

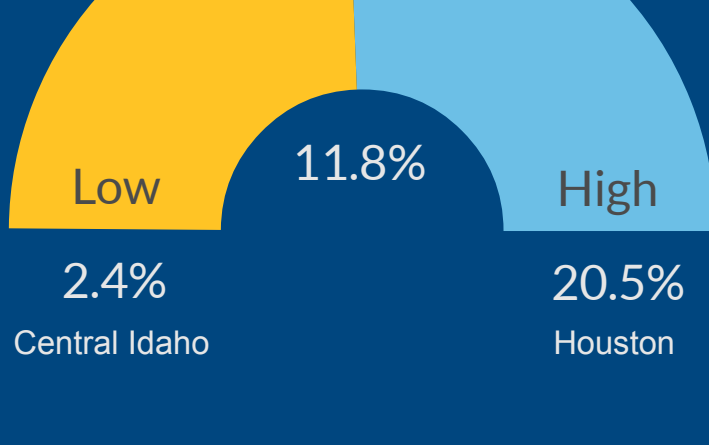
Vacancy Rate

The national vacancy rate increased by 30 basis points to 11.8% during the second quarter, with downtown areas being impacted more than suburban locations.



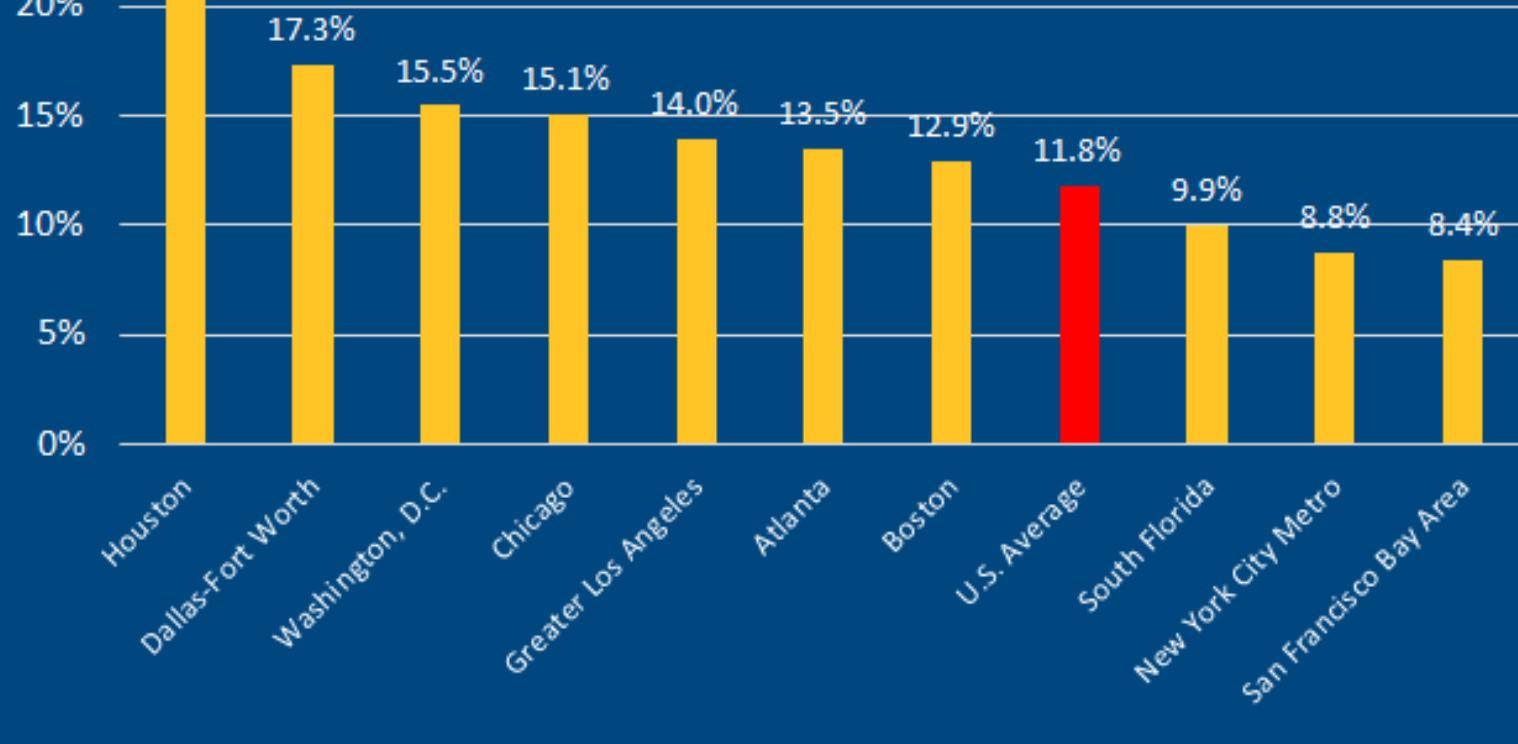
National Average

11.8%



Top 10 U.S. Metro Office Markets

Vacancy Rates



CBD vs Suburban



12.4%

Suburban

Up 20 basis points

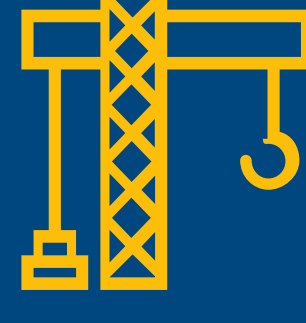
10.8%

CBD

Up 60 basis points

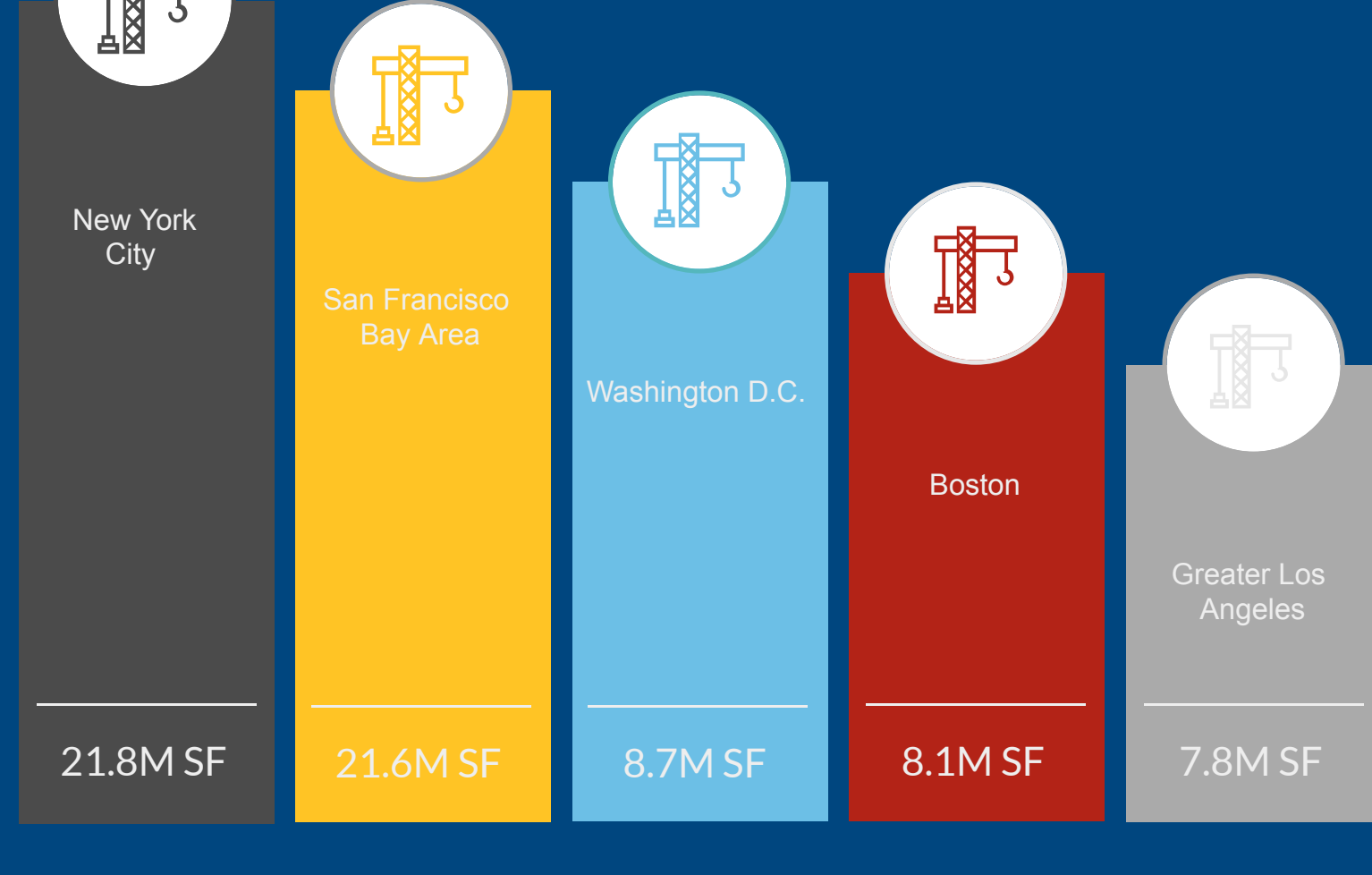
Under Construction

156.6 Million SF



Construction volume is close to record levels and stands at 25% higher than going into the Global Financial Crisis.

Top 5 Metros by Square Feet Under Construction



Net Absorption

-13.6 Million

Net absorption dropped into negative territory for the first time in 10 years. Downtown areas were hit the hardest, accounting for 76% of the decline. Negative absorption was reported in 63% of the metro areas.



San Francisco Bay Area

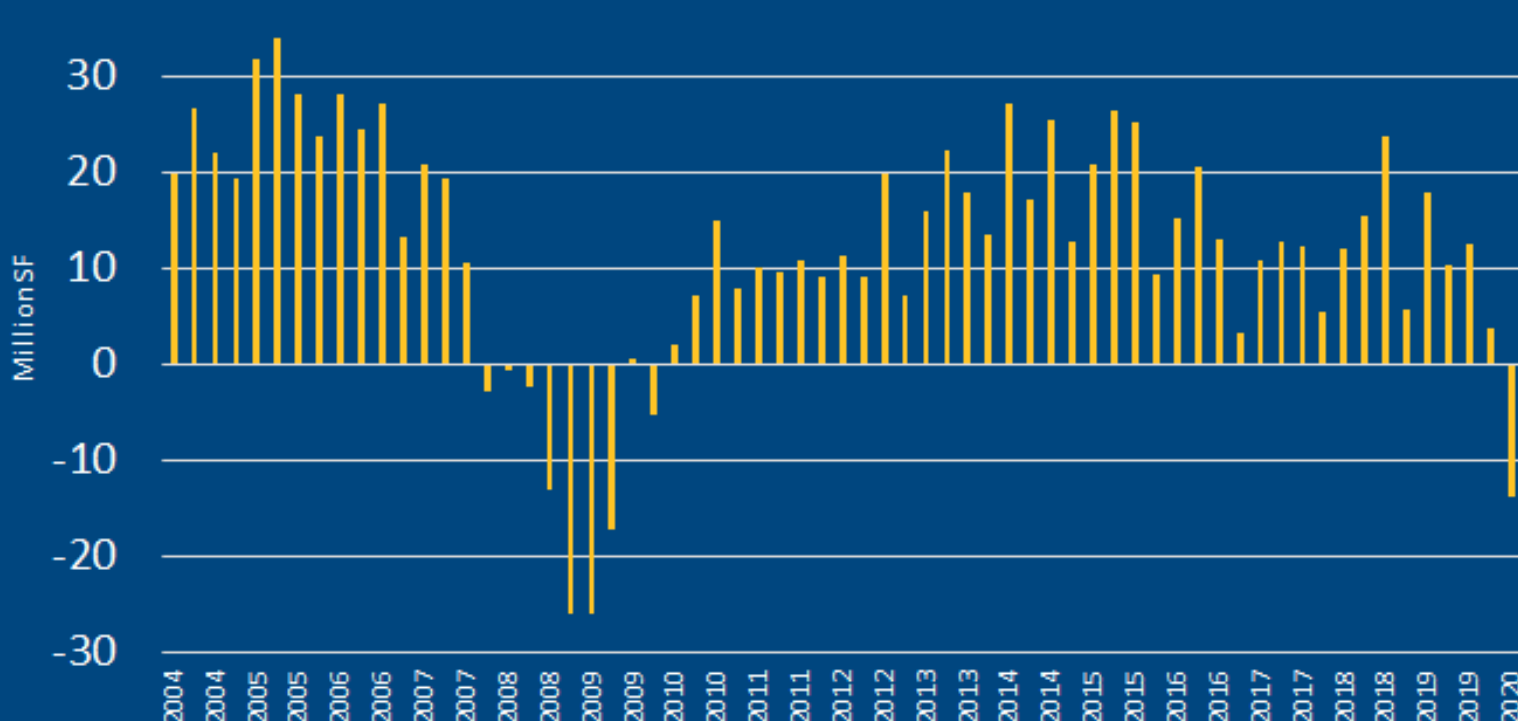


New York City



Boston

U.S. Office Market Historical Net Absorption



Class A Lease Rates

Despite the rise in vacancies, overall Class A full service gross (FSG) lease rates increased 1.7% during the second quarter. Class A asking rates are projected to hold up for the time being, while effective rates are expected to decline as free rent and tenant improvement allowances rise.

\$39.89/SF

OVERALL CLASS A FSG RATES



\$53.30/SF

CBD

Up 3.1% over Q120
Up 5.8% over Q219

\$32.11/SF

SUBURBAN

Up 0.3% over Q120
Up 2.9% over Q219

Average Class A CBD FSG Rates

\$86.69

New York City

\$75.28

San Francisco Bay Area

\$71.05

Boston

\$61.03

Washington D.C.

\$58.21

Seattle

\$52.92

Austin

\$49.89

South Florida

\$48.19

Chicago

\$47.49

Los Angeles