75 in the previous quarter. There was a total of 155,000 square feet that delivered in the quarter, with 28,800 square feet still under construction at the end of the quarter.

Denver

The Denver 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 positive 1,148,010 square feet. Vacant sublease space increased to 1,639,282 square feet. Rental rates ended the third quarter at \$26.85, an increase over the previous quarter. A total of three buildings with 93,388 square feet of space delivered to the market, with 4,587,710 square feet still under construction at the end of the quarter.

Des Moines

With no new office space being delivered to the market, and positive 6,066 square feet of net absorption, Des Moines's vacancy rate went from 4.0% to 3.9% in the quarter. Rental rates went from \$14.04 to \$14.01 during that time. At the end of the quarter, there was 601,011 square feet underway for future delivery.

Detroit

The vacancy rate remained unchanged in Detroit in the third quarter. With 386,944 square feet in deliveries, and positive 324,982 square feet in net absorption, the vacancy rate held at 9.1%, the same rate reported in the previous quarter. The market had 1,451,341 square feet under construction at the end of the quarter, and rental rates stood at \$19.37 per square foot.

Duluth

With no new office space being delivered to the market, and positive 60,202 square feet of net absorption, Duluth's vacancy rate went from 4.1% to 3.3% in the quarter. Rental rates went from \$13.50 to \$15.53 during that time. At the end of the quarter, there was 166,627 square feet underway for future delivery.

East Bay/Oakland

The East Bay/Oakland 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 positive 31,435 square feet. Vacant sublease space increased to 548,220 square feet. Rental rates ended the third quarter at \$37.46, a decrease over the previous quarter. A total of one building with 265,000 square feet of space delivered to the market, with 1,812,459 square feet still under construction at the end of the quarter.

El Paso

With no new office space being delivered to the market, and positive 35,750 square feet of net absorption, El Paso's vacancy rate went from 6.4% to 6.4% in the quarter. Rental rates went from \$14.85 to \$15.70 during that time. At the end of the quarter, there was 294,001 square feet underway for future delivery.

Erie

With no new office space being delivered to the market, and negative (77,873) square feet of net absorption, Erie's vacancy rate went from 3.1% to 4.0% in the quarter. Rental rates went from \$10.15 to \$10.41 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 positive 48,398 square feet of net absorption, Evansville's vacancy rate went from 4.0% to 3.6% in the quarter. Rental rates went from \$11.38 to \$11.34 during that time. At the end of the quarter, there was 10,000 square feet underway for future delivery.

Fayetteville

With no new office space being delivered to the market, and negative (18,509) square feet of net absorption, Fayetteville's vacancy rate went from 7.9% to 8.2% in the quarter. Rental rates went from \$15.87 to \$15.18 during that time. At the end of the quarter, there was 32,910 square feet underway for future delivery.

Fayetteville/Springdale/Rogers

The vacancy rate remained unchanged in Fayetteville/Springdale/Rogers in the third quarter. With 52,246 square feet in deliveries, and positive 43,663 square feet in net absorption, the vacancy rate held at 6.0%, the same rate reported in the previous quarter. The market had 207,669 square feet under construction at the end of the quarter, and rental rates stood at \$18.20 per square foot.

Fort Smith

The Fort Smith office market reported no new deliveries and no space under construction at the end of the third quarter 2018. With this limited construction activity, net absorption of negative (15,617) square feet caused the vacancy rate increased from 3.7% to 4.0% in the quarter. Rental rates stood at \$10.81.

Fort Wayne

With no space currently under construction, Fort Wayne absorbed 5,775 square feet of space and delivered 35,310 square feet of space, resulting in a vacancy rate that went from 6.4% to 6.6% over the course of the quarter. Rental rates went from \$14.10 to \$13.79 per square foot.

Fresno

The Fresno office market saw vacancies fall and rental rates decrease from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 7.2%, from 7.5% in the previous quarter. Rental rates ended the quarter at \$17.02 per square foot, from \$17.09 in the previous quarter. There was a total of 14,049 square feet that delivered in the quarter, with 119,469 square feet still under construction at the end of the quarter.

Green Bay

With no new office space being delivered to the market, and negative (121,770) square feet of net absorption, Green Bay's vacancy rate went from 6.5% to 7.2% in the quarter. Rental rates went from \$12.29 to \$12.88 during that time. At

the end of the quarter, there was 15,000 square feet underway for future delivery.

Greensboro/Winston-Salem

With no new office space being delivered to the market, and positive 676,140 square feet of net absorption, Greensboro/Winston-Salem's vacancy rate went from 8.2% to 7.0% in the quarter. Rental rates went from \$15.02 to \$15.21 during that time. At the end of the quarter, there was 220,974 square feet underway for future delivery.

Greenville/Spartanburg

The Greenville/Spartanburg office market ended the quarter with a vacancy rate of 7.8%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (27,778) square feet. Vacant sublease space decreased to 120,417 square feet. Rental rates ended the third quarter at \$17.57, a decrease over the previous quarter. A total of one building with 11,440 square feet of space delivered to the market, with 143,804 square feet still under construction at the end of the quarter.

Hampton Roads

With no new office space being delivered to the market, and negative (203,306) square feet of net absorption, Hampton Roads's vacancy rate went from 8.1% to 8.5% in the quarter. Rental rates went from \$17.70 to \$17.86 during that time. At the end of the quarter, there was 669,150 square feet underway for future delivery.

Hartford

With no new office space being delivered to the market, and positive 343,720 square feet of net absorption, Hartford's vacancy rate went from 8.4% to 8.0% in the quarter. Rental rates went from \$19.00 to \$19.08 during that time. At the end of the quarter, there was 334,495 square feet underway for future delivery.

Hawaii

With no new office space being delivered to the market, and negative (93,475) square feet of net absorption, Hawaii's vacancy rate went from 5.9% to 6.2% in the quarter. Rental rates went from \$24.52 to \$24.53 during that time. At the end of the quarter, there was 547,960 square feet underway for future delivery.

Houston

The Houston office market ended the quarter with a vacancy rate of 16.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,138,149 square feet. Vacant sublease space decreased to 5,642,285 square feet. Rental rates ended the third quarter at \$28.44, an increase over the previous quarter. A total of 10 buildings

with 82,882 square feet of space delivered to the market, with 3,842,673 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 third quarter 2018. With this limited construction activity, net absorption of negative (141,770) square feet caused the vacancy rate increased from 2.1% to 3.7% in the quarter. Rental rates stood at \$10.24.

Huntsville

With no new office space being delivered to the market, and negative (110,158) square feet of net absorption, Huntsville's vacancy rate went from 6.6% to 7.1% in the quarter. Rental rates went from \$13.71 to \$14.45 during that time. At the end of the quarter, there was 399,000 square feet underway for future delivery.

Indianapolis

The Indianapolis office market ended the quarter with a vacancy rate of 7.2%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (73,086) square feet. Vacant sublease space increased to 248,414 square feet. Rental rates ended the third quarter at \$19.03, an increase over the previous quarter. A total of one building with 2,500 square feet of space delivered to the market, with 176,050 square feet still under construction at the end of the quarter.

Inland Empire (California)

The Inland Empire (California) office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 7.2%, from 7.8% in the previous quarter. Rental rates ended the quarter at \$20.99 per square foot, from \$20.97 in the previous quarter. There was a total of 60,000 square feet that delivered in the quarter, with 719,750 square feet still under construction at the end of the quarter.

Jackson

The Jackson office market saw vacancies rise and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 8.5%, from 7.5% in the previous quarter. Rental rates ended the quarter at \$16.93 per square foot, from \$16.53 in the previous quarter. There was a total of 9,984 square feet that delivered in the quarter, with 244,600 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 (461,488) square feet. Vacant sublease space decreased to 374,599 square feet. Rental rates ended the third quarter at \$19.68, an increase over the previous quarter. A total of seven buildings with 159,991 square feet of space delivered to the market, with 211,238 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 up over the previous quarter, with net absorption totaling positive 77,069 square feet. Vacant sublease space decreased to 433,313 square feet. Rental rates ended the third quarter at \$19.62, an increase over the previous quarter. A total of two buildings with 228,291 square feet of space delivered to the market, with 1,308,813 square feet still under construction at the end of the quarter.

Killeen/Temple/Fort Hood

The Killeen/Temple/Fort Hood office market saw vacancies rise and rental rates decrease from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 6.3%, from 5.5% in the previous quarter. Rental rates ended the quarter at \$12.79 per square foot, from \$13.56 in the previous quarter. There was a total of 2,788 square feet that delivered in the quarter, with 50,000 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 third quarter 2018. With this limited construction activity, net absorption of negative (4,954) square feet caused the vacancy rate to unchanged from 5.5% to 5.5% in the quarter. Rental rates stood at \$15.40.

Knoxville

With no new office space being delivered to the market, and negative (145,857) square feet of net absorption, Knoxville's vacancy rate went from 4.9% to 5.3% in the quarter. Rental rates went from \$15.24 to \$15.27 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 45,813 square feet of net absorption, Lafayette's vacancy rate went from 6.4% to 5.9% in the quarter. Rental rates went from \$15.24 to \$14.90 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 12.3%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (317,623) square feet. Vacant sublease space increased to 377,496 square feet. Rental rates ended the third quarter at \$19.65, an increase over the previous quarter. A total of five buildings with 203,682 square feet of space delivered to the market, with 573,900 square feet still under construction at the end of the quarter.

Lexington/Fayette

With no new office space being delivered to the market, and negative (62,528) square feet of net absorption, Lexington/Fayette's vacancy rate went from 7.1% to 7.4% in the quarter. Rental rates went from \$17.17 to \$17.14 during that time. At the end of the quarter, there was 216,906 square feet underway for future delivery.

Lincoln

The Lincoln office market saw vacancies fall and rental rates decrease from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 5.1%, from 5.2% in the previous quarter. Rental rates ended the quarter at \$13.72 per square foot, from \$13.98 in the previous quarter. There was a total of 47,000 square feet that delivered in the quarter, with 232,732 square feet still under construction at the end of the quarter.

Little Rock/N Little Rock

The Little Rock/N Little Rock office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 3.7%, from 3.9% in the previous quarter. Rental rates ended the quarter at \$17.19 per square foot, from \$16.40 in the previous quarter. There was a total of 14,000 square feet that delivered in the quarter, with 3,500 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 8.1%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (737,985) square feet. Vacant sublease space increased to 1,015,144 square feet. Rental rates ended the third quarter at \$27.99, an increase over the previous quarter. A total of six buildings with 372,500 square feet of space delivered to the market, with 7,338,960 square feet still under construction at the end of the quarter.

Los Angeles

The vacancy rate remained unchanged in Los Angeles in the third quarter. With 318,057 square feet in deliveries, and positive 362,361 square feet in net absorption, the vacancy rate held at 10.3%, the same rate reported in the previous quarter. The market had 5,809,910 square feet under construction at

the end of the quarter, and rental rates stood at \$36.12 per square foot.

Louisville

With no new office space being delivered to the market, and negative (376,964) square feet of net absorption, Louisville's vacancy rate went from 5.7% to 6.4% in the quarter. Rental rates went from \$16.82 to \$17.30 during that time. At the end of the quarter, there was 328,797 square feet underway for future delivery.

Lubbock

With no new office space being delivered to the market, and negative (6,107) square feet of net absorption, Lubbock's vacancy rate went from 5.9% to 6.0% in the quarter. Rental rates went from \$14.10 to \$14.22 during that time. At the end of the quarter, there was 9,384 square feet underway for future delivery.

Madison

The Madison office market saw vacancies rise and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 6.2%, from 6.0% in the previous quarter. Rental rates ended the quarter at \$16.41 per square foot, from \$16.29 in the previous quarter. There was a total of 251,600 square feet that delivered in the quarter, with 235,293 square feet still under construction at the end of the quarter.

McAllen/Edinburg/Pharr

With no new office space being delivered to the market, and positive 8,071 square feet of net absorption, McAllen/Edinburg/Pharr's vacancy rate went from 6.4% to 6.6% in the quarter. Rental rates went from \$14.69 to \$14.80 during that time. At the end of the quarter, there was 110,446 square feet underway for future delivery.

Memphis

With no new office space being delivered to the market, and positive 212,825 square feet of net absorption, Memphis's vacancy rate went from 10.9% to 10.4% in the quarter. Rental rates went from \$17.74 to \$17.88 during that time. At the end of the quarter, there was 93,000 square feet underway for future delivery.

Miami-Dade County

The Miami-Dade County 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 positive 66,782 square feet. Vacant sublease space increased to 418,865 square feet. Rental rates ended the third quarter at \$35.97, an increase over the previous quarter. A total of five buildings with 410,502 square feet of space delivered to the market, with 2,229,245 square feet still under construction at the end of the quarter.

Milwaukee

With no new office space being delivered to the market, and positive 19,562 square feet of net absorption, Milwaukee's vacancy rate went from 7.1% to 7.1% in the quarter. Rental rates went from \$16.26 to \$16.18 during that time. At the end of the quarter, there was 755,537 square feet underway for future delivery.

Minneapolis

The vacancy rate remained unchanged in Minneapolis in the third quarter. With 184,446 square feet in deliveries, and positive 95,652 square feet in net absorption, the vacancy rate held at 7.7%, the same rate reported in the previous quarter. The market had 1,274,381 square feet under construction at the end of the quarter, and rental rates stood at \$21.61 per square foot.

Mobile

With no new office space being delivered to the market, and negative (30,677) square feet of net absorption, Mobile's vacancy rate went from 6.7% to 6.7% in the quarter. Rental rates went from \$14.13 to \$14.05 during that time. At the end of the quarter, there was 46,200 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 third quarter 2018. With this limited construction activity, net absorption of positive 12,583 square feet caused the vacancy rate decreased from 6.9% to 6.8% in the quarter. Rental rates stood at \$14.66.

Myrtle Beach/Conway

With no new office space being delivered to the market, and positive 98,589 square feet of net absorption, Myrtle Beach/Conway's vacancy rate went from 4.0% to 2.8% in the quarter. Rental rates went from \$13.95 to \$14.50 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 6.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 250,880 square feet. Vacant sublease space decreased to 529,663 square feet. Rental rates ended the third quarter at \$27.29, an increase over the previous quarter. A total of five buildings with 386,991 square feet of space delivered to the market, with 3,570,576 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 7.4%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 92,135 square feet. Vacant sublease space decreased to 50,227 square feet. Rental rates ended the third quarter at \$17.81, an increase over the previous quarter. A total of one building with 12,200 square feet of space delivered to the market, with 19,791 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 7.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,725,067 square feet. Vacant sublease space increased to 4,753,377 square feet. Rental rates ended the third quarter at \$61.52, an increase over the previous quarter. A total of two buildings with 286,854 square feet of space delivered to the market, with 14,166,645 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 second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 8.4%, from 8.9% in the previous quarter. Rental rates ended the quarter at \$26.47 per square foot, from \$26.52 in the previous quarter. There was a total of 86,016 square feet that delivered in the quarter, with 17,091 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 second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 11.7%, from 12.1% in the previous quarter. Rental rates ended the quarter at \$25.57 per square foot, from \$25.52 in the previous quarter. There was a total of 62,640 square feet that delivered in the quarter, with 2,386,560 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 third quarter 2018. With this limited construction activity, net absorption of negative (5,486) square feet caused the vacancy rate increased from 6.7% to 6.8% in the quarter. Rental rates stood at \$13.56.

Oklahoma City

The Oklahoma City 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 (48,922) square feet. Vacant sublease space increased to 89,273 square feet. Rental rates ended the third quarter at \$16.77, a decrease

over the previous quarter. A total of five buildings with 30,221 square feet of space delivered to the market, with 311,969 square feet still under construction at the end of the quarter.

Olympia

With no space currently under construction, Olympia absorbed (45,966) square feet of space and delivered 3,200 square feet of space, resulting in a vacancy rate that went from 3.5% to 4.0% over the course of the quarter. Rental rates went from \$16.84 to \$17.16 per square foot.

Omaha/Council Bluffs

The Omaha/Council Bluffs office market ended the quarter with a vacancy rate of 6.4%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 4,323 square feet. Vacant sublease space increased to 163,236 square feet. Rental rates ended the third quarter at \$16.89, an increase over the previous quarter. A total of two buildings with 125,000 square feet of space delivered to the market, with 776,843 square feet still under construction at the end of the quarter.

Orange County (California)

The Orange County (California) office market saw vacancies rise and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 10.1%, from 9.8% in the previous quarter. Rental rates ended the quarter at \$31.36 per square foot, from \$30.98 in the previous quarter. There was a total of 364,955 square feet that delivered in the quarter, with 803,086 square feet still under construction at the end of the quarter.

Orlando

The Orlando 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 172,728 square feet. Vacant sublease space increased to 194,694 square feet. Rental rates ended the third quarter at \$20.77, a decrease over the previous quarter. A total of four buildings with 27,239 square feet of space delivered to the market, with 2,126,994 square feet still under construction at the end of the quarter.

Palm Beach County

The Palm Beach County office market ended the quarter with a vacancy rate of 10.1%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 7,939 square feet. Vacant sublease space decreased to 184,477 square feet. Rental rates ended the third quarter at \$29.56, a decrease over the previous quarter. A total of four buildings with 47,855 square feet of space delivered to the market, with 500,276 square feet still under construction at the end of the quarter.

Pensacola

The Pensacola office market saw vacancies rise and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 4.7%, from 4.4% in the previous quarter. Rental rates ended the quarter at \$15.69 per square foot, from \$15.26 in the previous quarter. There was a total of 48,915 square feet that delivered in the quarter, with 200,000 square feet still under construction at the end of the quarter.

Peoria

The Peoria office market reported no new deliveries and no space under construction at the end of the third quarter 2018. With this limited construction activity, net absorption of negative (15,316) square feet caused the vacancy rate increased from 6.3% to 6.4% in the quarter. Rental rates stood at \$12.42.

Philadelphia

The Philadelphia 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 443,032 square feet. Vacant sublease space increased to 1,442,613 square feet. Rental rates ended the third quarter at \$22.87, an increase over the previous quarter. A total of four buildings with 1,419,221 square feet of space delivered to the market, with 3,036,593 square feet still under construction at the end of the quarter.

Phoenix

The Phoenix office market ended the quarter with a vacancy rate of 12.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 874,469 square feet. Vacant sublease space decreased to 1,396,619 square feet. Rental rates ended the third quarter at \$25.29, an increase over the previous quarter. A total of four buildings with 136,729 square feet of space delivered to the market, with 3,145,886 square feet still under construction at the end of the quarter.

Pittsburgh

The vacancy rate remained unchanged in Pittsburgh in the third quarter. With 48,287 square feet in deliveries, and positive 83,204 square feet in net absorption, the vacancy rate held at 8.4%, the same rate reported in the previous quarter. The market had 1,193,735 square feet under construction at the end of the quarter, and rental rates stood at \$22.05 per square foot.

Port St Lucie/Fort Pierce

With no new office space being delivered to the market, and positive 18,885 square feet of net absorption, Port St Lucie/Fort Pierce's vacancy rate went from 9.6% to 9.4% in the quarter. Rental rates went from \$14.57 to \$14.61 during

that time. At the end of the quarter, there was 25,976 square feet underway for future delivery.

Portland

The Portland 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 609,933 square feet. Vacant sublease space decreased to 332,543 square feet. Rental rates ended the third quarter at \$23.90, an increase over the previous quarter. A total of two buildings with 476,000 square feet of space delivered to the market, with 2,575,782 square feet still under construction at the end of the quarter.

Portland/South Portland

With no new office space being delivered to the market, and positive 8,857 square feet of net absorption, Portland/South Portland's vacancy rate went from 3.5% to 3.5% in the quarter. Rental rates went from \$14.28 to \$15.51 during that time. At the end of the quarter, there was 163,894 square feet underway for future delivery.

Providence

The Providence office market ended the quarter with a vacancy rate of 5.4%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 386,740 square feet. Vacant sublease space increased to 21,642 square feet. Rental rates ended the third quarter at \$18.34, an increase over the previous quarter. A total of three buildings with 462,700 square feet of space delivered to the market, with 260,520 square feet still under construction at the end of the quarter.

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 194,770 square feet. Vacant sublease space increased to 255,953 square feet. Rental rates ended the third quarter at \$23.52, an increase over the previous quarter. A total of two buildings with 30,765 square feet of space delivered to the market, with 3,976,020 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 second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 8.8%, from 9.0% in the previous quarter. Rental rates ended the quarter at \$17.72 per square foot, from \$17.86 in the previous quarter. There was a total of 20,000 square feet that delivered in the quarter, with 91,331 square feet still under construction at the end of the quarter.

Richmond VA

The vacancy rate remained unchanged in Richmond VA in the third quarter. With 46,461 square feet in deliveries, and positive 6,196 square feet in net absorption, the vacancy rate held at 6.5%, the same rate reported in the previous quarter. The market had 1,470,324 square feet under construction at the end of the quarter, and rental rates stood at \$19.01 per square foot.

Roanoke

The Roanoke office market reported no new deliveries and no space under construction at the end of the third quarter 2018. With this limited construction activity, net absorption of positive 467 square feet caused the vacancy rate to unchanged from 7.2% to 7.2% in the quarter. Rental rates stood at \$15.78.

Rochester

The Rochester 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 negative (722,571) square feet. Vacant sublease space decreased to 101,248 square feet. Rental rates ended the third quarter at \$13.37, an increase over the previous quarter. A total of one building with 59,850 square feet of space delivered to the market, with 45,000 square feet still under construction at the end of the quarter.

Sacramento

The Sacramento 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 147,382 square feet. Vacant sublease space increased to 233,320 square feet. Rental rates ended the third quarter at \$22.45, an increase over the previous quarter. A total of one building with 11,242 square feet of space delivered to the market, with 594,218 square feet still under construction at the end of the quarter.

Salinas

With no new office space being delivered to the market, and positive 6,610 square feet of net absorption, Salinas's vacancy rate went from 6.0% to 5.9% in the quarter. Rental rates went from \$20.69 to \$20.98 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 7.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 918,385 square feet. Vacant sublease space decreased to 537,912 square feet. Rental rates ended the third quarter at \$21.13, a decrease over the previous quarter. A total of six buildings

with 515,766 square feet of space delivered to the market, with 3,785,640 square feet still under construction at the end of the quarter.

San Antonio

The vacancy rate remained unchanged in San Antonio in the third quarter. With 37,584 square feet in deliveries, and positive 12,522 square feet in net absorption, the vacancy rate held at 9.5%, the same rate reported in the previous quarter. The market had 1,807,942 square feet under construction at the end of the quarter, and rental rates stood at \$21.62 per square foot.

San Diego

The San Diego office market ended the quarter with a vacancy rate of 9.7%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (335,313) square feet. Vacant sublease space decreased to 502,582 square feet. Rental rates ended the third quarter at \$32.51, an increase over the previous quarter. A total of three buildings with 185,240 square feet of space delivered to the market, with 888,005 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 6.3%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 629,068 square feet. Vacant sublease space increased to 1,700,298 square feet. Rental rates ended the third quarter at \$61.15, an increase over the previous quarter. A total of six buildings with 850,543 square feet of space delivered to the market, with 7,527,204 square feet still under construction at the end of the quarter.

San Luis Obispo/Paso Robles

The San Luis Obispo/Paso Robles office market saw vacancies rise and rental rates decrease from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 2.3%, from 2.1% in the previous quarter. Rental rates ended the quarter at \$21.68 per square foot, from \$21.95 in the previous quarter. There was a total of 8,411 square feet that delivered in the quarter, with 74,449 square feet still under construction at the end of the quarter.

Santa Barbara/Sta Maria/Goleta

With no new office space being delivered to the market, and positive 34,142 square feet of net absorption, Santa Barbara/Sta Maria/Goleta's vacancy rate went from 3.8% to 3.5% in the quarter. Rental rates went from \$23.27 to \$23.68 during that time. At the end of the quarter, there was 90,000 square feet underway for future delivery.

Santa Cruz/Watsonville

The Santa Cruz/Watsonville office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 4.9%, from 5.7% in the previous quarter. Rental rates ended the quarter at \$21.80 per square foot, from \$21.21 in the previous quarter. There was a total of 3,213 square feet that delivered in the quarter, with 3,124 square feet still under construction at the end of the quarter.

Savannah

With no new office space being delivered to the market, and positive 15,112 square feet of net absorption, Savannah's vacancy rate went from 4.4% to 4.4% in the quarter. Rental rates went from \$17.03 to \$17.45 during that time. At the end of the quarter, there was 10,800 square feet underway for future delivery.

Seattle/Puget Sound

The Seattle/Puget Sound office market ended the quarter with a vacancy rate of 6.7%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 668,728 square feet. Vacant sublease space decreased to 989,786 square feet. Rental rates ended the third quarter at \$33.00, an increase over the previous quarter. A total of four buildings with 30,217 square feet of space delivered to the market, with 7,254,367 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 third quarter 2018. With this limited construction activity, net absorption of positive 17,713 square feet caused the vacancy rate decreased from 8.9% to 8.8% in the quarter. Rental rates stood at \$14.35.

South Bay/San Jose

The South Bay/San Jose office market ended the quarter with a vacancy rate of 9.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 737,562 square feet. Vacant sublease space decreased to 1,859,262 square feet. Rental rates ended the third quarter at \$42.59, an increase over the previous quarter. A total of one building with 29,989 square feet of space delivered to the market, with 4,456,643 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 positive 97,502 square feet of net absorption, South Bend/Mishawaka's vacancy rate went from 7.6% to 6.9% in the quarter. Rental rates went from \$14.52 to \$13.35 during that

time. At the end of the quarter, there was 8,400 square feet underway for future delivery.

Southwest Florida

With no new office space being delivered to the market, and positive 50,970 square feet of net absorption, Southwest Florida's vacancy rate went from 7.0% to 6.8% in the quarter. Rental rates went from \$15.03 to \$14.78 during that time. At the end of the quarter, there was 218,018 square feet underway for future delivery.

Spokane

With no new office space being delivered to the market, and positive 81,027 square feet of net absorption, Spokane's vacancy rate went from 10.4% to 10.0% in the quarter. Rental rates went from \$15.76 to \$16.19 during that time. At the end of the quarter, there was 11,710 square feet underway for future delivery.

Springfield

With no new office space being delivered to the market, and positive 22,231 square feet of net absorption, Springfield's vacancy rate went from 4.7% to 4.6% in the quarter. Rental rates went from \$12.39 to \$12.54 during that time. At the end of the quarter, there was 8,000 square feet underway for future delivery.

St. Louis

The St. Louis office market ended the quarter with a vacancy rate of 7.9%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 86,791 square feet. Vacant sublease space increased to 367,038 square feet. Rental rates ended the third quarter at \$19.71, an increase over the previous quarter. A total of one building with 5,208 square feet of space delivered to the market, with 1,050,962 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 94,652 square feet of net absorption, Stockton/Modesto's vacancy rate went from 5.8% to 5.3% in the quarter. Rental rates went from \$16.01 to \$16.27 during that time. At the end of the quarter, there was 23,051 square feet underway for future delivery.

Syracuse

The Syracuse office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 6.7%, from 6.9% in the previous quarter. Rental rates ended the quarter at \$14.08 per square foot, from \$13.90 in the previous quarter. There was a total of 90,000 square feet that delivered in the quarter, with 25,000 square feet still under construction at the end of the quarter.

Tallahassee

The Tallahassee office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 4.2%, from 4.5% in the previous quarter. Rental rates ended the quarter at \$17.21 per square foot, from \$16.39 in the previous quarter. There was a total of 21,800 square feet that delivered in the quarter, with 11,440 square feet still under construction at the end of the quarter.

Tampa/St Petersburg

The Tampa/St Petersburg 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 455,261 square feet. Vacant sublease space increased to 659,079 square feet. Rental rates ended the third quarter at \$21.73, an increase over the previous quarter. A total of six buildings with 183,300 square feet of space delivered to the market, with 1,412,159 square feet still under construction at the end of the quarter.

Toledo

With no new office space being delivered to the market, and positive 40,107 square feet of net absorption, Toledo's vacancy rate went from 4.9% to 4.8% in the quarter. Rental rates went from \$13.26 to \$13.38 during that time. At the end of the quarter, there was 120,020 square feet underway for future delivery.

Tucson

The vacancy rate remained unchanged in Tucson in the third quarter. With 50,500 square feet in deliveries, and positive 42,164 square feet in net absorption, the vacancy rate held at 8.4%, the same rate reported in the previous quarter. The market had 542,735 square feet under construction at the end of the quarter, and rental rates stood at \$19.15 per square foot.

Tulsa

The Tulsa office market ended the quarter with a vacancy rate of 10.4%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (54,579) square feet. Vacant sublease space decreased to 444,570 square feet. Rental rates ended the third quarter at \$15.42, an increase over the previous quarter. A total of two buildings with 21,473 square feet of space delivered to the market, with 365,741 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 third quarter 2018. With this limited construction activity, net absorption of negative (86,403) square feet caused the vacancy rate increased from 2.0% to 2.9% in the quarter. Rental rates stood at \$11.34.

Visalia/Porterville

With no new office space being delivered to the market, and positive 14,061 square feet of net absorption, Visalia/Porterville's vacancy rate went from 3.1% to 2.9% in the quarter. Rental rates went from \$16.48 to \$16.02 during that time. At the end of the quarter, there was 11,600 square feet under way for future delivery.

Washington

The vacancy rate remained unchanged in Washington in the third quarter. With 1,494,500 square feet in deliveries, and positive 1,108,865 square feet in net absorption, the vacancy rate held at 13.1%, the same rate reported in the previous quarter. The market had 8,822,583 square feet under construction at the end of the quarter, and rental rates stood at \$35.93 per square foot.

West Michigan

The West Michigan office market saw vacancies fall and rental rates increase from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 4.4%, from 4.6% in the previous quarter. Rental rates ended the quarter at \$14.89 per square foot, from \$14.39 in the previous quarter. There was a total of 26,486 square feet that delivered in the quarter, with 337,798 square feet still under construction at the end of the quarter.

Westchester/So Connecticut

The Westchester/So Connecticut office market saw vacancies fall and rental rates decrease from the second quarter 2018 to the third quarter 2018. The overall vacancy rate currently sits at 11.6%, from 11.8% in the previous quarter. Rental rates ended the quarter at \$27.86 per square foot, from \$28.51 in the previous quarter. There was a total of 24,108 square feet that delivered in the quarter, with 464,254 square feet still under construction at the end of the quarter.

Wichita

The vacancy rate remained unchanged in Wichita in the third quarter. With 8,000 square feet in deliveries, and positive 20,366 square feet in net absorption, the vacancy rate held at 7.9%, the same rate reported in the previous quarter. The market had 60,000 square feet under construction at the end of the quarter, and rental rates stood at \$13.98 per square foot.

Wilmington

The vacancy rate remained unchanged in Wilmington in the third quarter. With 102,092 square feet in deliveries, and positive 95,119 square feet in net absorption, the vacancy rate held at 3.5%, the same rate reported in the previous quarter. The market had 188,535 square feet under construction at the end of the quarter, and rental rates stood at \$17.64 per square foot.

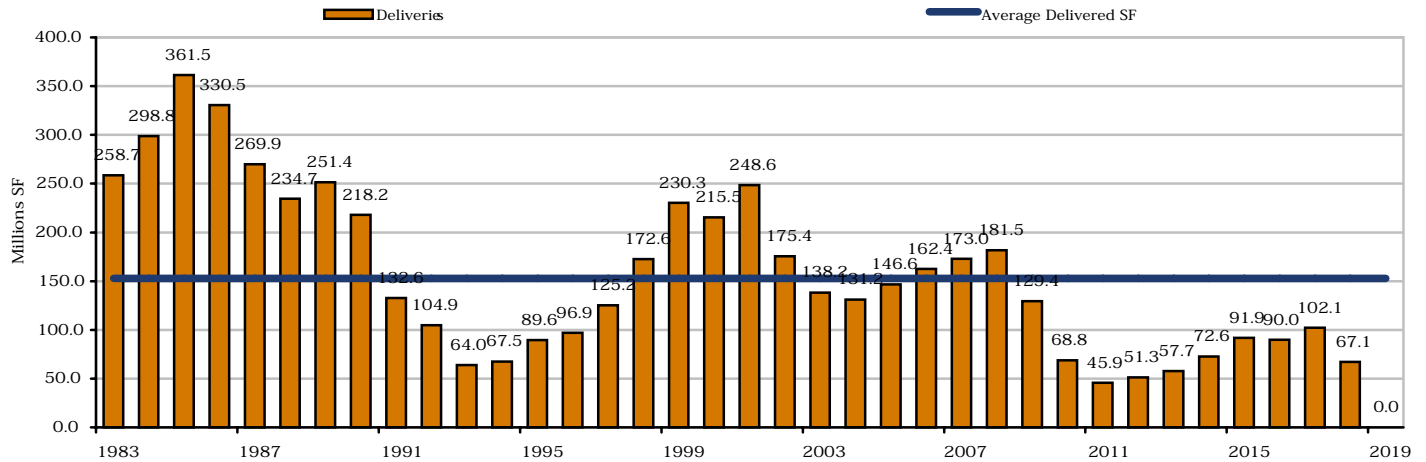
Yakima

With no new office space being delivered to the market, and positive 12,481 square feet of net absorption, Yakima's vacancy rate went from 4.7% to 4.4% in the quarter. Rental rates went from \$11.78 to \$13.47 during that time. At the end of the quarter, there was 8,800 square feet underway for future delivery.

Youngstown/Warren/Boardman

With no new office space being delivered to the market, and positive 164,450 square feet of net absorption, Youngstown/Warren/Boardman's vacancy rate went from 5.0% to 4.0% in the quarter. Rental rates went from \$9.90 to \$10.39 during that time. At the end of the quarter, there was 2,500 square feet underway for future delivery.

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	28	14,166,645	11,082,939	78.2%	147,466	505,952
Washington	43	8,822,583	4,621,303	52.4%	39,820	205,176
Dallas/Ft Worth	137	8,744,430	6,012,003	68.8%	29,166	63,828
San Francisco	34	7,527,204	4,763,027	63.3%	43,922	221,388
Lorg Island (New York)	62	7,338,960	3,817,844	52.0%	17,511	118,370
Chicago	31	7,313,584	2,416,369	33.0%	32,228	235,922
Seattle/Puget Sound	29	7,254,367	4,198,825	57.9%	25,530	250,151
Los Angeles	46	5,809,910	2,409,605	41.5%	23,646	126,302
Boston	38	5,376,985	3,265,975	60.7%	28,181	141,500
Atlanta	46	4,900,825	3,205,774	65.4%	19,032	106,540
Austin	72	4,789,265	2,656,348	55.5%	21,247	66,518
Denver	55	4,587,710	2,186,754	47.7%	26,327	83,413
South Bay/San Jose	28	4,456,643	3,790,941	85.1%	27,909	159,166
Raleigh/Durham	45	3,976,020	2,923,038	73.5%	20,831	88,356
Charlotte	31	3,870,759	1,958,548	50.6%	16,183	124,863
Houston	58	3,842,673	1,695,850	44.1%	35,037	66,253
Salt Lake City	47	3,785,640	2,453,014	64.8%	21,583	80,546
Nashville	32	3,570,576	1,118,959	31.3%	16,753	111,580
Phoenix	29	3,145,886	1,104,945	35.1%	20,702	108,479
Philadelphia	44	3,036,593	2,200,196	72.5%	17,396	69,013
Portland	28	2,575,782	1,967,671	76.4%	14,865	91,992
Northern New Jersey	27	2,386,560	1,141,608	47.8%	20,123	88,391
Miami-Dade County	29	2,229,245	864,367	38.8%	24,119	76,871
Orlando	27	2,126,994	1,842,468	86.6%	12,334	78,778
East Bay/Oakland	10	1,812,459	1,123,681	62.0%	21,009	181,246
San Antonio	41	1,807,942	996,921	55.1%	19,328	44,096
Baltimore	15	1,621,126	662,018	40.8%	21,687	108,075
RichmondVA	16	1,470,324	1,299,245	88.4%	19,857	91,895
Detroit	24	1,451,341	1,259,836	86.8%	18,891	60,473
Tampa/St Petersburg	30	1,412,159	1,048,385	74.2%	11,171	47,072
Kansas City	18	1,308,813	792,526	60.6%	22,918	72,712
Minneapolis	14	1,274,381	766,266	60.1%	31,289	91,027
Pittsburgh	21	1,193,735	405,781	34.0%	18,212	56,845
St. Louis	10	1,050,962	583,942	55.6%	21,627	105,096
Columbus	14	1,037,339	691,057	66.6%	21,279	74,096
San Diego	13	888,005	813,011	91.6%	20,994	68,308
Broward County	11	860,381	534,506	62.1%	17,481	78,216
Orange County (California)	13	803,086	150,547	18.7%	25,771	61,776
Charleston/N Charleston	21	798,095	317,056	39.7%	9,349	38,005
Omaha/Council Bluffs	11	776,843	556,119	71.6%	24,680	70,622
Milwaukee	7	755,537	522,614	69.2%	21,569	107,934
Inland Empire (California)	12	719,750	426,383	59.2%	11,720	59,979
Hampton Roads	6	669,150	630,280	94.2%	14,918	111,525
Des Moines	7	601,011	316,114	52.6%	26,123	85,859
Totals	1,736	160,984,154	96,543,816	60.0%	19,970	92,733

Source: CoStar Property®

Class A Market Statistics

Third Quarter 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.	40	6,961,401	182,863	182,863	2.6%	104,531	0	0	\$20.90
Albuquerque	29	4,790,614	389,314	417,250	8.7%	(4,816)	0	0	\$20.16
Anchorage	25	3,136,184	185,307	202,155	6.4%	44,435	0	0	\$35.05
Asheville	17	1,020,789	14,721	14,721	1.4%	14,297	0	0	\$25.75
Atlanta	531	118,883,084	15,590,438	17,039,884	14.3%	527,201	1,719,727	4,508,227	\$29.84
Augusta/Rich.	13	1,086,889	74,752	74,752	6.9%	174,403	167,000	150,000	\$32.83
Austin	304	41,450,390	2,875,034	3,379,236	8.2%	1,975,444	1,451,627	4,071,088	\$38.56
Bakersfield	20	1,490,127	119,709	119,709	8.0%	14,356	0	0	\$21.22
Baltimore	413	50,263,930	6,097,855	6,400,087	12.7%	(149,251)	72,080	1,531,126	\$26.52
Baton Rouge	21	3,547,061	470,022	506,818	14.3%	105,953	86,000	86,169	\$23.06
Beaumont/Port	5	801,914	22,838	22,838	2.8%	66,597	0	0	\$17.85
Birmingham	94	14,397,118	1,753,075	2,457,100	17.1%	891,170	200,000	134,000	\$20.63
Boise City/N.	40	6,259,907	385,333	406,950	6.5%	15,024	127,559	83,434	\$21.80
Boston	814	157,340,832	13,119,786	14,476,693	9.2%	1,423,935	880,880	4,976,365	\$29.50
Bremerton/Si.	2	108,049	5,523	5,523	5.1%	0	0	0	\$24.00
Broward Coun	154	18,738,017	2,316,431	2,422,338	12.9%	90,058	166,163	694,693	\$35.47
Brownsville/.	2	124,752	22,842	22,842	18.3%	0	0	38,148	\$22.10
Buffalo/Niag.	75	10,875,546	1,742,475	1,742,475	16.0%	72,435	0	242,000	\$18.62
Charleston W.	11	1,090,739	172,839	172,839	15.8%	(11,377)	0	0	\$19.19
Charleston/N.	87	6,075,720	685,166	690,364	11.4%	74,372	416,032	416,398	\$30.56
Charlotte	298	43,654,761	4,677,963	4,903,041	11.2%	948,375	317,354	3,615,865	\$30.03
Chattanooga	25	3,008,329	109,318	142,478	4.7%	(43,031)	0	0	\$23.08
Chicago	671	194,045,017	28,207,795	29,986,657	15.5%	2,002,546	2,169,988	6,791,990	\$27.92
Cincinnati	211	32,862,918	3,660,250	3,779,820	11.5%	879,214	230,593	0	\$18.13
Cleveland	178	29,857,699	2,753,674	2,806,002	9.4%	489,389	448,752	381,742	\$21.96
Colorado Spr.	53	6,473,425	824,163	864,756	13.4%	54,064	0	169,883	\$18.21
Columbia	29	3,322,099	290,219	304,605	9.2%	51,828	0	81,773	\$19.53
Columbus	196	30,487,153	2,408,269	2,667,675	8.8%	320,218	146,100	818,725	\$19.78
Columbus GA	11	789,518	45,507	45,507	5.8%	24,984	0	0	\$12.00
Corpus Chris.	4	1,228,236	41,519	41,519	3.4%	29,493	0	0	\$18.92
Dallas/Ft Wo.	646	160,400,870	26,542,892	28,617,602	17.8%	4,221,529	5,022,620	7,413,404	\$29.03
Davenport/Mo	10	464,037	49,906	49,906	10.8%	(18,977)	0	0	\$18.15
Dayton	65	5,991,272	734,618	747,427	12.5%	42,848	18,316	378,000	\$17.15
Deltona/Dayt.	7	497,784	57,182	57,182	11.5%	226	0	0	\$20.62
Denver	411	73,063,365	8,177,856	9,144,549	12.5%	2,909,548	2,129,688	4,069,394	\$30.78
Des Moines	67	12,926,116	462,571	471,881	3.7%	(113,411)	0	425,000	\$15.27
Detroit	239	50,293,671	4,788,151	5,017,740	10.0%	557,350	195,000	1,083,288	\$22.77
Duluth	11	1,179,259	51,600	56,544	4.8%	14,673	0	0	\$18.20
East Bay/Oak.	123	28,840,921	2,831,742	3,122,604	10.8%	(1,415)	265,000	1,475,165	\$45.21
El Paso	8	1,323,376	128,146	128,146	9.7%	43,945	52,400	262,000	\$20.03
Erie	5	476,444	44,344	44,344	9.3%	(34,144)	0	0	\$11.65
Evansville	17	2,249,815	25,833	25,833	1.1%	51,885	0	0	\$11.06
Fayetteville	11	730,751	51,361	51,361	7.0%	22,343	29,749	0	\$19.93
Fayetteville.	39	3,672,460	240,145	245,816	6.7%	166,713	45,226	70,425	\$22.96
Fort Smith	3	544,972	27,000	27,000	5.0%	67,700	0	0	\$10.99
Fort Wayne	23	2,308,154	260,219	260,219	11.3%	(2,792)	0	0	\$15.80
Fresno	28	2,665,497	246,445	257,967	9.7%	114,611	0	0	\$22.09
Green Bay	18	1,522,353	191,251	199,076	13.1%	(97,874)	0	0	\$18.44

Source: CoStar Property®

Class A Market Statistics

Third 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.	73	8,888,379	1,067,985	1,113,305	12.5%	244,896	0	90,000	\$19.19
Greenville/S.	77	7,213,677	712,805	712,805	9.9%	47,339	0	86,567	\$23.40
Hampton Roac.	145	14,089,806	1,193,701	1,211,634	8.6%	177,583	28,300	590,000	\$21.61
Hartford	87	20,702,211	2,062,389	2,172,028	10.5%	12,277	0	0	\$22.13
Hawaii	48	10,496,715	909,175	953,678	9.1%	(211,576)	0	373,000	\$26.24
Houston	523	145,826,147	24,559,098	29,497,742	20.2%	776,808	427,654	3,295,230	\$33.93
Huntington/A.	8	545,318	39,000	39,000	7.2%	(7,900)	0	0	\$12.33
Huntsville	28	2,322,732	63,169	63,169	2.7%	51,720	0	347,000	\$22.90
Indianapolis	199	28,726,549	2,912,875	3,068,971	10.7%	48,142	125,000	80,000	\$21.39
Inland Empir.	107	9,059,476	498,353	537,207	5.9%	240,544	0	279,200	\$27.42
Jackson	51	5,553,913	856,490	888,410	16.0%	(188,297)	0	120,000	\$20.02
Jacksonville.	104	15,949,517	1,239,992	1,282,466	8.0%	124,874	95,010	156,744	\$22.86
Kansas City	201	33,784,899	2,595,504	2,871,130	8.5%	316,095	346,276	723,000	\$22.59
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	41	4,952,824	427,935	431,190	8.7%	(138,675)	0	72,000	\$18.31
Lafayette	10	727,540	15,536	15,536	2.1%	18,372	0	0	\$13.20
Las Vegas	105	12,029,641	1,570,471	1,644,076	13.7%	312,037	296,574	98,832	\$27.95
Lexington/Fa.	80	4,879,503	352,334	417,468	8.6%	29,941	73,000	186,906	\$19.87
Lincoln	17	2,800,257	119,912	119,912	4.3%	624	0	205,532	\$18.63
Little Rock/.	28	4,750,791	368,498	426,141	9.0%	140,426	0	0	\$19.43
Long Island .	251	47,546,232	3,908,706	4,384,965	9.2%	(675,758)	197,580	5,404,533	\$34.61
Los Angeles	953	177,215,717	22,249,502	23,829,889	13.4%	426,904	774,301	4,626,566	\$39.77
Louisville	122	12,205,414	1,368,602	1,379,781	11.3%	(305,295)	26,000	300,000	\$20.81
Lubbock	8	582,756	47,168	47,168	8.1%	1,909	0	0	\$17.18
Madison	74	8,489,327	361,412	364,110	4.3%	931,025	1,111,600	0	\$19.93
McAllen/Edin.	6	441,370	25,070	25,070	5.7%	(10,070)	0	97,886	\$23.27
Memphis	95	12,801,217	1,122,936	1,155,147	9.0%	529,341	466,909	0	\$20.83
Miami-Dade C.	179	30,419,786	3,844,345	4,179,978	13.7%	213,061	627,157	1,834,406	\$43.17
Milwaukee	116	18,190,673	1,593,349	1,800,318	9.9%	(36,685)	0	493,537	\$19.38
Minneapolis	193	55,948,202	5,187,932	5,329,898	9.5%	445,169	912,384	975,000	\$30.01
Mobile	12	1,445,744	170,814	170,814	11.8%	(73,212)	0	0	\$17.83
Montgomery	22	3,006,686	95,852	95,978	3.2%	75,143	0	0	\$23.58
Myrtle Beach.	10	687,786	11,124	11,124	1.6%	41,369	0	0	\$12.79
Nashville	183	27,526,988	2,217,852	2,611,311	9.5%	624,802	470,463	3,357,356	\$32.50
New Orleans/.	38	12,308,785	1,398,118	1,421,496	11.5%	84,321	30,000	0	\$19.67
New York Cit.	486	334,662,485	25,556,545	29,049,204	8.7%	4,603,603	3,292,047	13,642,907	\$66.56
North Bay/Sa.	53	4,124,948	1,106,307	1,121,038	27.2%	52,855	20,000	0	\$32.12
Northern New.	928	157,711,134	23,968,031	26,813,786	17.0%	296,522	288,434	1,201,137	\$28.66
Ocala	4	231,577	24,987	24,987	10.8%	2,700	0	0	\$14.66
Oklahoma Cit.	55	9,313,926	546,972	565,471	6.1%	766,422	757,716	208,179	\$22.37
Olympia	2	351,092	0	0	0.0%	0	0	0	\$0.00
Omaha/Counc.	80	10,017,425	385,911	405,295	4.0%	218,165	175,000	515,460	\$25.30
Orange Count.	301	48,832,257	6,190,108	6,999,493	14.3%	256,311	842,181	533,545	\$35.08
Orlando	221	26,724,549	1,667,559	1,745,190	6.5%	395,822	128,000	1,811,816	\$26.55
Palm Beach C.	148	14,694,957	1,813,358	1,900,357	12.9%	113,759	0	400,051	\$35.07
Pensacola	12	529,147	65,037	65,037	12.3%	15,761	48,915	0	\$22.65
Peoria	9	989,081	21,179	21,179	2.1%	2,917	0	0	\$18.38

Source: CoStar Property®

Class A Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Philadelphia	1,016	137,331,490	12,785,370	13,920,446	10.1%	1,216,927	2,004,053	2,555,176	\$27.65
Phoenix	330	51,300,845	6,188,086	6,958,409	13.6%	903,594	692,545	2,473,454	\$30.19
Pittsburgh	230	38,870,334	4,159,463	4,593,162	11.8%	17,677	234,885	1,035,505	\$26.81
Port St Luci.	22	1,126,831	161,328	161,328	14.3%	(13,114)	0	0	\$16.72
Portland	241	33,448,663	2,440,708	2,604,840	7.8%	1,012,261	1,307,488	2,188,940	\$30.41
Portland/Sou.	30	3,078,560	61,376	61,376	2.0%	49,721	0	0	\$21.05
Providence	35	6,614,395	459,190	472,115	7.1%	447,750	446,700	191,000	\$26.18
Raleigh/Durh.	344	37,243,286	2,896,871	3,073,345	8.3%	782,857	418,579	3,490,793	\$27.62
Reno/Sparks	27	1,996,646	177,528	226,671	11.4%	(10,820)	0	40,826	\$23.42
Richmond VA	166	21,566,815	1,552,948	1,707,675	7.9%	(30,021)	94,461	1,321,782	\$21.59
Roanoke	7	823,004	61,702	69,492	8.4%	15,254	0	0	\$18.69
Rochester	73	9,584,769	1,764,016	1,851,510	19.3%	(351,267)	0	45,000	\$15.48
Sacramento	200	27,188,632	2,428,768	2,521,460	9.3%	105,547	138,850	0	\$27.05
Salinas	0	0	0	0	0.0%	0	0	0	\$0.00
Salt Lake Ci.	234	28,102,385	2,055,818	2,337,499	8.3%	1,375,176	1,034,500	2,024,586	\$26.07
San Antonio	139	17,081,694	2,343,224	2,419,495	14.2%	253,201	67,574	1,258,150	\$26.63
San Diego	283	35,968,546	4,346,845	4,593,276	12.8%	(6,894)	367,954	800,994	\$39.02
San Francisc.	320	81,763,936	4,581,769	5,482,281	6.7%	3,598,296	2,765,903	6,211,853	\$65.03
San Luis Obi.	1	36,000	1,352	1,352	3.8%	(1,352)	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	13,508	13,508	3.3%	(994)	0	0	\$26.26
Seattle/Puge.	341	73,730,926	5,323,463	5,736,527	7.8%	851,481	273,840	5,767,989	\$43.36
Shreveport/B.	6	996,045	157,109	157,109	15.8%	15,786	0	0	\$16.84
South Bay/Sa.	193	41,439,427	4,451,585	5,025,177	12.1%	3,634,808	3,084,380	2,996,965	\$45.68
South Bend/M	15	1,143,860	175,693	179,803	15.7%	56,828	0	0	\$9.94
Southwest Fl.	80	4,284,172	564,294	564,294	13.2%	(42,962)	0	143,000	\$16.82
Spokane	16	1,892,299	487,620	502,254	26.5%	(148,267)	111,713	0	\$19.55
Springfield	13	1,233,062	33,092	33,092	2.7%	5,913	0	0	\$18.76
St. Louis	271	42,494,986	4,068,763	4,361,496	10.3%	250,861	264,416	1,007,000	\$22.86
Stockton/Mod.	20	2,256,164	163,575	171,445	7.6%	32,092	0	0	\$22.65
Syracuse	26	3,769,012	451,563	477,000	12.7%	16,831	0	25,000	\$18.46
Tallahassee	19	1,523,308	106,327	106,327	7.0%	(12,992)	21,800	0	\$26.91
Tampa/St Pet.	257	36,678,877	2,709,218	3,011,829	8.2%	145,617	180,800	1,064,500	\$28.57
Toledo	15	3,171,460	120,413	120,413	3.8%	12,358	0	0	\$17.93
Tucson	26	2,890,631	179,307	233,354	8.1%	1,290	61,000	301,500	\$24.25
Tulsa	32	8,783,874	784,402	862,980	9.8%	(133,622)	0	102,400	\$19.84
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	1,464	273,243,819	40,583,756	43,077,071	15.8%	3,032,383	3,918,317	8,475,790	\$39.52
West Michiga.	92	9,275,032	359,184	372,501	4.0%	24,034	103,375	101,100	\$19.62
Westchester/.	423	66,844,654	9,831,971	10,350,177	15.5%	(66,012)	0	52,460	\$32.39
Wichita	19	2,164,185	136,501	151,519	7.0%	133,792	60,000	60,000	\$15.40
Wilmington	23	1,388,948	91,156	91,156	6.6%	135,941	0	90,355	\$20.75
Yakima	1	129,857	26,049	26,049	20.1%	954	0	0	\$20.00
Youngstown/V.	7	467,821	54,032	54,032	11.5%	8,810	0	0	\$17.53
Totals	19,675	3,608,137,462	400,144,976	436,679,264	12.1%	46,444,767	45,571,488	129,900,810	\$31.42

Source: CoStar Property®

Class B Market Statistics

Third Quarter 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.	1,747	41,910,138	1,788,087	1,832,497	4.4%	119,885	72,986	82,261	\$15.14
Albuquerque	1,646	24,896,127	1,744,548	1,783,612	7.2%	196,257	21,530	12,000	\$14.22
Anchorage	321	8,949,675	408,121	460,562	5.1%	33,087	18,800	0	\$25.00
Asheville	860	8,725,511	169,478	169,478	1.9%	(15,354)	14,800	40,200	\$14.85
Atlanta	6,236	140,482,225	15,936,182	16,378,307	11.7%	638,464	278,975	392,598	\$19.59
Augusta/Rich.	790	8,607,109	696,871	717,114	8.3%	16,516	23,240	22,194	\$15.06
Austin	2,335	48,815,769	4,283,387	4,497,518	9.2%	(69,143)	416,196	718,177	\$29.24
Bakersfield	595	9,166,266	574,985	577,083	6.3%	123,142	0	43,207	\$18.95
Baltimore	2,852	68,743,346	6,336,167	6,493,891	9.4%	319,193	43,527	90,000	\$21.22
Baton Rouge	688	8,000,296	615,152	655,772	8.2%	182,433	71,477	54,370	\$18.27
Beaumont/Por	162	3,138,799	460,530	460,530	14.7%	(178,191)	3,000	0	\$11.88
Birmingham	953	24,049,505	2,158,306	2,315,389	9.6%	201,119	93,278	117,600	\$17.08
Boise City/N.	1,191	17,457,793	1,178,918	1,231,766	7.1%	227,549	89,282	183,691	\$17.03
Boston	4,784	156,846,902	12,099,487	12,871,501	8.2%	455,533	409,788	400,620	\$21.31
Bremerton/Si.	167	2,572,452	220,436	220,436	8.6%	751	0	0	\$17.40
Broward Coun.	1,271	33,301,815	2,723,626	2,838,189	8.5%	(97,494)	172,273	165,688	\$24.54
Brownsville/.	255	2,964,997	192,765	192,765	6.5%	36,138	56,326	44,753	\$14.98
Buffalo/Niag.	1,133	26,108,102	1,422,170	1,438,607	5.5%	75,735	10,000	77,000	\$15.05
Charleston W.	805	10,810,347	554,078	587,962	5.4%	29,488	0	0	\$14.33
Charleston/N.	1,409	15,943,976	863,209	914,632	5.7%	176,425	277,514	381,697	\$22.16
Charlotte	2,855	54,391,831	3,521,684	3,753,871	6.9%	1,318,683	1,248,394	254,894	\$21.21
Chattanooga	434	11,106,412	522,372	523,772	4.7%	(56,189)	33,000	30,000	\$16.99
Chicago	7,030	217,568,380	22,950,235	24,184,904	11.1%	(73,388)	304,004	521,594	\$21.52
Cincinnati	1,224	37,714,956	3,057,182	3,129,264	8.3%	223,755	24,157	35,200	\$14.89
Cleveland	2,523	77,654,239	7,887,820	7,971,632	10.3%	(246,654)	202,634	86,077	\$16.50
Colorado Spr.	947	17,983,566	1,674,680	1,718,755	9.6%	157,758	0	32,162	\$14.79
Columbia	1,529	22,819,386	1,456,969	1,518,533	6.7%	(19,653)	29,541	7,995	\$14.62
Columbus	1,405	44,369,988	3,366,049	3,523,559	7.9%	(250,900)	256,700	218,614	\$18.57
Columbus GA	445	6,391,573	422,983	430,931	6.7%	(32,022)	7,000	0	\$13.10
Corpus Chris.	444	7,166,486	538,054	541,274	7.6%	134,568	11,967	50,000	\$14.07
Dallas/Ft Wo.	6,128	172,745,593	23,589,990	25,105,847	14.5%	(25,458)	1,014,708	1,331,026	\$21.96
Davenport/Mo	380	6,369,061	334,796	338,524	5.3%	(70,069)	0	0	\$10.67
Dayton	545	14,372,407	1,488,203	1,488,203	10.4%	282,394	0	6,640	\$14.91
Deltona/Dayt.	988	8,240,285	334,859	334,859	4.1%	224,018	155,000	28,800	\$13.07
Denver	4,178	109,562,658	9,816,787	10,476,941	9.6%	378,195	259,267	518,316	\$23.69
Des Moines	729	19,277,972	870,634	880,210	4.6%	(43,422)	9,600	176,011	\$14.00
Detroit	3,812	112,722,248	11,357,315	11,465,841	10.2%	1,284,398	562,720	368,053	\$18.80
Duluth	82	3,181,130	103,430	103,430	3.3%	42,627	19,582	166,627	\$15.71
East Bay/Oak.	1,791	56,410,027	5,209,375	5,446,652	9.7%	824,201	343,569	337,294	\$35.95
El Paso	582	10,273,142	715,284	737,024	7.2%	(60,302)	5,175	32,001	\$17.06
Erie	374	6,069,435	184,271	184,271	3.0%	(22,618)	0	346,000	\$10.28
Evansville	438	6,259,701	323,216	332,625	5.3%	(21,469)	0	10,000	\$11.51
Fayetteville	542	4,741,839	374,163	374,163	7.9%	7,540	14,080	32,910	\$14.73
Fayetteville.	733	10,852,936	656,836	680,976	6.3%	234,672	156,684	137,244	\$17.51
Fort Smith	318	3,412,810	130,823	134,323	3.9%	24,348	4,000	0	\$11.83
Fort Wayne	460	9,217,490	663,289	696,289	7.6%	(136,348)	51,310	0	\$13.31
Fresno	1,008	14,965,338	1,334,158	1,349,679	9.0%	253,052	255,101	119,469	\$18.25
Green Bay	617	11,484,983	747,268	761,138	6.6%	(70,671)	0	15,000	\$12.95

Source: CoStar Property®

Class B Market Statistics

Third 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	1,133	28,061,961	1,981,367	1,984,912	7.1%	459,671	54,326	130,974	\$14.57
Greenville/S.	1,996	21,277,506	1,756,801	1,875,988	8.8%	(154,285)	31,675	57,237	\$15.77
Hampton Roac	1,659	28,377,292	2,757,394	2,795,195	9.9%	(99,396)	50,524	79,150	\$16.64
Hartford	1,556	42,639,001	3,503,927	3,847,887	9.0%	(177,241)	30,674	334,495	\$18.65
Hawaii	458	15,917,323	775,043	802,567	5.0%	(60,501)	3,879	174,960	\$24.23
Houston	4,004	138,336,468	20,511,107	21,201,085	15.3%	(691,881)	498,761	547,443	\$22.04
Huntington/A.	605	5,569,954	100,988	100,988	1.8%	(32,764)	0	0	\$10.45
Huntsville	481	12,763,812	1,070,140	1,080,340	8.5%	3,211	100,000	52,000	\$14.65
Indianapolis	2,677	56,285,445	3,379,197	3,463,356	6.2%	307,705	274,657	96,050	\$18.00
Inland Empir.	3,108	45,739,904	3,672,642	3,750,883	8.2%	637,729	255,089	440,550	\$21.15
Jackson	986	14,738,446	1,144,406	1,183,977	8.0%	(153,011)	38,117	124,600	\$14.83
Jacksonville.	1,888	33,598,720	2,766,053	3,097,974	9.2%	(543,722)	119,581	54,494	\$19.39
Kansas City	2,566	75,936,157	5,169,434	5,324,871	7.0%	245,673	126,463	585,813	\$18.92
Killeen/Temp.	196	1,923,477	150,980	150,980	7.8%	(33,014)	25,096	50,000	\$16.15
Kingsport/Br.	211	3,780,294	136,664	136,664	3.6%	73,583	0	0	\$14.60
Knoxville	753	14,077,983	915,752	1,009,528	7.2%	(27,117)	0	38,850	\$15.03
Lafayette	199	4,293,458	286,319	296,319	6.9%	97,365	0	20,000	\$15.28
Las Vegas	2,365	44,646,906	5,538,232	5,836,123	13.1%	26,187	185,260	475,068	\$18.08
Lexington/Fa.	586	10,794,086	877,151	956,342	8.9%	(213,449)	0	30,000	\$15.63
Lincoln	554	12,262,527	541,717	688,958	5.6%	(161,747)	67,000	27,200	\$12.91
Little Rock/.	386	11,051,172	382,210	382,210	3.5%	156,224	89,000	3,500	\$17.45
Long Island .	4,559	94,330,944	8,704,004	9,070,320	9.6%	(618,043)	705,631	1,934,427	\$26.84
Los Angeles	6,100	174,769,577	16,781,434	17,439,580	10.0%	437,629	800,321	1,183,344	\$33.08
Louisville	1,297	27,145,906	1,658,800	1,674,900	6.2%	(16,186)	21,500	28,797	\$15.93
Lubbock	328	5,750,695	325,550	327,822	5.7%	70,168	65,021	9,384	\$16.18
Madison	831	23,036,822	1,361,632	1,383,589	6.0%	81,335	124,000	235,293	\$16.22
McAllen/Edin.	597	7,868,806	521,096	521,096	6.6%	180,122	84,000	12,560	\$13.90
Memphis	1,370	29,301,912	3,051,724	3,116,426	10.6%	111,872	45,144	93,000	\$17.46
Miami-Dade C.	1,247	50,584,144	3,910,478	3,985,786	7.9%	164,111	153,820	394,839	\$29.90
Milwaukee	1,592	48,722,946	3,372,351	3,451,555	7.1%	(83,550)	6,070	262,000	\$15.20
Minneapolis	2,248	102,372,427	7,503,903	8,036,711	7.9%	161,635	344,687	299,381	\$19.30
Mobile	952	10,795,189	725,750	725,750	6.7%	(29,946)	6,000	46,200	\$14.64
Montgomery	514	7,649,592	657,558	659,033	8.6%	(12,673)	0	0	\$12.88
Myrtle Beach.	419	4,438,691	111,167	113,667	2.6%	55,737	0	10,000	\$16.23
Nashville	1,918	41,372,255	2,408,171	2,532,898	6.1%	(93,814)	263,686	213,220	\$23.53
New Orleans/.	821	16,837,438	1,502,426	1,512,525	9.0%	(79,309)	46,238	19,791	\$16.98
New York Cit.	1,462	162,485,364	9,849,104	10,774,575	6.6%	721,227	43,019	523,738	\$59.84
North Bay/Sa.	1,332	22,740,921	1,599,630	1,649,719	7.3%	103,986	86,016	17,091	\$28.81
Northern New.	5,833	129,477,105	12,257,014	12,586,150	9.7%	618,640	42,940	1,185,423	\$22.79
Ocala	271	2,254,740	234,124	234,124	10.4%	(18,388)	0	0	\$13.53
Oklahoma Cit.	1,994	35,681,603	2,949,935	2,996,309	8.4%	(265,906)	143,279	103,790	\$16.73
Olympia	450	6,611,252	293,962	293,962	4.4%	198,228	6,400	0	\$18.73
Omaha/Counc.	816	27,113,299	1,804,126	1,929,535	7.1%	64,199	122,574	261,383	\$16.14
Orange Count.	3,015	87,057,652	7,574,416	8,063,952	9.3%	(983,028)	39,817	269,541	\$30.41
Orlando	3,344	52,845,731	4,239,623	4,334,859	8.2%	(79,362)	251,417	315,178	\$19.98
Palm Beach C.	1,196	29,979,024	3,015,099	3,094,096	10.3%	(125,643)	82,522	100,225	\$26.60
Pensacola	654	6,631,376	325,423	325,423	4.9%	110,033	53,200	200,000	\$17.21
Peoria	354	7,477,749	546,641	546,641	7.3%	(60,902)	0	0	\$12.64

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Class B Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Philadelphia	9,003	190,688,401	15,676,609	15,956,878	8.4%	27,095	258,058	481,417	\$20.84
Phoenix	4,846	105,139,244	13,538,286	14,136,359	13.4%	1,412,963	130,864	672,432	\$23.10
Pittsburgh	2,419	63,630,846	5,274,597	5,449,166	8.6%	(33,517)	23,233	158,230	\$20.31
Port St Luci.	495	6,451,868	714,259	722,519	11.2%	(67,632)	40,572	25,976	\$14.23
Portland	3,421	68,477,310	4,580,825	4,720,034	6.9%	182,867	357,125	386,842	\$22.19
Portland/Sou.	488	10,663,791	488,009	514,361	4.8%	143,259	20,110	163,894	\$15.32
Providence	756	20,343,278	1,236,604	1,240,754	6.1%	(57,638)	16,000	69,520	\$17.90
Raleigh/Durh.	2,242	49,024,488	3,562,192	3,640,215	7.4%	381,199	317,477	485,227	\$20.22
Reno/Sparks	819	11,053,619	915,038	934,377	8.5%	190,206	56,013	50,505	\$17.75
Richmond VA	1,337	30,854,019	1,942,698	1,982,031	6.4%	25,004	85,982	148,542	\$17.72
Roanoke	352	7,273,439	548,605	548,605	7.5%	(46,984)	0	0	\$17.60
Rochester	800	26,086,054	1,453,096	1,464,176	5.6%	241,739	126,884	0	\$11.97
Sacramento	1,923	47,505,528	4,641,912	4,763,420	10.0%	503,680	28,440	594,218	\$21.52
Salinas	279	5,017,559	394,461	394,461	7.9%	8,768	0	9,731	\$21.86
Salt Lake Ci.	2,877	63,528,528	4,382,885	4,632,115	7.3%	45,672	419,836	1,761,054	\$19.05
San Antonio	1,801	45,561,416	3,999,917	4,067,987	8.9%	(39,627)	198,822	549,792	\$20.15
San Diego	2,028	56,314,963	5,328,803	5,567,924	9.9%	30,661	31,095	87,011	\$30.14
San Francisc.	1,519	67,088,078	3,653,340	4,354,820	6.5%	801,023	1,126,102	1,315,351	\$58.31
San Luis Obi.	206	2,428,468	107,751	107,975	4.4%	7,677	33,411	74,449	\$22.15
Santa Barbar.	1,176	10,754,739	363,665	397,644	3.7%	61,166	9,610	90,000	\$24.33
Santa Cruz/W.	430	4,831,899	322,140	322,675	6.7%	5,274	3,213	3,124	\$22.45
Savannah	581	6,619,096	362,968	385,778	5.8%	13,638	21,606	10,800	\$17.66
Seattle/Puge.	3,082	98,643,853	6,226,180	6,796,208	6.9%	2,019,919	594,624	1,486,378	\$27.91
Shreveport/B.	153	4,072,582	426,069	426,069	10.5%	(78,995)	12,414	0	\$14.49
South Bay/Sa.	1,831	65,893,671	4,717,565	5,932,378	9.0%	(367,138)	399,074	1,459,678	\$40.77
South Bend/M.	412	5,743,375	522,126	529,608	9.2%	54,698	720	8,400	\$14.08
Southwest Fl.	1,742	20,751,060	1,341,025	1,382,549	6.7%	(93,076)	42,024	75,018	\$14.61
Spokane	996	16,193,065	1,402,288	1,457,305	9.0%	59,431	42,660	11,710	\$15.05
Springfield	473	6,219,215	329,304	337,249	5.4%	63,977	1,810	8,000	\$13.07
St. Louis	2,377	63,354,476	5,410,904	5,485,001	8.7%	(101,601)	9,198	43,962	\$18.25
Stockton/Mod.	681	10,037,234	506,820	521,652	5.2%	(7,171)	0	23,051	\$15.88
Syracuse	1,132	25,325,123	1,664,852	1,692,926	6.7%	353,925	152,465	0	\$13.75
Tallahassee	1,530	18,351,364	668,011	695,174	3.8%	(28,172)	40,400	11,440	\$16.16
Tampa/St Pet.	5,474	72,591,040	5,251,972	5,474,820	7.5%	523,919	256,559	347,659	\$20.29
Toledo	562	11,692,049	572,601	580,315	5.0%	81,699	30,299	120,020	\$12.03
Tucson	1,311	18,330,912	1,749,064	1,774,315	9.7%	133,068	70,500	241,235	\$19.03
Tulsa	982	30,878,800	3,796,449	4,160,651	13.5%	(100,763)	94,242	263,341	\$14.62
Utica/Rome	274	6,062,241	185,221	185,221	3.1%	(68,059)	0	0	\$11.82
Visalia/Port.	187	1,523,444	74,869	74,869	4.9%	15,878	33,078	11,600	\$19.78
Washington	5,789	196,042,538	20,983,192	22,151,840	11.3%	(599,140)	206,322	346,793	\$31.33
West Michiga.	2,154	43,508,971	2,045,853	2,126,032	4.9%	363,830	59,119	236,698	\$15.60
Westchester/.	2,462	64,532,161	7,612,246	7,728,270	12.0%	276,021	118,480	411,794	\$24.75
Wichita	737	14,484,759	1,521,179	1,522,179	10.5%	(283,188)	18,181	0	\$14.90
Wilmington	638	7,333,558	280,133	283,733	3.9%	137,947	135,287	98,180	\$17.41
Yakima	438	3,734,195	156,219	156,219	4.2%	84,495	0	8,800	\$13.26
Youngstown/V.	470	6,576,397	283,930	283,930	4.3%	174,516	0	0	\$10.67
Totals	222,307	5,287,434,788	453,978,625	474,236,038	9.0%	13,456,484	18,150,498	31,080,844	\$22.43

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 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.	4,082	64,732,302	2,561,225	2,605,635	4.0%	241,859	72,986	82,261	\$15.46
Albuquerque	3,055	37,271,787	2,439,645	2,506,645	6.7%	139,249	21,530	12,000	\$15.64
Anchorage	722	15,146,714	796,397	869,319	5.7%	43,045	18,800	0	\$27.04
Asheville	1,369	13,300,625	279,099	281,791	2.1%	(27,068)	14,800	40,200	\$15.35
Atlanta	16,484	313,720,119	34,504,970	36,439,311	11.6%	1,278,098	1,998,702	4,900,825	\$24.63
Augusta/Rich.	1,768	14,016,075	1,124,349	1,144,592	8.2%	277,299	190,240	172,194	\$16.97
Austin	5,000	106,232,762	7,959,097	8,717,888	8.2%	1,799,209	1,867,823	4,789,265	\$34.00
Bakersfield	1,382	15,113,333	913,039	915,737	6.1%	146,886	0	43,207	\$18.62
Baltimore	6,692	145,127,598	13,743,410	14,224,548	9.8%	64,831	115,607	1,621,126	\$22.93
Baton Rouge	2,548	24,354,516	1,696,797	1,809,668	7.4%	316,455	157,477	140,539	\$17.99
Beaumont/Port	864	8,648,197	740,667	740,667	8.6%	(158,584)	3,000	0	\$12.70
Birmingham	4,089	61,421,441	5,039,967	5,902,340	9.6%	1,092,771	293,278	251,600	\$18.13
Boise City/N.	2,933	30,359,151	1,852,297	1,931,639	6.4%	243,568	216,841	267,125	\$17.25
Boston	14,128	398,146,736	27,968,293	30,128,136	7.6%	1,932,927	1,290,668	5,376,985	\$23.17
Bremerton/Si.	517	5,161,230	356,739	369,948	7.2%	17,482	0	0	\$16.24
Broward Coun.	4,087	71,443,328	5,807,534	6,040,826	8.5%	142,469	338,436	860,381	\$28.86
Brownsville/.	490	4,644,574	301,976	301,976	6.5%	7,900	56,326	82,901	\$16.15
Buffalo/Niag.	2,332	45,868,431	3,586,400	3,607,837	7.9%	242,848	10,000	319,000	\$15.88
Charleston W.	1,374	15,630,463	882,993	916,877	5.9%	24,697	0	0	\$14.87
Charleston/N.	3,193	29,851,654	1,649,300	1,705,921	5.7%	259,813	693,546	798,095	\$25.10
Charlotte	7,745	125,335,859	9,196,342	9,658,107	7.7%	2,319,706	1,565,748	3,870,759	\$25.53
Chattanooga	1,281	20,577,759	1,066,572	1,103,756	5.4%	(177,295)	33,000	30,000	\$17.19
Chicago	15,360	495,026,964	56,943,551	60,089,975	12.1%	2,382,849	2,473,992	7,313,584	\$24.53
Cincinnati	5,616	103,435,447	7,851,515	8,046,567	7.8%	1,244,422	254,750	35,200	\$16.13
Cleveland	8,507	156,952,701	12,893,173	13,148,158	8.4%	224,060	651,386	467,819	\$17.30
Colorado Spr.	1,738	28,881,194	2,774,968	2,861,636	9.9%	247,080	0	202,045	\$15.64
Columbia	2,953	32,651,410	2,202,627	2,288,670	7.0%	9,934	29,541	89,768	\$15.15
Columbus	5,045	107,350,146	7,163,432	7,617,167	7.1%	24,966	402,800	1,037,339	\$18.45
Columbus GA	1,152	10,464,032	653,198	667,256	6.4%	3,409	7,000	0	\$12.39
Corpus Chris.	855	11,056,383	829,624	839,363	7.6%	77,581	11,967	50,000	\$14.54
Dallas/Ft Wo.	13,088	381,728,949	53,112,279	56,717,822	14.9%	4,245,742	6,037,328	8,744,430	\$25.51
Davenport/Mo	748	10,348,889	617,578	621,306	6.0%	(91,035)	0	0	\$11.40
Dayton	3,082	42,954,769	3,367,985	3,402,523	7.9%	380,344	18,316	384,640	\$14.59
Deltona/Dayt.	1,742	11,614,859	473,165	473,165	4.1%	220,265	155,000	28,800	\$13.28
Denver	7,912	208,298,732	18,999,925	20,639,207	9.9%	3,266,142	2,388,955	4,587,710	\$26.85
Des Moines	1,421	37,121,024	1,445,607	1,464,493	3.9%	(169,246)	9,600	601,011	\$14.01
Detroit	11,548	218,157,703	19,549,782	19,907,864	9.1%	1,784,093	757,720	1,451,341	\$19.37
Duluth	471	7,209,610	229,396	234,340	3.3%	62,340	19,582	166,627	\$15.53
East Bay/Oak.	5,303	111,412,719	9,210,455	9,758,675	8.8%	712,760	608,569	1,812,459	\$37.46
El Paso	2,498	23,645,879	1,487,382	1,511,262	6.4%	(3,528)	57,575	294,001	\$15.70
Erie	809	9,525,803	377,050	377,050	4.0%	(69,508)	0	346,000	\$10.41
Evansville	826	12,046,591	422,204	433,294	3.6%	43,909	0	10,000	\$11.34
Fayetteville	1,007	7,384,689	601,678	602,878	8.2%	(56,786)	43,829	32,910	\$15.18
Fayetteville.	1,536	18,952,126	1,113,386	1,143,197	6.0%	390,052	201,910	207,669	\$18.20
Fort Smith	560	5,263,626	205,976	209,476	4.0%	92,999	4,000	0	\$10.81
Fort Wayne	1,165	17,352,690	1,102,833	1,137,813	6.6%	(143,689)	51,310	0	\$13.79
Fresno	3,122	34,013,835	2,421,125	2,462,138	7.2%	531,269	255,101	119,469	\$17.02
Green Bay	1,092	16,865,501	1,192,164	1,213,859	7.2%	(139,526)	0	15,000	\$12.88

Source: CoStar Property®

Total Office Market Statistics

Third 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.	4,484	56,571,319	3,926,144	3,981,416	7.0%	864,253	54,326	220,974	\$15.21
Greenville/S.	4,484	39,712,409	2,965,532	3,085,949	7.8%	(83,497)	31,675	143,804	\$17.57
Hampton Road	3,494	52,122,955	4,361,922	4,428,651	8.5%	48,536	78,824	669,150	\$17.86
Hartford	6,007	97,490,758	7,314,276	7,821,871	8.0%	4,847	30,674	334,495	\$19.08
Hawaii	1,256	34,191,969	2,050,850	2,122,877	6.2%	(302,671)	3,879	547,960	\$24.53
Houston	9,350	327,592,516	48,113,591	53,755,876	16.4%	145,568	926,415	3,842,673	\$28.44
Huntington/A.	1,065	8,935,485	330,907	330,907	3.7%	(113,058)	0	0	\$10.24
Huntsville	1,065	20,813,839	1,440,693	1,474,811	7.1%	54,569	100,000	399,000	\$14.45
Indianapolis	5,937	108,579,706	7,540,059	7,788,473	7.2%	233,412	399,657	176,050	\$19.03
Inland Empir.	6,392	74,917,043	5,244,634	5,378,355	7.2%	1,000,923	255,089	719,750	\$20.99
Jackson	1,953	26,646,716	2,195,828	2,271,726	8.5%	(278,925)	38,117	244,600	\$16.93
Jacksonville.	4,663	64,006,219	4,748,675	5,123,274	8.0%	(331,426)	214,591	211,238	\$19.68
Kansas City	6,071	139,133,529	9,021,628	9,454,941	6.8%	662,584	472,739	1,308,813	\$19.62
Killeen/Temp.	485	3,850,673	235,754	242,008	6.3%	26,448	25,096	50,000	\$12.79
Kingsport/Br.	671	7,629,377	421,054	421,054	5.5%	81,932	0	0	\$15.40
Knoxville	2,986	34,600,512	1,729,652	1,838,830	5.3%	(173,965)	0	110,850	\$15.27
Lafayette	757	9,412,354	540,010	552,528	5.9%	213,139	0	20,000	\$14.90
Las Vegas	4,036	65,368,499	7,680,032	8,057,528	12.3%	405,595	481,834	573,900	\$19.65
Lexington/Fa.	1,321	20,101,964	1,340,512	1,484,837	7.4%	(169,336)	73,000	216,906	\$17.14
Lincoln	806	16,837,653	709,538	856,779	5.1%	(129,073)	67,000	232,732	\$13.72
Little Rock/.	2,534	34,949,286	1,216,784	1,280,084	3.7%	505,664	89,000	3,500	\$17.19
Long Island .	11,048	193,459,850	14,728,195	15,743,339	8.1%	(1,167,346)	903,211	7,338,960	\$27.99
Los Angeles	18,597	439,743,696	42,886,532	45,276,509	10.3%	476,964	1,574,622	5,809,910	\$36.12
Louisville	3,723	57,787,495	3,657,610	3,687,032	6.4%	(238,729)	47,500	328,797	\$17.30
Lubbock	1,529	12,487,536	745,039	747,311	6.0%	4,977	65,021	9,384	\$14.22
Madison	1,459	36,186,914	2,211,008	2,235,663	6.2%	1,018,684	1,235,600	235,293	\$16.41
McAllen/Edin.	1,033	11,208,266	738,589	738,784	6.6%	159,248	84,000	110,446	\$14.80
Memphis	3,060	54,601,304	5,567,220	5,664,133	10.4%	767,311	512,053	93,000	\$17.88
Miami-Dade C.	4,383	105,713,171	8,560,134	8,978,999	8.5%	413,776	780,977	2,229,245	\$35.97
Milwaukee	3,912	84,379,746	5,662,342	5,951,515	7.1%	(854)	6,070	755,537	\$16.18
Minneapolis	6,375	199,468,685	14,618,177	15,398,296	7.7%	780,644	1,257,071	1,274,381	\$21.61
Mobile	2,382	18,660,279	1,259,322	1,259,322	6.7%	(108,928)	6,000	46,200	\$14.05
Montgomery	1,365	16,445,855	1,117,437	1,120,538	6.8%	29,034	0	0	\$14.66
Myrtle Beach.	1,195	8,405,283	236,575	239,075	2.8%	102,817	0	10,000	\$14.50
Nashville	5,522	92,512,724	5,275,218	5,804,881	6.3%	554,419	734,149	3,570,576	\$27.29
New Orleans/.	3,519	49,616,227	3,626,243	3,676,470	7.4%	12,582	76,238	19,791	\$17.81
New York Cit.	3,839	566,121,786	39,006,879	43,760,256	7.7%	5,398,918	3,335,066	14,166,645	\$61.52
North Bay/Sa.	3,744	40,586,934	3,322,930	3,389,314	8.4%	318,543	106,016	17,091	\$26.47
Northern New.	18,489	372,051,064	40,377,406	43,581,390	11.7%	1,682,616	331,374	2,386,560	\$25.57
Ocala	916	6,310,479	428,748	428,748	6.8%	(19,302)	0	0	\$13.56
Oklahoma Cit.	4,655	62,115,997	4,231,045	4,320,318	7.0%	524,313	900,995	311,969	\$16.77
Olympia	880	9,712,342	387,230	387,230	4.0%	371,217	6,400	0	\$17.16
Omaha/Counc.	1,800	44,424,868	2,701,304	2,864,540	6.4%	295,350	297,574	776,843	\$16.89
Orange Count.	6,107	157,383,310	14,595,155	15,910,032	10.1%	(704,280)	881,998	803,086	\$31.36
Orlando	8,838	109,012,131	7,276,294	7,470,988	6.9%	306,873	379,417	2,126,994	\$20.77
Palm Beach C.	2,873	55,630,806	5,431,168	5,615,645	10.1%	(28,623)	82,522	500,276	\$29.56
Pensacola	2,050	14,468,875	682,058	684,598	4.7%	67,943	102,115	200,000	\$15.69
Peoria	724	11,466,810	737,687	737,687	6.4%	(39,040)	0	0	\$12.42

Source: CoStar Property®

Total Office Market Statistics

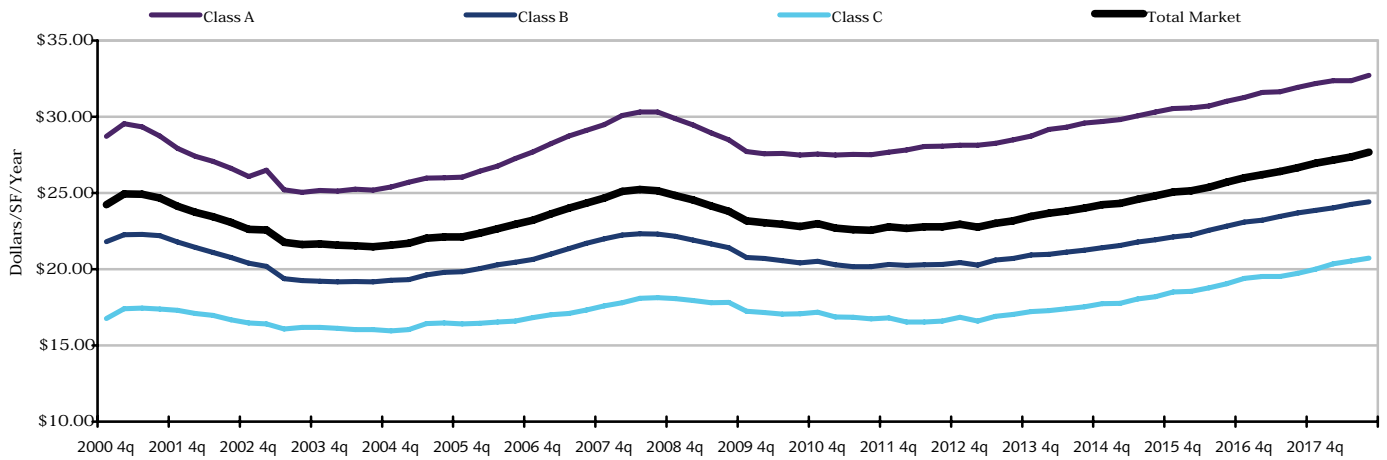
Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Philadelphia	25,504	443,673,454	34,540,213	35,982,826	8.1%	1,582,190	2,262,111	3,036,593	\$22.87
Phoenix	8,724	180,605,000	21,859,796	23,256,415	12.9%	2,501,984	823,409	3,145,886	\$25.29
Pittsburgh	7,320	133,309,404	10,544,744	11,163,162	8.4%	25,399	258,118	1,193,735	\$22.05
Port St Luci.	1,032	10,455,325	976,243	985,653	9.4%	(58,304)	40,572	25,976	\$14.61
Portland	9,169	136,301,621	8,515,018	8,847,561	6.5%	1,187,348	1,664,613	2,575,782	\$23.90
Portland/Sou.	1,808	24,553,742	822,532	849,784	3.5%	342,746	20,110	163,894	\$15.51
Providence	2,939	43,383,170	2,301,958	2,323,600	5.4%	418,740	462,700	260,520	\$18.34
Raleigh/Durh.	4,891	101,882,502	6,746,597	7,002,550	6.9%	1,307,980	736,056	3,976,020	\$23.52
Reno/Sparks	1,705	19,592,898	1,648,917	1,728,399	8.8%	144,229	56,013	91,331	\$17.72
Richmond VA	3,256	64,654,387	4,025,189	4,220,281	6.5%	(8,996)	180,443	1,470,324	\$19.01
Roanoke	1,111	14,134,469	1,011,349	1,019,139	7.2%	(41,005)	0	0	\$15.78
Rochester	2,183	47,789,263	3,601,485	3,702,733	7.7%	(23,391)	126,884	45,000	\$13.37
Sacramento	5,399	106,296,388	9,879,640	10,112,960	9.5%	697,247	167,290	594,218	\$22.45
Salinas	852	8,687,110	511,433	511,433	5.9%	25,689	0	9,731	\$20.98
Salt Lake Ci.	4,904	105,844,618	7,228,540	7,766,452	7.3%	1,441,226	1,454,336	3,785,640	\$21.13
San Antonio	4,066	78,587,913	7,322,078	7,474,271	9.5%	253,431	266,396	1,807,942	\$21.62
San Diego	5,533	116,159,945	10,723,771	11,226,353	9.7%	79,168	399,049	888,005	\$32.51
San Francisc.	3,928	172,527,459	9,118,274	10,818,572	6.3%	4,351,659	3,892,005	7,527,204	\$61.15
San Luis Obi.	883	6,304,447	141,634	143,858	2.3%	18,102	33,411	74,449	\$21.68
Santa Barbar.	1,453	12,420,322	401,159	439,349	3.5%	59,671	9,610	90,000	\$23.68
Santa Cruz/W.	879	7,478,892	364,591	365,126	4.9%	41,979	3,213	3,124	\$21.80
Savannah	1,561	12,122,781	499,626	528,661	4.4%	20,451	21,606	10,800	\$17.45
Seattle/Puge.	7,932	202,501,910	12,591,816	13,581,602	6.7%	2,891,955	868,464	7,254,367	\$33.00
Shreveport/B.	836	11,563,617	1,014,428	1,014,428	8.8%	(67,578)	12,414	0	\$14.35
South Bay/Sa.	4,611	128,686,818	10,014,110	11,873,372	9.2%	3,286,793	3,483,454	4,456,643	\$42.59
South Bend/M.	1,413	13,907,834	944,981	956,573	6.9%	(3,666)	720	8,400	\$13.35
Southwest Fl.	3,278	33,563,444	2,251,019	2,298,713	6.8%	(183,401)	42,024	218,018	\$14.78
Spokane	1,688	22,452,168	2,167,578	2,252,667	10.0%	(136,669)	154,373	11,710	\$16.19
Springfield	871	10,011,675	448,191	456,136	4.6%	55,315	1,810	8,000	\$12.54
St. Louis	6,425	138,954,443	10,607,169	10,974,207	7.9%	220,855	273,614	1,050,962	\$19.71
Stockton/Mod.	2,020	21,439,839	1,119,947	1,142,649	5.3%	54,038	0	23,051	\$16.27
Syracuse	2,213	38,731,597	2,540,481	2,594,992	6.7%	502,118	152,465	25,000	\$14.08
Tallahassee	2,253	23,096,682	943,501	972,564	4.2%	(25,200)	62,200	11,440	\$17.21
Tampa/St Pet.	14,344	160,237,151	10,276,767	10,935,846	6.8%	625,606	437,359	1,412,159	\$21.73
Toledo	2,710	31,912,903	1,528,779	1,539,213	4.8%	108,108	30,299	120,020	\$13.38
Tucson	2,549	26,422,603	2,136,747	2,216,045	8.4%	196,474	131,500	542,735	\$19.15
Tulsa	2,806	52,590,553	5,011,797	5,456,367	10.4%	(286,220)	94,242	365,741	\$15.42
Utica/Rome	641	9,302,694	269,805	269,805	2.9%	(74,158)	0	0	\$11.34
Visalia/Port.	1,163	6,615,113	193,489	193,489	2.9%	43,362	33,078	11,600	\$16.02
Washington	12,933	514,991,942	63,850,777	67,578,882	13.1%	2,519,018	4,124,639	8,822,583	\$35.93
West Michiga.	6,349	82,443,255	3,511,882	3,625,712	4.4%	527,226	162,494	337,798	\$14.89
Westchester/.	7,957	175,243,260	19,593,013	20,251,477	11.6%	368,053	118,480	464,254	\$27.86
Wichita	1,770	24,338,674	1,897,342	1,913,360	7.9%	(198,704)	78,181	60,000	\$13.98
Wilmington	1,812	13,254,805	462,612	470,212	3.5%	273,166	135,287	188,535	\$17.64
Yakima	629	4,935,230	219,008	219,008	4.4%	144,542	0	8,800	\$13.47
Youngstown/V/.	1,883	15,866,294	632,452	632,452	4.0%	209,751	0	2,500	\$10.39
Totals	569,311	11,369,077,753	971,917,264	1,031,106,615	9.1%	64,562,036	63,721,986	160,984,154	\$25.49

Source: CoStar Property®

Historical Rental Rates*

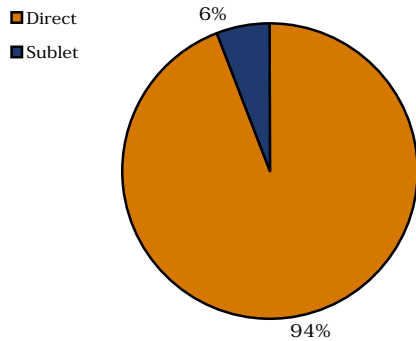
Based on Full-Service Equivalent Rental Rates



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

Vacancy by Available Space Type

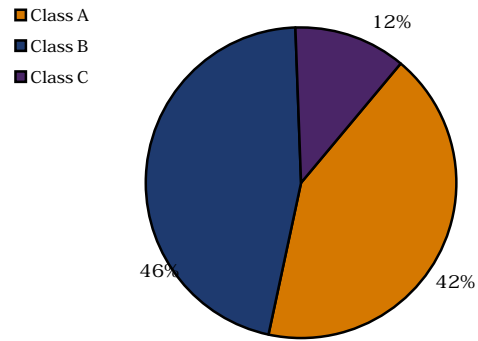
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Class

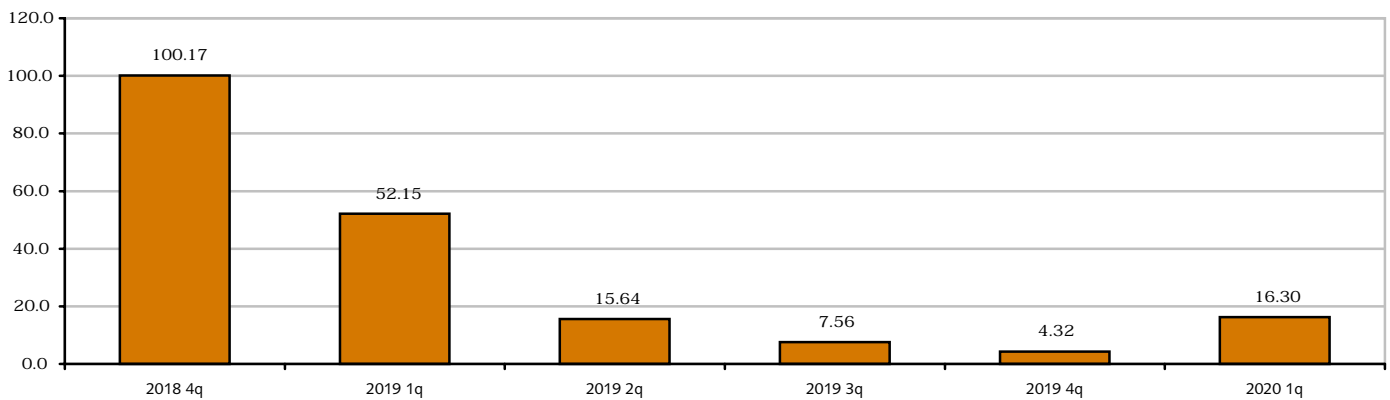
Percent of All Vacant Space by Class



Source: CoStar Property®

Future Space Available

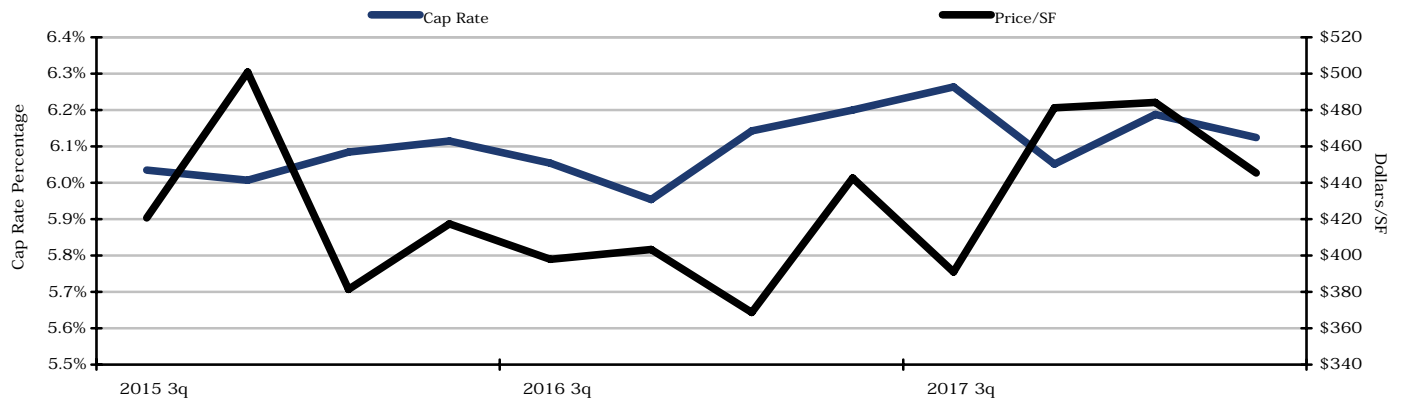
Space Scheduled to be Available for Occupancy in the Future*



* includes Under Construction Spaces Source: CoStar Property®

The Optimist Sales Index

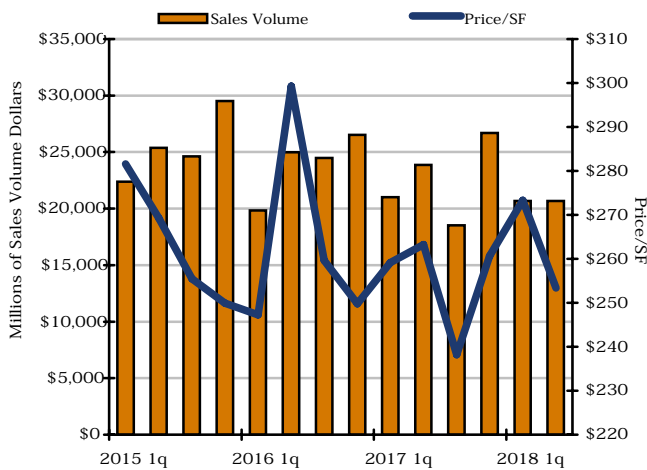
Average of Two Highest Price/SF's and Two Lowest Cap Rates From Each Region



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

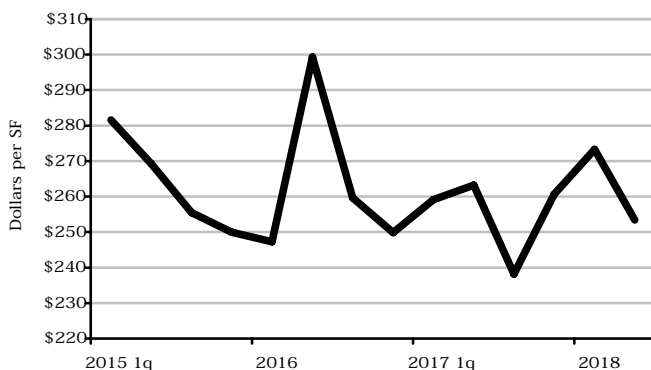
Based on Office Building Sales From July 2017 - June 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	5,279	71,510,674	\$16,107,048,029	\$ 225.24	7.24%
50K-249K SF	1,173	133,040,063	\$30,025,244,761	\$ 225.69	7.29%
250K-499K SF	222	75,996,517	\$21,363,023,489	\$ 281.11	5.69%
>500K SF	97	81,461,023	\$25,868,726,116	\$ 317.56	3.67%

Source: CoStar COMPS®

Historical Price/SF Average

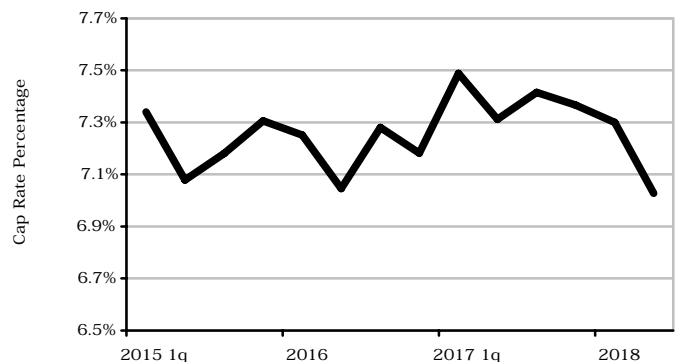
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Historical Cap Rate Average

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



Source: CoStar COMPS®