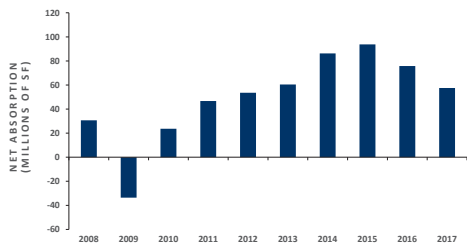
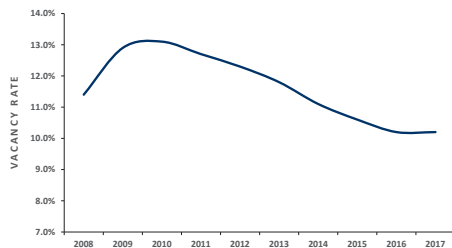


OFFICE NET ABSORPTION United States



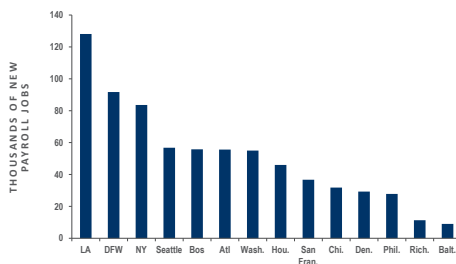
Source: CoStar, Selkirk Commercial Real Estate, March 2018

OVERALL OFFICE VACANCY RATE United States



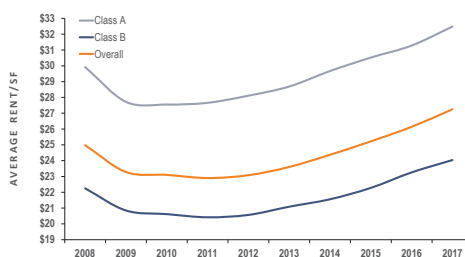
Source: CoStar, Selkirk Commercial Real Estate, March 2018

PAYROLL JOB GROWTH Selected Large Metro Areas, 2017



Source: Bureau of Labor Statistics, Selkirk Commercial Real Estate, March 2018.

OFFICE ASKING RENTS United States



Source: Selkirk Commercial Real Estate, CoStar, March 2018.

The national office market saw slow but steady progress in 2017. National office absorption was strong at positive 57 million SF, but was still the lowest in four years. Despite the positive absorption, the office vacancy rate held steady at 10.2% as a spate of new construction offset stronger demand. Average rents increased more substantially, growing at an annual rate of 4.2% to \$27.25 as of the end of 2017.

Looking ahead, we expect 2018 to be an improvement over last year, as the recently passed tax cuts accelerate economic growth further and boost corporate profits. Office projects that have been delayed in previous years may finally break ground in 2018 as demand grows, but there is a counterbalancing force of rising inflation, especially for construction materials.

The office markets with the greatest amount of new office space under construction as of December 2017 are: New York (15.5 million SF); Washington, DC (11.0 million SF); San Francisco (10.5 million SF); Dallas/Ft. Worth (9.2 million SF); and Los Angeles (5.9 million SF).

City	Total Inventory (millions of SF)	Average Class A Rent	Direct Vacancy Rate
Atlanta	309.4	\$27.94	11.6%
Baltimore	141.5	\$27.03	10.0%
Boston	403.7	\$29.37	7.9%
Chicago	474.6	\$26.52	13.0%
Dallas/Fort Worth	370.7	\$28.59	14.7%
Houston	306.9	\$33.21	16.3%
Los Angeles	437.4	\$38.58	10.5%
New York City	561.4	\$74.01	8.1%
Philadelphia	425.7	\$27.37	8.3%
Richmond	63.9	\$21.44	6.9%
San Francisco	168.3	\$62.11	7.0%
Seattle	199.8	\$41.93	7.6%
Washington, D.C.	475.0	\$39.65	14.0%

Selkirk Partners is a Mid-Atlantic based commercial real estate services firm dedicated to providing unparalleled service and value to tenants and buyers of commercial space. Our fully integrated, conflict-free approach delivers real estate solutions that save time and reduce costs, while providing value above and beyond what is asked of us or considered standard in the industry.

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