United States | Q1 2023

Research

Office Outlook

Occupier and investor caution drives continued softening of office fundamentals

Executive summary

Economy

Corporate cost-cutting efforts continued in Q1, including layoffs and reductions in office portfolios, technology companies, which are cutting back after a period of protracted growth. Bank failures raised concerns over capital availability and credit tightening.

Leasing

U.S. office leasing volume fell 10.7% in Q1, the third consecutive quarter of slowing demand. Despite the quarterly decline, strong activity from the first half of 2022 was enough to keep rolling 12-month volume 2% higher nationally.

Net Absorption

Although occupancy losses continue to mount, the impact is felt primarily among older, commodity assets. Net absorption in offices built since 2015 increased by an additional 6.6 million s.f., driving cumulative gains to over 100 million s.f. since the onset of the pandemic.

Vacancy

Vacancy rates increased by 49 basis points in Q1 to a record 20.1%. New sublease additions in the first quarter totaled 15.1 million s.f., a nearly 10% quarter-over-quarter increase. Sublease vacancy represented 3% of total office inventory.

Rental Rates

Despite challenging underlying market fundamentals, national asking rents continue to grow, reaching $38.96 per s.f. in Q1, an increase of 0.3% since Q4. Supply and demand dynamics within high-quality Class A and Trophy space are vastly different in many markets.

Development

Construction has come under heightened pressure amid volatility and come to a near halt in the office sector. Some 8.9 million s.f. of new space delivered in Q1, and just over 2 million s.f. broke ground.

Jacob Rowden | Manager | U.S. Office Research

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In an economic landscape rife with challenges, corporate occupiers and investors alike continue to exercise a high degree of caution regarding their office portfolios, driving the continued softening of office fundamentals in the first quarter.

Through the first few months of the year, companies continued to shift into defensive posturing in preparation for a possible economic slowdown, with many groups announcing layoffs and a large share of office tenants trimming their portfolios through sublease additions. In March, the failures of Silicon Valley Bank, Signature Bank and Credit Suisse injected newfound volatility into the market, through direct impacts to client tenants whose financing was put in jeopardy, as well as growing concerns more broadly that diminution of office values over the past year will lead to further credit challenges to banks with large commercial real estate exposure.

Prior to the bank defaults, the economic picture was brightening. While inflation remains elevated, with annual growth rates still orders of magnitude higher than Federal Reserve targets, year-over-year inflation has fallen more than 400 basis points from peak levels in June 2022 as of March,, and the drivers of inflation are softening notably. Supply chain pressures have eased, with backlogs at the United States' largest port, the Port of Los Angeles/Long Beach, declining more than 90% since the second half of 2022 and container shipping prices falling more than 80% from peak levels; the wave of fiscal stimulus is being absorbed and federal government expenditures have fallen by 10% on a rolling 12-month basis; and the strength of the consumer is softening, with real business sector wages falling 4.3% since peaking in Q4 2020 and personal savings rates declining to the lowest level since the Great Financial Crisis. To combat inflation, the Federal Reserve has deployed the most aggressive increases to interest rates in over 40 years, with the 25 bps increase in March reflecting the ninth rate hike since March 2022 and a cumulative increase of 450 bps to policy rates. In light of distress in the financial system, expectations for future rate increases have shifted and gained uncertainty—in early March, markets were predicting additional rate increases through late summer, which would give way to rate cuts in the fall. Investors now expect rates to peak in the next two months and begin declining in earnest through the second half of the year. Past rate hike cycles have been characterized by a brief plateau and relatively rapid easing of rates: since the 1980s, rate hike cycles have averaged 21 months, and interest rates have returned to previous levels 16 months later, excluding the increases in 1994.

The peaking and eventual easing of interest rates will be a welcome development for office occupiers and investors alike. Increases to financing costs and impacts to asset and entity values have spurred the defensive activity by office tenants exemplified by sublease additions and layoff announcements. U.S.-based companies have announced average monthly layoffs of over 100,000 so far in 2023, far surpassing Q4's peak of 72,000. While announcements have caught the public eye, the labor market remains near all-time peaks—layoffs recorded by the Bureau of Labor Statistics increased at the beginning of 2023 but remain below 2019 averages through January, and the unemployment rate sits at 3.5%, identical to pre-pandemic lows. Office-using sectors including Finance, Information and Professional Services are seeing a slightly outpaced softening of labor markets: both job openings and hiring volume over the past 12 months have fallen faster in office-using sectors, and these groups are seeing layoff volumes increase twice as fast as other industries. Among office-using industries, impacts are even more pronounced in capital-fueled industries such as technology, which has made up over 60% of the public layoff announcements among U.S. companies in the last six months.

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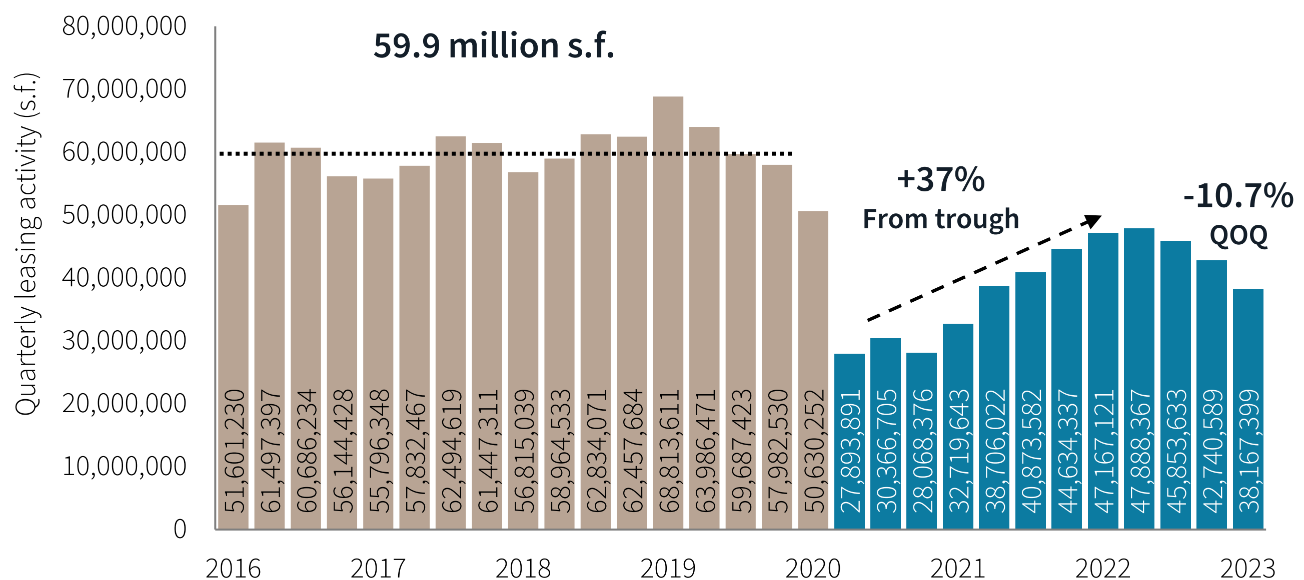
With this defensive backdrop in place, U.S. leasing volume fell to 38.5 million s.f., the third consecutive quarter of slowing and a 9.8% decline against Q4 2020. Despite the decline, strong activity from the first half of 2022 was enough to keep rolling 12-month volume 2% higher nationally. Activity was somewhat bolstered by a record volume of lease expirations, with an estimated 400 million s.f. of leases expiring nationally in 2022. Expiration volume will slow moderately in 2023 but remain elevated for the next three years, with roughly one-third of leased space set to expire between 2023 and 2026.

Leasing activity



Source: JLL Research

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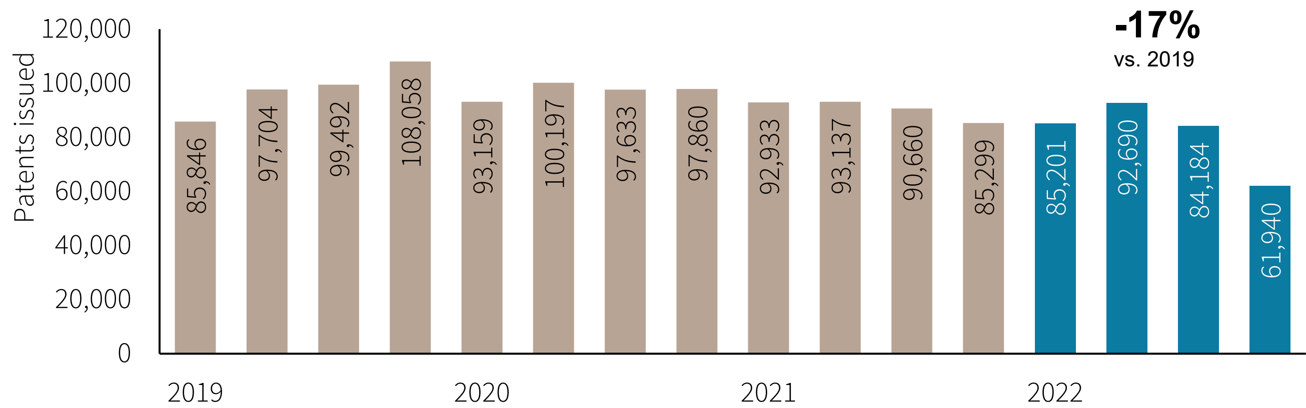
While efforts to rein in inflation and recent financial market disruptions have unwound some of the U.S. office market's postpandemic recovery, cyclical headwinds are obscuring what continues to be a positive secular growth story, or at least the alleviation of a major headwind that has hampered office growth since 2020. As labor markets soften and companies refocus on efficiency and productivity, return-to-office efforts continue to progress incrementally across major U.S. markets. In the final months of 2022 and with some momentum trickling into 2023, a wave of major employers in key industries including technology, media, finance and professional services has announced reversals of remote work policies or increased frequency for hybrid workers. While many of these announcements take effect in March and April, impacts are already being registered for national office attendance. Job postings for remote positions are also continuing to decline in the first quarter: in January, remote positions reflected 12.5% of new job postings on LinkedIn after peaking at 20.6% in February 2022. The Kastle workplace occupancy index—which measures weekly office attendance in major cities—reached new postpandemic highs of 50.1% in early March and reported that peak days reached 58.8% during that time. The Real Estate Board of New York released a new study on workplace occupancy that suggests these levels may even be underestimating actual attendance by omitting some of the key assets of the largest landlords in the tracked markets—they found that without even accounting for variances in attendance by weekday, average attendance rates in Manhattan exceeded 60% of 2019 levels in 2022, with the Class A market recording higher attendance rates of 66%. New data from the Bureau of Labor Statistics also suggests that remote work may be overstated by some metrics: according to business survey results from Q3 2022, more than 15 million workers were employed by establishments that shifted from hybrid work settings to predominantly on-site.

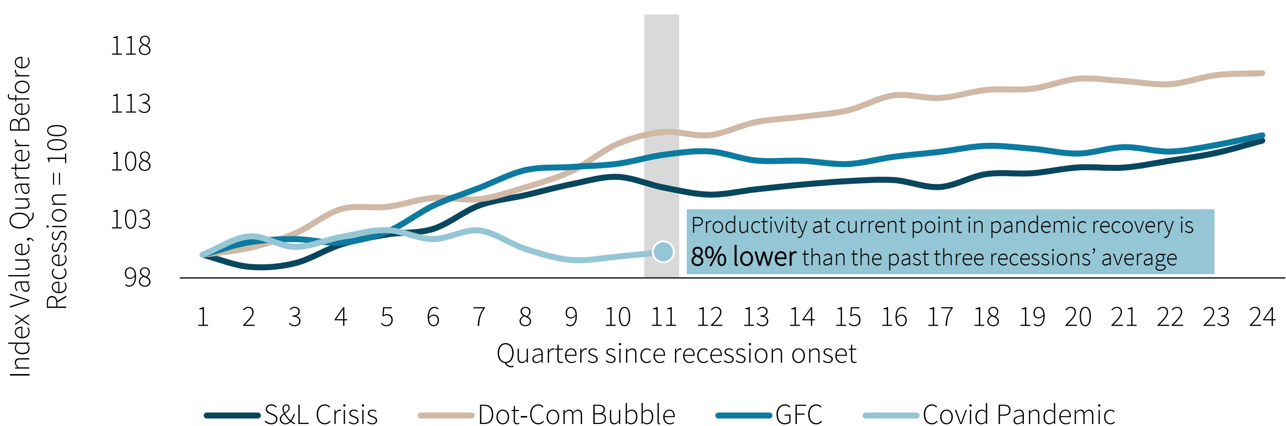
While a softening labor market is perhaps providing more cover to institute stricter return-to-office guidelines, employers are using the leverage to combat what is seen as deteriorating productivity, retention, innovation and collaboration. Meta CEO Mark Zuckerberg made headlines recently when a memo was publicized which suggested that employees who joined in a remote capacity, particularly younger employees, have had lower performance than peers whose employment began when employees were in offices. There is also increasing evidence that employee retention is suffering beyond just the impacts of a tight labor market: the share of workers who have been at their employer for more than 10 years has fallen from 18.9% to 15.2% for employees in their 30s and from 38.6% to 35.7% for employees in their 40s since 2018—leading to a 7% decline in median employee tenure for office-using sectors. As remote work's influence in the office market begins to wane and tenants continue to trim office portfolios aggressively while making marginal cuts to staff, the likelihood of some office tenants finding themselves with a shortage of space is growing. Firms will, to some extent, have the ability to limit space needs by optimizing workplace strategy and instituting hoteling or desk sharing to try to maximize space efficiency, and many companies are currently pursuing those plans, but there are limits to how much space can be saved and tradeoffs for the employee experience and benefits of in-office attendance when these policies are implemented, limiting their uptake historically. Coupling the persistent labor shortages in recent years with the fact that a typical office tenant's rent obligations compose just 10%–15% of employee payroll costs, many companies may be compelled to continue investing in premium office space and resist hoteling employees in order to promote recruitment and retention.

Innovation and productivity

Volume of patents being issued slowing significantly



Business sector productivity has experienced its sharpest decline on record



Sources: JLL Research, Bureau of Labor Statistics

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The leasing decline in Q1 continues to be driven primarily by three factors: corrections among key growth industries, delaying of large-scale activity and a diminished pipeline of new requirements as tenants exercise caution. Industries that had been fueling office demand growth in the wake of the pandemic, chiefly the technology sector, have felt a sharper impact from capital constraints and valuation shifts and have responded with a more substantial pause to new requirements. As Big Tech has backtracked on rapidly expanding office portfolios over the past six months, the finance sector has grown to comprise the largest share of leasing volume for the first time in over seven years, although leasing is slowing across almost all industries. A select group of less cyclical private-sector industries have been bright spots: legal services, defense, education, energy & utility and food & beverage companies collectively leased 13.1% more space in Q1 than quarterly averages in 2022, but these industries reflect just over 20% of office demand nationally. Leasing volume is also being weighed down by a general delaying of large-scale activity: transactions above 100,000 s.f. made up 6.7 million s.f., which at just 17.4% of gross leasing reflects the smallest share of volume that segment has ever comprised. While large-scale leasing did exceed the lowest quarterly levels registered during the pandemic, this slowdown still represents a deficit of 11.3 million s.f. of large leasing that would occur in a typical pre-pandemic quarter, accounting for much of the gap between current leasing volume and 2019 levels. The profile of leases being signed is not undergoing major shifts—tenants continue to target high-end and newer space at a disproportionate rate—but waning supply of new construction is starting to put downward pressure on the share of leasing in newer product. Subleasing continues to represent about 10% of gross leasing activity for the third consecutive quarter, and average term length for both direct leases and subleases is marginally increasing. While the near 10% decline in leasing activity is the sharpest drop-off since the first half of 2020, Q1 levels are nearly 40% higher than the troughs experienced at the onset of the pandemic, when just 27.9 million s.f. of leasing was executed in Q2 2020.

Leasing by industry

TTM Rank	2019 Rank	Industry	TTM leasing activity (m.s.f.)	TTM vs. 2019 change (%)
1	2	Banking and finance	29.4	-16.8%
2	1	Technology	26.4	-53.3%
3	4	Legal services	15.0	-26.3%
4	5	Health	12.6	-30.4%
5	7	Government	11.0	-15.6%
6	3	Real estate (incl. Coworking)	9.5	-63.4%
7	6	Accounting and consulting	9.2	-40.1%
8	10	Architecture and engineering	8.2	-18.4%
9	13	Retail	7.7	-16.5%
10	9	Insurance	7.5	-40.4%
11	12	Energy and utilities	6.5	-29.5%
12	8	Media	5.8	-54.2%
13	18	Construction and materials	4.9	-23.0%
14	19	Nonprofit	4.7	-21.6%
15	16	Other professional services	4.4	-32.9%
16	17	Life sciences	4.4	-31.5%
17	11	Food and beverage	3.5	-64.6%
18	20	Aerospace and defense	3.5	-31.6%
19	15	Education	3.1	-54.3%
20	14	Advertising and marketing	2.8	-59.1%

Source: JLL Research | Note: TTM = Trailing 12 months

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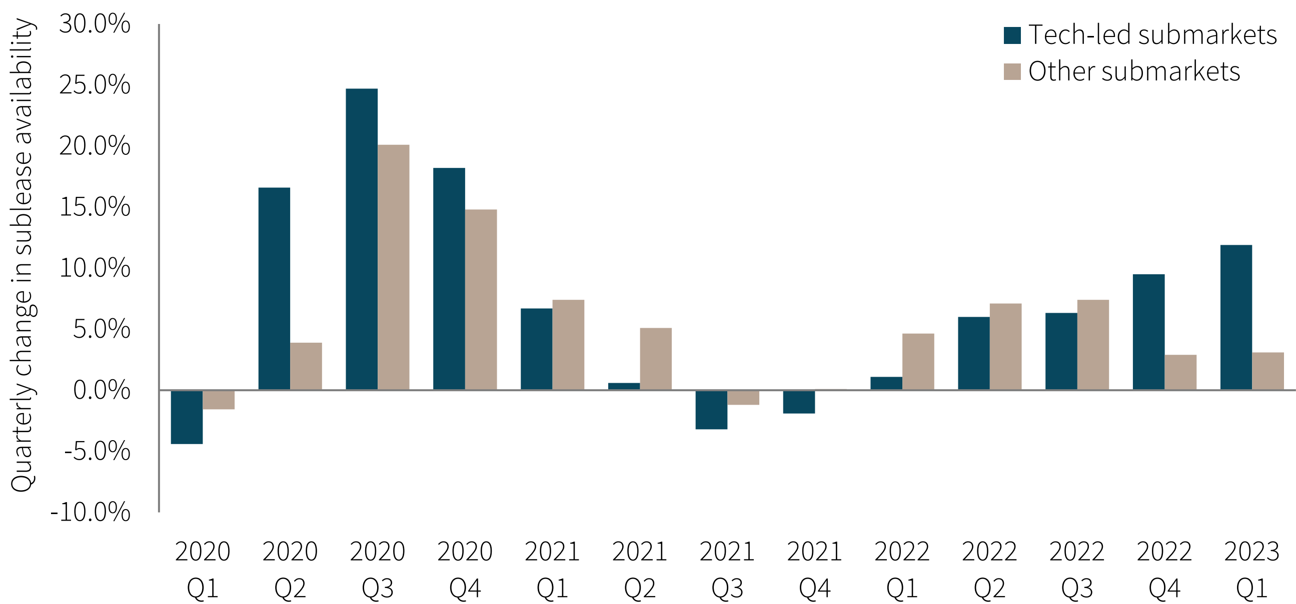
Flexibility in the wake of the pandemic had accelerated in-place migration trends that favored the Sun Belt, and during 2020 and 2021 domestic migration into markets in Florida, Texas, North Carolina and Arizona surged, and steady rates of corporate migration out of gateway markets in California, New York and Chicago was accelerating in kind. In the second half of 2022 and through 2023, some of that momentum has faded, return-to-office mandates are beginning to recall some of the flexibility that emerged in 2020–2021 and housing prices in growth markets have appreciated even faster than the national average, stifling some of the drivers of migration. At the same time, avoidance of large-scale office transactions is limiting future relocation announcements and even driving some rollbacks of previous plans. Despite this, select companies are still announcing relocations, often driven by seeking lower business costs and tax burdens—Fisher Investments, a wealth manager with over 5,000 employees nationally, recently announced the relocation of its headquarters from a suburb of Portland in Washington State to the suburbs of Dallas.

As companies tap the brakes on leasing activity, they are also utilizing sublease additions to cut costs and dispose of underutilized space. New additions in the first quarter totaled 15.1 million s.f., the largest quarterly total since the pandemic began and a nearly 10% quarter-over-quarter increase. Sublease vacancy continues to climb and reach new record levels, increasing by 5.5 million s.f. to 142.2 million s.f., reflecting 3% of national inventory, but as tenants in the market increasingly target sublease listings for cost savings and prebuilt spaces, the net changes in overall sublease vacancy are tapering, declining from a 6.6 million s.f. increase in Q4 2022 and a 10.3 million s.f. increase the previous quarter. The technology sector is still predominantly responsible for recent sublease additions, but new listings diversified in the first quarter, with the share of new additions coming from technology declining to 32% after reaching 47% in Q4 2022. Meta Platforms, which had expanded both headcounts and office portfolios at an extremely rapid pace during the pandemic recovery, has been particularly active in shedding space through sublease, listing an additional 1.8 million s.f. in the first quarter, more than 10% of the national total. Meta and other Big Tech companies' sublease additions are driving more quality and competitive space with longer remaining term into the sublease market than in previous stages of the pandemic: from 2020 to 2021, 15% of sublease listings placed first-generation space on the market, while in the past six months that has grown to 28%.

Sublease by industry

Quarterly change in sublease availability by dominant industry



Source: JLL Research | Note: Technology-led submarkets are defined as submarkets with more than 500,000 s.f. of technology or biotech tenancy and >20% of occupancy attributed to the technology sector.

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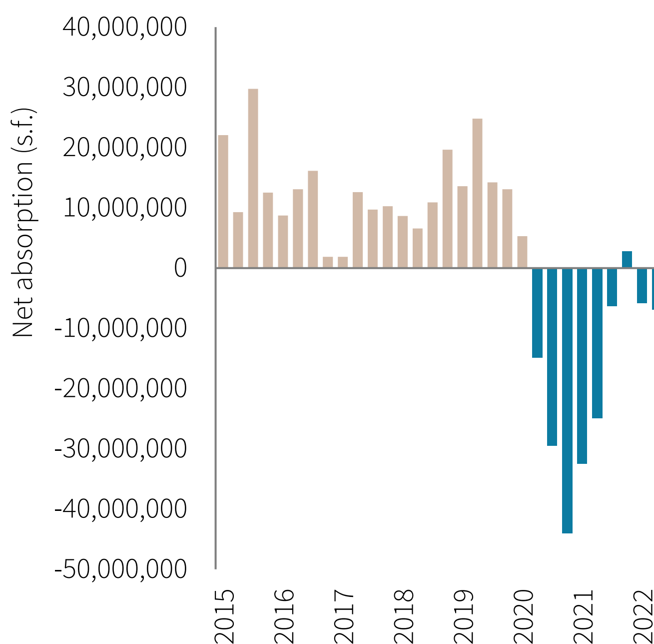
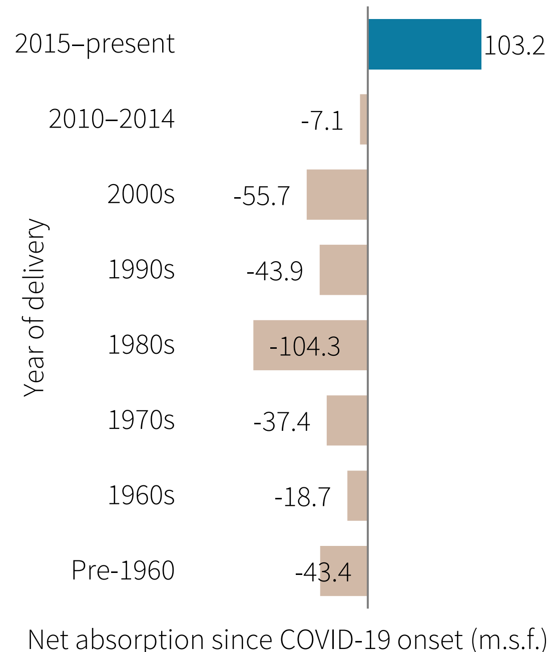
With leasing continuing to slow and sublease additions growing, net absorption was unsurprisingly negative for the fifth consecutive quarter, with 19.5 million s.f. of occupancy loss in the first quarter, as occupancy losses continue to accelerate after a brief period of positive net absorption in Q4 2021. In a notable shift from 2022, when more than 80% of occupancy loss was attributable to sublease space, more than 70% of occupancy loss in Q1 occurred in direct space, while negative sublease absorption was slower than last year's quarterly average despite a record volume of additions. With tenants increasingly conscious of costs in today's environment and a growing availability of higher-quality sublease space with lengthier remaining term, this trend may continue into 2023. As occupancy losses mount, national vacancy rates are climbing, increasing by 49 basis points quarter-over-quarter to reach a record 20.1%. Although occupancy losses are continuing to grow, the impact is not being felt among owners of newer office product. Even as companies have become more defensive over the past six months, net absorption in office product built from 2015 to the present continues to post consistent occupancy gains, with an additional 6.6 million s.f. of net absorption that has reached over 100 million s.f. since the onset of the pandemic because a sizable share of tenants have opted to expand or relocate into newer, higher-quality office assets.

Net absorption and flight to quality





Source: JLL Research

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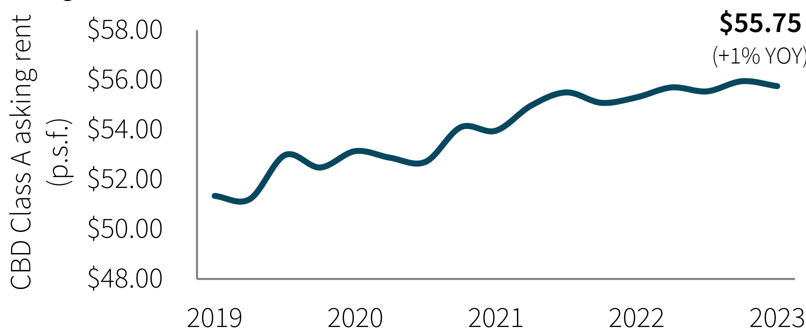
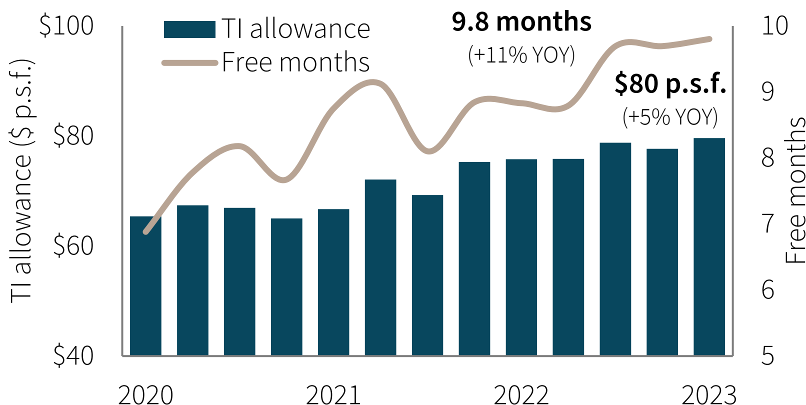
Rental rates remain something of an enigma in today's environment, as despite challenging conditions national asking rents continue to grow, reaching $38.96 per s.f. in Q1, an increase of 0.3% since Q4. Part of this is driven by landlords preserving asking rents through increased concessions, but the bifurcations in the office market driven by asset quality have been more influential. Although vacancy rates are reaching record levels nationally, supply-and-demand dynamics within the performing segment of the market—high-quality Class A and trophy space—is vastly different in many markets, with available space in high-quality buildings relatively scarce despite demand from migration of tenants from lower-quality buildings. Because of this, executed rents on leases signed over the past 12 months continue to climb, with base rent and effective rent increasing 16.4% and 16.5% respectively against the 12 months leading into Q1 2022. As further evidence, a plurality of major markets have seen record rental rates eclipsed on office product in the past 12 months, and more than 80% of markets did so since the onset of the pandemic, including Charlotte, Nashville and Orange County continuing to establish new high-water marks in the past six months. However, there are signs that these record-breaking transactions are becoming more infrequent, and rents are coming under pressure amid volatility—both base rents and effective rents on executed leases have pulled back by about 5% in the past six months.

Rent and concessions

Asking rental rates



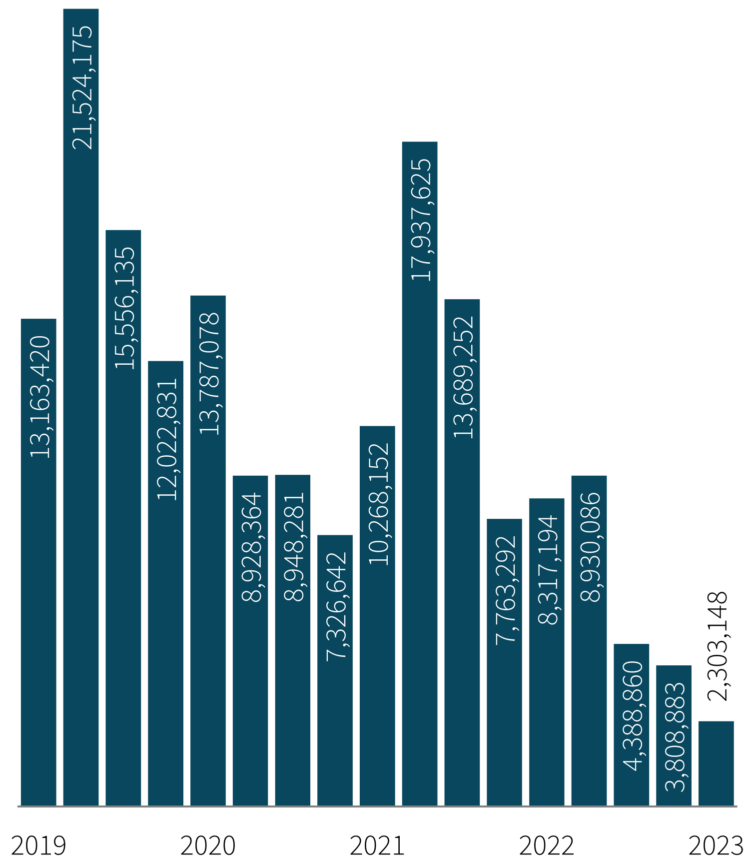
10-year lease equivalent concessions

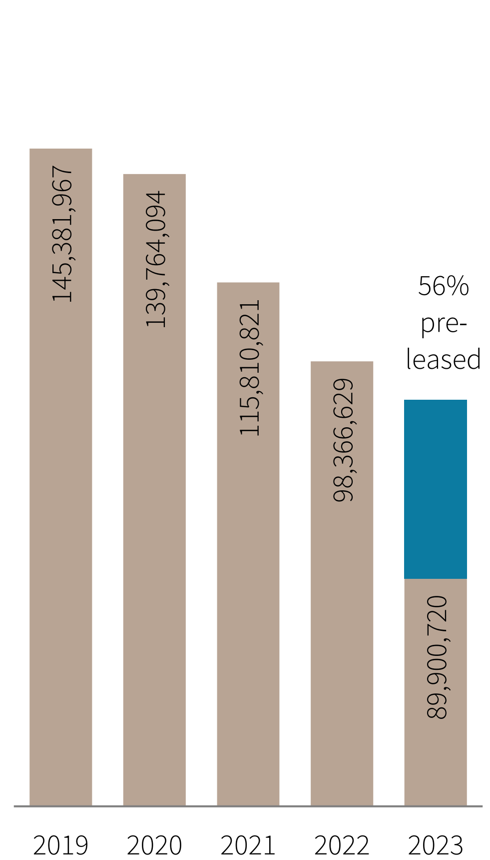


Source: JLL Research

Despite the enviable performance of newly built office product in comparison to the prevailing market, construction has come under heightened pressure amid volatility and come to a near halt in the office sector. Construction materials costs saw major increases during supply chain challenges of 2021 and 2022, and wages in the construction sector have outpaced national wage growth, causing construction costs to surge over recent years. That has been compounded by recent increases to financing costs, which have made the economics of office development more challenging even as new product experiences strong demand. Though 8.9 million s.f. of new space delivered in the quarter, just over 2 million s.f. broke ground, mostly consisting of smaller-scale infill developments in stronger markets or build-to-suit product for corporate occupiers with a more mission-critical nature. The U.S. office market is also undergoing its most rapid loss of inventory as office-to-residential conversion momentum grows in many markets and select local governments have begun to encourage and incentivize those projects. While conversions are not new, with more than 100 million s.f. of formerly office product now being used as apartments or hotels across gateway markets and major secondary markets, the momentum is growing in a way that, in combination with a drop-off in new deliveries, could have a marginal impact on office fundamentals and help keep a lid on vacancy rates as well as rejuvenate urban cores that have suffered due to reduced office attendance. Despite this, conversions have historically had little impact on office tenants as they predominantly have occurred in buildings that have been vacant for several years and do not realistically compete with the Class A office market.

Groundbreakings and pipeline





Source: JLL Research, Real Capital Analytics, Green Street

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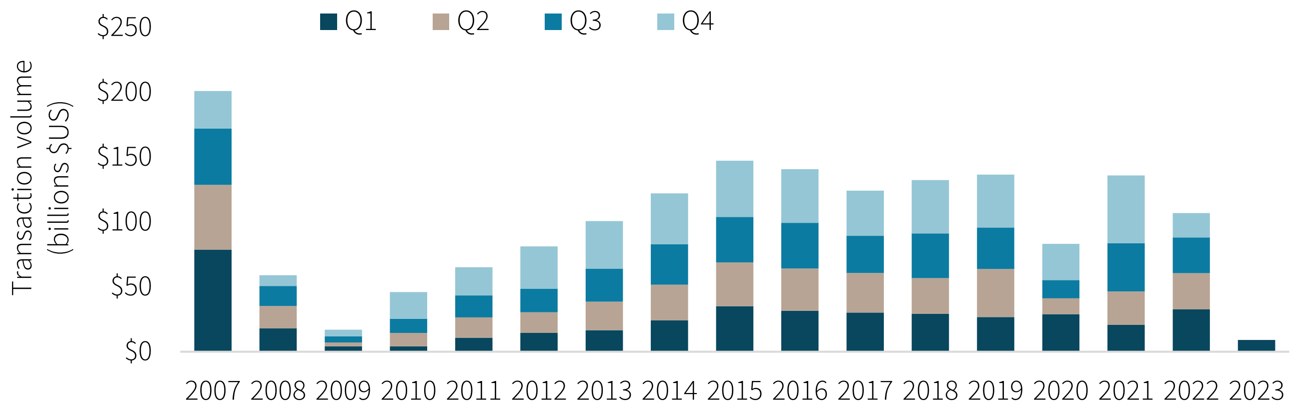
Though leasing and fundamentals are slowing, interest-rate-driven disruption in the office sector has been most acute within the capital markets: investment volume in the first quarter totaled just $9.0 billion, the lowest quarterly volume since 2011 and a 72.3% decline against volume in Q1 2022. After more than a decade of a low-rate environment supporting price appreciation, the increases to financing costs have had a significant impact on office valuations, and resulting price uncertainty and volatility have sharply impacted liquidity, particularly for large-scale transactions. In a similar mindset to office occupiers, investors have adopted an avoidance of large-scale activity—in the second half of 2021 and first quarter of 2022, more than $20 billion on average was generated from sales above $100 million; in the first quarter of 2023, large-scale volume fell more than 95% from these levels, to under $2.0 billion.

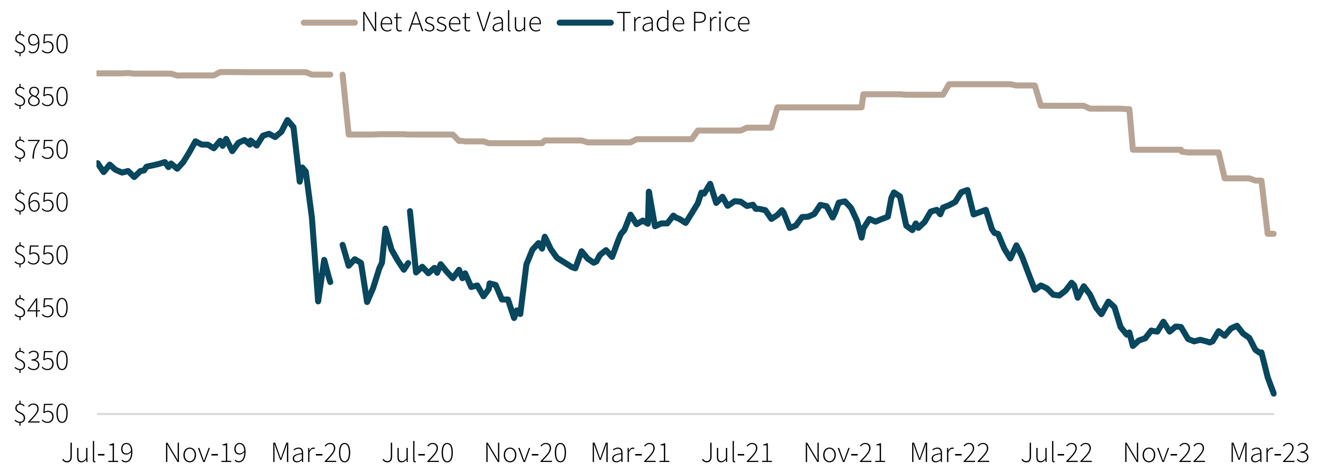
The shifts in debt pricing, return expectations and capital availability are imparting a significant impact on office valuations. Public office REITs have discounted their internal net asset valuations almost 35% relative to pre-pandemic peak valuations, yet trading prices reflect a discount to those net asset values which has reached its highest point in decades, with office REITs trading more than 50% below NAV on average.

Investment volume and REIT pricing

Historic office transaction volume



Office REIT Discount to NAV



Source: JLL Research

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> Concerns that widespread reductions in office valuations will lead to a wave of distressed assets are growing.

While prominent examples of office assets defaulting were rare in 2022, their frequency is increasing: in the first quarter, Brookfield defaulted on Downtown Los Angeles assets valued at over $700 million, and PIMCO has defaulted on some of the office assets acquired during its privatization of Columbia Property Trust. More broadly, delinquency and special servicing rates on office debt are gradually rising. Delinquency rates on office CMBS debt have grown by 100 basis points, and special servicing rates have grown by 80 basis points in the past year—but still these two categories make up just 5.0% of outstanding office CMBS debt, well below delinquency rates above 20% that occurred during the Global Financial Crisis.

More conservative lending standards over the past cycle may decrease the likelihood of widespread distress in office markets over the coming years, but the impact of rapid interest rate increases may nullify much of the risk mitigation that has taken place. Debt issued over the past decade has trended much more conservatively—based on CMBS originations, average loan-to-value (LTV) ratios in the past decade fell more than 10% compared to historical averages, and debt service coverage ratios (DSCRs) increased by nearly 100%. However, the majority of this debt was originated at times of historically low interest rates, which minimizes debt service costs and maximizes cap-rate-driven valuations. For assets with floating-rate debt, a doubling of underlying rates causes DSCRs to fall by half, and a 30% decline in asset valuation leads to a proportionate increase of the effective LTV ratio, which drives many office loans that were originated near peak valuations into precarious footing.

Outlook

The office market faces mounting cyclical challenges today, which have hampered a full recovery from the pandemic. Although remote work remains elevated, promising signs from corporate occupiers point to continued gradual re-entry and restoration of office demand as the U.S. moves toward a new equilibrium of workplace attendance. Companies are executing aggressive cost-cutting measures with respect to their real estate portfolios, but relatively stable employee headcounts may necessitate renewed expansion for companies that find themselves with a shortage of space or insufficient space to expand. With real estate costs representing a much smaller expense than employee salaries, incentives for tenants to provide high-quality and accommodating office spaces remain strong. Capital markets impacts have been significant and are starting to create distress, which will continue as the cycle plays out, but some degree of distress will allow a resetting of the basis on office investments, which will enable further investment in properties—helping to respond to what continues to be strong demand for high-quality differentiated offices.

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United States office statistics

Market totals (CBD and Suburban)	Inventory (s.f.)	Quarterly total net absorption (including subleases)	YTD total net absorption (including subleases)	YTD total net absorption (% of inventory)	Total vacancy (s.f.)	Total vacancy (%)	Current quarter direct average marketed rent ($p.s.f.)	Quarterly rent growth	YTD completions/ deliveries (s.f.)	Under construction (s.f.)
Atlanta	176,021,702	-462,096	-462,096	-0.3%	38,092,789	21.6%	$33.30	0.4%	58,000	3,094,216
Austin	71,782,432	-562,123	-562,123	-0.8%	13,594,957	18.9%	$54.29	1.2%	102,073	6,728,980
Baltimore	72,060,331	-163,916	-163,916	-0.2%	13,114,556	18.2%	$25.96	-0.6%	0	1,061,067
Boston	166,850,564	-1,659,179	-1,659,179	-1.0%	31,812,660	19.1%	$46.62	-0.5%	0	4,709,458
Charlotte	66,382,912	-831,018	-831,018	-1.3%	13,686,223	20.6%	$35.00	0.8%	342,498	2,604,436
Chicago	269,185,043	-550,422	-550,422	-0.2%	63,186,828	23.5%	$36.94	-1.2%	1,236,280	1,671,128
Cincinnati	46,872,891	182,475	182,475	0.4%	10,051,910	21.4%	$22.17	2.2%	100,000	118,510
Cleveland	39,843,267	-903,397	-903,397	-2.3%	7,290,373	18.3%	$20.48	-0.2%	51,000	1,929,305
Columbus	44,609,684	-396,601	-396,601	-0.9%	9,688,576	21.7%	$21.55	-0.5%	195,530	493,351
Dallas	213,748,120	-587,299	-587,299	-0.3%	53,539,435	25.0%	$33.89	1.0%	832,970	5,257,123
Denver	126,581,841	-476,353	-476,353	-0.4%	27,323,323	21.6%	$34.03	1.7%	106,527	2,799,525
Des Moines	26,607,989	-52,924	-52,924	-0.2%	3,193,664	12.0%	$20.91	0.9%	0	330,165
Detroit	93,269,129	-115,142	-115,142	-0.1%	17,963,603	19.3%	$20.16	0.2%	0	454,000
Fairfield County	38,364,939	-42,884	-42,884	-0.1%	9,730,284	25.4%	$40.25	1.4%	0	0
Fort Lauderdale	26,448,501	-114,158	-114,158	-0.4%	4,268,866	16.1%	$38.06	0.1%	0	75,000
Fort Worth	45,352,955	-155,243	-155,243	-0.3%	7,575,287	16.7%	$27.20	1.1%	204,052	508,295
Grand Rapids	13,335,446	-38,094	-38,094	-0.3%	1,766,364	13.2%	$21.57	1.8%	0	10,812
Hampton Roads	21,158,156	57,698	57,698	0.3%	3,113,479	14.7%	$21.50	0.5%	0	80,000
Houston	192,483,186	-221,183	-221,183	-0.1%	49,278,510	25.6%	$31.35	-0.4%	0	878,017
Indianapolis	38,319,990	-423,909	-423,909	-1.1%	8,590,666	22.4%	$22.79	0.0%	0	416,896
Jacksonville	28,896,613	-4,891	-4,891	0.0%	5,372,701	18.6%	$22.47	0.6%	0	0
Kansas City	66,288,283	-347,482	-347,482	-0.5%	13,809,118	20.8%	$22.21	1.4%	120,527	582,780
Long Island	41,540,008	-48,833	-48,833	-0.1%	6,315,435	15.2%	$29.79	-0.5%	0	155,471
Los Angeles	195,750,410	-1,571,566	-1,571,566	-0.8%	47,134,677	24.1%	$46.62	0.6%	154,687	3,021,532
Louisville	21,118,218	-230,302	-230,302	-1.1%	3,555,384	16.8%	$18.70	-0.6%	0	187,380
Miami	46,759,911	54,590	54,590	0.1%	7,563,671	16.2%	$52.50	4.1%	30,798	1,630,917
Milwaukee	38,356,235	-205,646	-205,646	-0.5%	9,209,762	24.0%	$21.59	-2.2%	0	268,857
Minneapolis	100,933,380	-502,823	-502,823	-0.5%	19,875,466	19.7%	$31.29	-1.2%	0	345,000
Nashville	47,409,907	-269,064	-269,064	-0.6%	8,957,935	18.9%	$37.34	-9.0%	125,000	2,964,053
New Jersey	168,049,852	-1,808,690	-1,808,690	-1.1%	43,273,091	25.8%	$30.45	1.4%	0	234,318
New York	469,575,735	-1,415,248	-1,415,248	-0.3%	75,784,609	16.1%	$82.50	1.1%	1,528,000	13,628,890
North San Francisco Bay	22,085,134	-94,658	-94,658	-0.4%	4,049,740	18.3%	$33.77	-0.8%	0	0
Oakland–East Bay	53,046,905	478,478	478,478	0.9%	11,681,052	22.0%	$45.15	0.9%	0	0
Orange County	100,850,302	-1,132,877	-1,132,877	-1.1%	17,744,493	17.6%	$34.33	1.8%	316,087	0
Orlando	37,768,500	-269,978	-269,978	-0.7%	5,016,987	13.3%	$27.94	-0.9%	0	647,564
Philadelphia	148,426,509	-679,796	-679,796	-0.5%	27,838,992	18.8%	$28.90	1.6%	0	598,000
Phoenix	105,333,804	-797,677	-797,677	-0.8%	25,178,212	23.9%	$29.52	-0.5%	70,000	299,800
Pittsburgh	63,273,182	-228,359	-228,359	-0.4%	13,782,187	21.8%	$26.64	0.0%	0	755,073
Portland	73,398,238	-194,105	-194,105	-0.3%	12,818,670	17.5%	$33.48	-0.6%	76,221	767,857
Raleigh-Durham	58,373,583	-520,778	-520,778	-0.9%	8,900,700	15.2%	$31.70	-1.7%	168,517	1,814,014
Richmond	32,368,922	-231,524	-231,524	-0.7%	4,299,329	13.3%	$21.29	0.2%	0	0
Sacramento	50,507,806	-68,954	-68,954	-0.1%	9,884,030	19.6%	$27.38	1.3%	0	0
Salt Lake City	75,121,784	-826,543	-826,543	-1.1%	13,912,345	18.5%	$26.27	-0.1%	0	652,301
San Antonio	40,650,962	-58,491	-58,491	-0.1%	7,245,852	17.8%	$29.41	8.8%	213,555	1,284,978
San Diego	86,769,796	-227,057	-227,057	-0.3%	10,682,070	12.3%	$40.99	-0.7%	12,177	2,045,096
San Francisco	86,320,089	-1,140,896	-1,140,896	-1.3%	22,812,073	26.4%	$77.92	-0.3%	0	49,958
San Francisco Peninsula	33,218,212	-347,521	-347,521	-1.0%	4,422,306	13.3%	$71.59	1.6%	44,605	1,924,358
Seattle	120,787,091	-725,504	-725,504	-0.6%	21,434,058	17.7%	$50.61	2.5%	910,836	11,900,926
Silicon Valley	70,013,003	833,381	833,381	1.2%	12,146,572	17.3%	$71.02	0.8%	700,000	5,178,235
St. Louis	47,903,660	43,178	43,178	0.1%	10,514,396	21.9%	$23.37	-0.1%	0	600,000
Tampa	47,473,358	55,258	55,258	0.1%	8,159,745	17.2%	$29.89	0.3%	0	0
Washington, DC	355,796,591	563,193	563,193	0.2%	73,964,266	20.8%	$43.14	1.3%	1,202,225	4,537,421
West Palm Beach	23,740,923	-127,732	-127,732	-0.5%	2,441,962	10.3%	$44.15	-2.0%	0	605,649
Westchester County	26,460,411	77,441	77,441	0.3%	5,848,331	22.1%	$30.68	0.2%	0	0
United States totals	**4,773,646,395**	**-19,487,244**	**-19,487,244**	**-0.4%**	**962,492,569**	**20.2%**	**$39.04**	**0.5%**	**8,902,165**	**89,900,712**

Source: JLL Research

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For any questions or comments, please reach out to:

Jacob Rowden
Manager of Office Research
Jacob.Rowden@jll.com

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