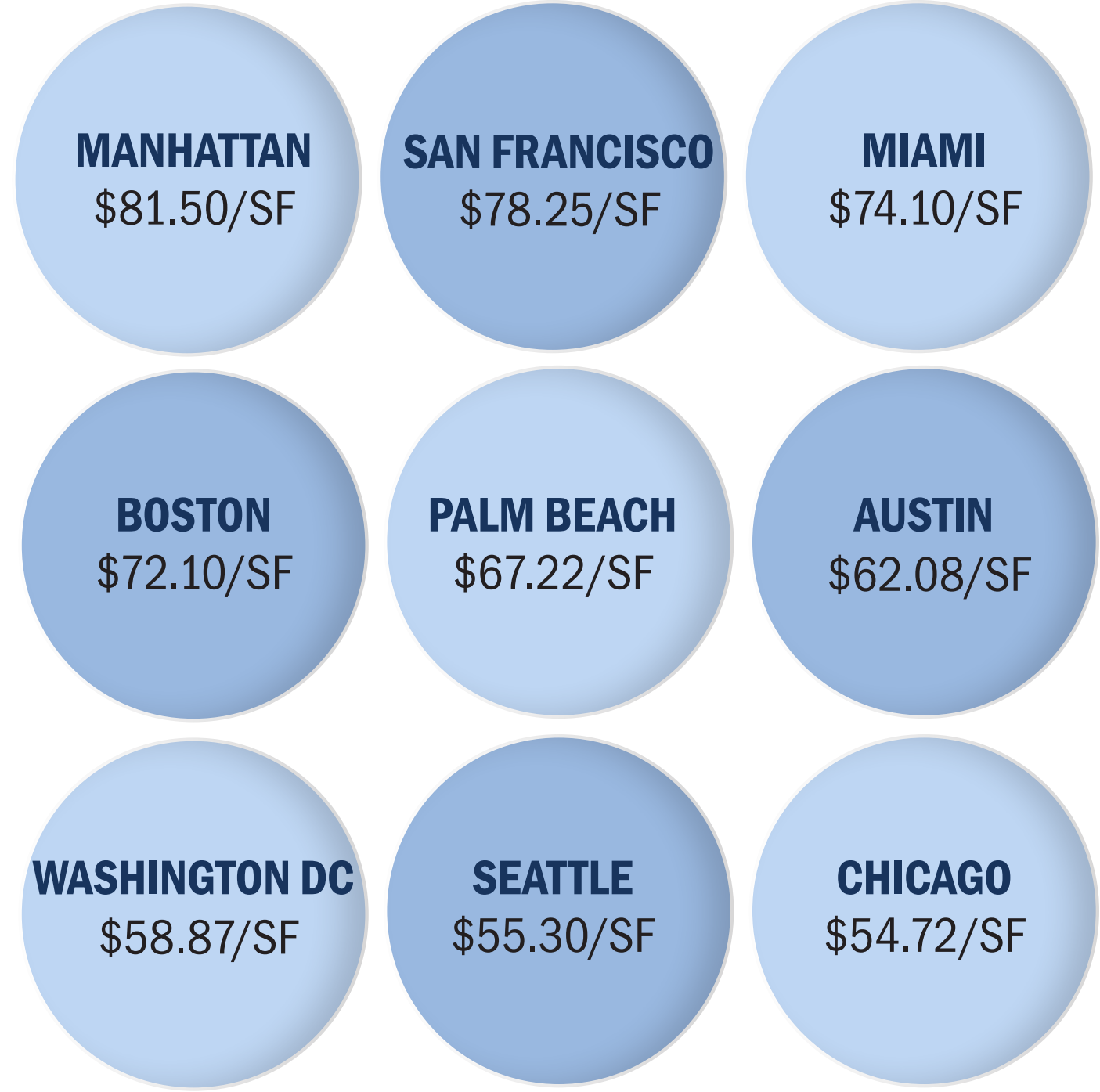


National Market Overview

HIGHEST AVERAGE CLASS A CBD RENTAL RATES



\$40.14/SF

OVERALL NATIONAL CLASS A RENTAL RATE

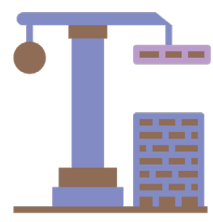
CBD: \$54.10/SF
SUBURBAN: \$34.89/SF



18.7%

NATIONAL AVERAGE VACANCY RATE

CBD: 20.3%
SUBURBAN: 18.7%



54.6M SF

NEW DEVELOPMENT UNDER CONSTRUCTION



- SAN FRANCISCO: 31.5%**
- HOUSTON: 27.0%**
- LOS ANGELES: 23.9%**
- CHICAGO: 23.5%**
- SEATTLE: 23.1%**
- DALLAS: 21.0%**
- ATLANTA: 20.0%**
- WASHINGTON DC: 19.7%**
- MANHATTAN: 13.1%**

National Market Overview

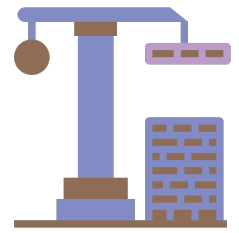
SUBLEASE SPACE ADDITIONS HAVE DECLINED COMPARED TO **2023** FIGURES AND SUBLEASE VACANCY HAS DECLINED FOR THREE CONSECUTIVE QUARTERS, WITH **Q2 2024** BRINGING THE MOST DECLINE TO DATE.

LEASING VOLUME HAS INCREASED AND IS CONTINUING TO GAIN MOMENTUM, WHICH WILL HAVE AN IMPACT ON THE CURRENT VACANCY RATE THAT SITS AT **18.7%** TODAY.


OFFICE OCCUPANCY CONTINUES TO INCREASE AS MOST FIRMS ADOPT THE HYBRID WORK MODEL, WITH LARGER AND LONGER-TERM DEALS BECOMING MORE COMMONPLACE IN RECENT QUARTERS.

ASKING RENTS ROSE SLIGHTLY AND LANDLORDS ARE STILL OFFERING MEANINGFUL TENANT IMPROVEMENT ALLOWANCES AND RENT ABATEMENT PACKAGES FOR TENANTS.

YTD NET ABSORPTION	(18.4)M SF
VACANCY RATE	18.7%
SUBLEASE SPACE AVAILABILITY	232.1M SF
AVERAGE CLASS A ASKING RENTS	\$40.14/SF
CONSTRUCTION ACTIVITY	DECREASED



UNDER CONSTRUCTION
54.6M SF
(new development)



TOTAL INVENTORY
6.2B SF
(as of Q1 2024)



TOTAL VACANCY
18.7%

Office Trends

AS OFFICE OCCUPANCY CONTINUES TO INCREASE WITHIN THE HYBRID WORK MODEL SETTING, THERE IS A GROWING EMPHASIS ON HAVING AN ABUNDANT AMOUNT OF WORK AREAS ACCESSIBLE TO EMPLOYEES TO ENSURE SEATING AVAILABILITY FOR ALL.

EMPLOYERS WILL CONTINUE TO SEEK A “FLIGHT TO QUALITY” IN BUILDINGS, WHILE ALSO PRIORITIZING A “FLIGHT TO EXPERIENCE”, WHICH INCLUDES WORKPLACES LOCATED IN NEIGHBORHOODS WITH PARKS, RESTAURANTS, RETAIL, ETC.

EMPLOYEE WELLNESS AND WELL-BEING WILL CONTINUE TO BE A PRIORITY FOR EMPLOYERS, WITH A FOCUS ON SPACES WHERE EMPLOYEES ARE ABLE TO CONNECT, RECHARGE AND REFRESH MENTALLY AND SOCIALLY.

VIRTUAL CONNECTIONS ARE NO LONGER VIABLE TO SUSTAIN HUMAN CONNECTION AND BONDING. EMPLOYEES ARE SEEKING PHYSICAL SPACES THAT FOSTER GENUINE INTERACTION WITH PEERS.

44%

of hybrid/in-office employees say they have a weaker relationship with remote colleagues.

26%

of employees say there is a greater divide between remote and non-remote workers

70%

of companies with flexible work schedules plans to increase the days employees must work in the office.

82%

of Fortune 500 companies will continue to offer flexible work in 2024.

18%

of Fortune 500 employees will require full-time in-office work, demonstrating that the hybrid work model is here to stay.