

Listing Rates and Vacancy: Remote Work Drives Up Vacancies in Denver

- The average full-service equivalent listing rate was \$38.04 in January, an increase of 1.1% over the previous 12 months.
- The national vacancy rate was 16.6%, up 80 basis points over January 2022.
- Vacancy rates continue to climb in most markets, but some places have seen rates rise more rapidly than others since the pandemic upended the office market. Denver's vacancy rate in January sat at 18.3%, up 200 basis points over the previous 12 months

and 370 bps over the previous two years. The main driver of increasing vacancy rates in the Mile High City is remote work. According to the Census Bureau's American Community Survey, 28% of respondents in the market reported working from home, one of the highest shares in the country. Additionally, Denver had benefited from robust growth in the tech sector in recent years, and the layoffs currently hitting that industry will hamper the market. Denver's sublease rate is 1.8%, a figure that could move upward in the future.

Listings by Metro

Market	Jan-23 Listing Rate	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Square Foot
National	\$38.04	1.1%	16.6%	80 bps		
Orlando	\$24.74	12.2%	16.0%	-120 bps	Celebration Medical Center	\$42.40
Seattle	\$38.49	10.4%	18.5%	150 bps	1208 Eastlake Avenue East	\$89.50
Philadelphia	\$31.42	8.1%	14.1%	-40 bps	Two Liberty Place	\$53.50
San Diego	\$43.83	8.0%	14.1%	30 bps	One La Jolla Center	\$69.00
San Francisco	\$67.43	8.0%	18.8%	290 bps	Sand Hill Collection - The Quad	\$171.60
Charlotte	\$34.05	6.9%	13.2%	-150 bps	Rotunda Building, The	\$44.42
Miami	\$47.24	5.7%	11.7%	-180 bps	830 Brickell	\$137.50
Atlanta	\$30.38	4.4%	20.0%	-170 bps	Star Metals Offices	\$58.00
Nashville	\$31.68	4.3%	18.0%	-70 bps	Three Thirty Three	\$44.38
Chicago	\$27.80	3.8%	19.4%	0 bps	300 North LaSalle Drive	\$59.46
Portland	\$30.91	3.5%	17.3%	320 bps	M Financial Plaza	\$47.40
Phoenix	\$27.63	2.8%	17.0%	210 bps	Camelback Collective	\$52.50
Bay Area	\$57.06	2.4%	17.9%	150 bps	325 Lytton Avenue	\$160.20
Manhattan	\$75.74	0.9%	15.4%	260 bps	550 Madison Avenue	\$210.00
Los Angeles	\$42.65	0.8%	14.7%	100 bps	1999 Avenue of the Stars	\$96.90
Twin Cities	\$25.85	-0.5%	15.1%	50 bps	Tractor Works Building, The	\$39.71
Denver	\$29.87	-1.1%	18.3%	200 bps	1144 Fifteenth Street	\$62.08
Houston	\$29.54	-1.1%	26.0%	160 bps	Texas Tower	\$58.40
New Jersey	\$32.63	-1.4%	17.1%	-10 bps	Newport Tower	\$54.80
Washington DC	\$40.53	-1.7%	13.8%	-280 bps	601 Pennsylvania Ave NW - North Building	\$79.00
Tampa	\$28.11	-2.5%	16.3%	-50 bps	Water Street Tampa - Thousand & One	\$58.00
Dallas	\$28.18	-2.8%	17.9%	40 bps	Rosewood Court	\$60.43
Austin	\$41.33	-4.4%	19.1%	280 bps	Indeed Tower	\$76.67
Boston	\$36.34	-4.9%	9.5%	-120 bps	Kendall Square at MIT - 314 Main Street	\$121.60
Brooklyn	\$40.76	-17.9%	19.7%	210 bps	200 Kent Avenue	\$75.00

Source: Yardi Matrix. Data as of January 2023. Listing rates are full-service or "full-service equivalent" rates for spaces available as of report period. National listing rate is an average of the top 50 markets.

Lease Rate and Occupancy Trends: Navy Yard Property Boosts Brooklyn's Rates

- National listing rates averaged \$37.77 in November, a 2.3% increase from the same period a year prior. The national vacancy rate was 13.6%, 10 basis points lower than October.
- Nationally, same-store rates grew 3.5%. San Francisco (12.4%), Manhattan (10.3%), and Tampa (8.4%) led the country once again in same-store listing rate growth.
- Brooklyn has seen its average rate spike recently, with a 13.5% increase over the last 12 months. By all listing-rate growth metrics,

the borough is currently a strong market, with same-store growth over the last 12 months at a solid 4.2%. However, much of that 13.5% increase is due to the Brooklyn Navy Yard's newly completed Dock 72, which currently lists nearly a half-million square feet at an average full-service rate of \$64.51 per square foot, with some spaces going as high as \$73.00 per square foot. A transit-oriented development with large amenity spaces and views of the Manhattan skyline across the East River, Dock 72 is betting it can find tenants to take on the highest rates in Brooklyn.

Listings by Metro

Market	Nov-19 Listing Rate	12-Month Change	Total Vacancy	Top Listing	Price Per Square Foot
National	\$37.77	2.3%	13.6%		
Tampa	\$31.42	27.1%	11.7%	1001 Water Street	\$55.70
San Francisco	\$70.85	21.5%	7.8%	2180 Sand Hill Road	\$152.44
Brooklyn	\$59.54	13.5%	12.1%	Brooklyn Navy Yard–Dock 72	\$73.00
Manhattan	\$85.25	12.4%	7.6%	550 Madison Avenue	\$210.00
Bay Area	\$47.45	9.4%	14.1%	444 Castro	\$120.67
Miami	\$41.78	8.8%	13.0%	830 Brickell Plaza	\$73.00
Twin Cities	\$27.49	5.6%	12.0%	The Offices @ MOA	\$41.00
Atlanta	\$27.20	4.7%	16.3%	Three Alliance Center	\$53.98
Austin	\$40.88	4.5%	8.4%	100 Congress	\$76.83
San Diego	\$38.40	3.6%	12.1%	Molecular and Experimental Medicine Building	\$72.74
Phoenix	\$27.33	3.4%	18.2%	The Watermark–Phase I	\$45.00
Dallas	\$28.56	2.7%	17.8%	Saint Ann Court	\$56.71
Houston	\$29.41	2.6%	21.7%	Campanile South	\$54.29
Los Angeles	\$38.76	2.5%	12.6%	100 Wilshire	\$96.00
Charlotte	\$28.20	2.3%	11.0%	Duke Energy Center	\$42.00
Nashville	\$30.47	1.8%	11.5%	Peabody Plaza at Rolling Mill Hill	\$50.81
Washington DC	\$38.95	0.8%	14.6%	900 Sixteenth Street	\$81.43
Philadelphia	\$28.98	0.7%	13.5%	Three Logan Square	\$51.57
New Jersey	\$31.96	0.3%	21.0%	10 Exchange Place	\$57.30
Denver	\$28.11	0.2%	13.0%	The William Building	\$59.67
Portland	\$29.16	-0.3%	11.8%	Broadway Tower	\$46.16
Orlando	\$21.15	-2.4%	12.5%	Lake Nona Town Center–Phase II	\$36.41
Seattle	\$37.45	-4.6%	8.2%	The Atrium	\$79.77
Chicago	\$28.32	-6.5%	14.8%	300 North LaSalle Drive	\$61.46
Boston	\$34.74	-7.9%	10.1%	301 Binney Street	\$78.78

Source: Yardi Matrix. Data as of November 2019. Listing rates are full service or "full service equivalent" rates for spaces available as of report period.

Listing Rates and Vacancy: Miami as an Office Hot Spot

- The average full-service equivalent listing rate for office space was \$38.62 per square foot last month, an increase of 1.2% year-over-year.
- The national vacancy rate was 15.7%, up 20 basis points from the previous month and 110 bps over January of last year.
- The Miami office market has performed better than most over the past year, with full-service listing rates increasing 5.8% year-over-year and vacancy rates decreasing 190 bps over that time. Both businesses and peo-

ple have been migrating to Florida in the last two years. Financial firms are leading the relocation push to Miami, with hedge funds Elliot Management and Point72 Asset Management moving their headquarters there last year. Goldman Sachs is eyeing the market but has yet to make a move. Net domestic migration in Florida in 2021 was 220,900, according to the Census Bureau, the highest in the nation. The only thing that may slow down the Miami office market is new development, with under-construction square footage representing 8% of stock.

Listings by Metro

Market	Jan-22 Listing Rate	12-Month Change	Total Vacancy	12-Month Change	Top Listing	Price Per Square Foot
National	\$38.62	1.2%	15.7%	110 bps		
Los Angeles	\$41.62	8.1%	13.5%	-10 bps	100 Wilshire	\$108.00
Bay Area	\$55.79	6.2%	16.2%	110 bps	260 Homer Ave & 819 Ramona St	\$138.12
Tampa	\$29.70	6.2%	16.5%	370 bps	Midtown West	\$46.00
Miami	\$43.43	5.8%	13.4%	-190 bps	701 Brickell	\$94.00
Denver	\$30.25	5.5%	16.3%	200 bps	William Building, The	\$59.67
Austin	\$43.70	5.3%	16.3%	420 bps	Indeed Tower	\$76.67
Boston	\$34.81	3.9%	10.7%	-40 bps	Kendall Square at MIT - 314 Main Street	\$121.60
Philadelphia	\$29.60	3.6%	14.1%	130 bps	Two Liberty Place	\$53.50
Washington DC	\$42.01	3.6%	16.5%	90 bps	One Freedom Plaza	\$81.83
Orlando	\$22.13	3.5%	16.9%	200 bps	GuideWell Innovation Center	\$34.66
Nashville	\$30.90	3.5%	18.6%	150 bps	Pinnacle at Symphony Place, The	\$44.00
Phoenix	\$28.01	3.2%	14.9%	-350 bps	100 Mill	\$50.50
New Jersey	\$33.14	2.9%	17.1%	-80 bps	Liberty Innovation Center	\$70.29
San Diego	\$38.90	2.4%	13.7%	-20 bps	2100 Kettner	\$69.00
Dallas	\$28.66	1.6%	17.6%	-90 bps	Link at Uptown, The	\$54.96
Portland	\$29.97	1.0%	14.1%	30 bps	Park Avenue West	\$48.69
Atlanta	\$27.64	0.8%	21.7%	310 bps	300 Colony Square	\$52.00
Charlotte	\$29.00	0.5%	14.7%	220 bps	300 South Tryon	\$42.00
Chicago	\$28.12	-1.1%	19.6%	380 bps	300 North LaSalle Drive	\$56.46
Houston	\$30.18	-1.2%	24.3%	180 bps	Texas Tower	\$58.40
Twin Cities	\$26.80	-1.3%	14.4%	-210 bps	Lake Calhoun Center	\$42.93
San Francisco	\$69.18	-1.6%	15.9%	410 bps	Sand Hill Collection - The Quad	\$141.17
Manhattan	\$83.52	-2.6%	12.8%	230 bps	550 Madison Avenue	\$210.00
Seattle	\$35.79	-3.0%	17.0%	520 bps	City Center Bellevue	\$65.50
Brooklyn	\$48.08	-4.9%	17.7%	270 bps	Brooklyn Navy Yard - Dock 72	\$64.00

Source: Yardi Matrix. Data as of January 2022. Listing rates are full service or "full service equivalent" rates for spaces available as of report period. National listing rate is an average of the top 50 markets.

Lease Rate and Occupancy Trends: New Class A Property Pushes Miami's Rate Upward

- National listing rates averaged \$37.85 in December, with no increase over the same period a year prior. The national vacancy rate was 13.8%.
- The markets leading the country in same-store rate growth were Manhattan (13.4%), San Francisco (8.5%) and Tampa (8.4%), all of which also fared well in overall listing rate growth.
- Miami, on the other hand, performed well in full-service equivalent listing rate growth at

7.6% but saw its same-store rate barely budge, with an increase of only 0.1% for properties that were online a year prior. Much of this discrepancy is attributable to the recent listing of 545wyn, which currently offers 325,000 square feet at an average full-service equivalent of \$57.41 per square foot. With three additional Class A buildings totaling 1 million square feet currently under construction in the Miami North submarket, Miami's average listing rates could continue to rise.

Listings by Metro

Market	Jan-20 Listing Rate	12-Month Change	Total Vacancy	Top Listing	Price Per Square Foot
National	\$37.85	0.0%	13.8%		
Manhattan	\$84.46	12.7%	8.0%	One Manhattan West	\$140.00
Austin	\$42.04	9.9%	8.3%	100 Congress	\$76.83
Tampa	\$29.91	9.3%	11.6%	1001 Water Street	\$55.70
Brooklyn	\$56.28	8.6%	12.6%	Brooklyn Navy Yard–Dock 72	\$73.00
Bay Area	\$49.16	8.3%	13.6%	525 University Avenue	\$149.20
Miami	\$41.68	7.6%	13.3%	830 Brickell Plaza	\$73.00
San Francisco	\$71.26	6.7%	7.7%	2180 Sand Hill Road	\$150.84
Atlanta	\$27.46	6.3%	16.2%	3344 Peachtree	\$49.19
San Diego	\$37.99	3.4%	11.5%	Molecular and Experimental Medicine Building	\$72.74
Charlotte	\$28.29	3.2%	10.7%	SouthPark Towers I	\$41.52
Los Angeles	\$39.14	3.2%	12.5%	1999 Avenue of the Stars	\$93.00
Twin Cities	\$26.70	2.7%	12.1%	10 West End	\$37.83
Portland	\$29.68	2.6%	12.2%	Broadway Tower	\$46.16
Denver	\$28.36	1.7%	12.7%	William Building, The	\$59.67
Houston	\$29.45	0.9%	21.9%	Campanile South	\$54.29
Washington DC	\$39.08	0.4%	15.6%	900 Sixteenth Street	\$81.52
Orlando	\$21.61	0.3%	13.2%	Lake Nona Town Center–Phase II	\$36.41
Nashville	\$29.90	0.3%	11.6%	Peabody Plaza at Rolling Mill Hill	\$50.81
Phoenix	\$27.06	0.1%	18.5%	Watermark– Phase I, The	\$45.00
Dallas	\$27.71	-0.4%	17.7%	Weir's Plaza	\$63.44
Philadelphia	\$28.62	-1.6%	13.2%	Two Liberty Place	\$51.50
New Jersey	\$31.03	-2.2%	21.4%	Newport–111 Town Square Place	\$62.97
Seattle	\$37.14	-3.0%	8.2%	Atrium, The	\$79.77
Chicago	\$28.35	-5.7%	15.7%	300 North LaSalle Drive	\$61.46
Boston	\$37.17	-6.0%	10.1%	Fiduciary Trust Building	\$70.30

Source: Yardi Matrix. Data as of January 2020. Listing rates are full service or "full service equivalent" rates for spaces available as of report period.

Listing Rates: Denver Holds Steady Despite Sublease Growth

- The average full-service equivalent listing rate was \$38.11 per square foot in October, an increase of 0.6% from last year.
- Same-store listing rate growth was highest in the Bay Area (8.1%), Austin (6.2%) and Nashville (6.0%). Same-store rates decreased the most in Boston (-6.9%), San Francisco (-5.6%) and Seattle (-4.5%).
- Average full-service listing rates have essentially been flat in Denver over the last 12 months (-0.2%), but same-store rates have

increased a modest 2.5%. Driving this increase is Palazzo Verdi, listing 200,000 square feet at a full-service equivalent rate of \$42.57 per square foot. The space recently became available, after Newmont Mining Co. left for the newly completed 6900 Layton at the nearby Bellevue Station. Only a few months after taking over multiple floors at the new location, Newmont is looking to sublease multiple floors and decrease its overall office footprint as the company embraces remote work. The role of sublease space in the office market will only continue to increase for the foreseeable future.

Listings by Metro

Market	Oct-20 Listing Rate	12-Month Change	Total Vacancy	Top Listing	Price Per Square Foot
National	\$38.11	0.6%	13.4%		
Bay Area	\$54.89	8.3%	12.6%	525 University Avenue	\$168.02
Miami	\$42.36	6.4%	13.0%	830 Brickell Plaza	\$73.00
San Diego	\$41.90	5.5%	13.6%	RaDD-Block 3A, The	\$77.05
Austin	\$42.63	5.0%	11.0%	Indeed Tower	\$70.67
New Jersey	\$32.88	4.4%	17.4%	Liberty Innovation Center	\$70.29
Manhattan	\$86.28	2.4%	9.1%	550 Madison Avenue	\$210.00
Orlando	\$21.45	1.3%	12.7%	250 Park Avenue South	\$40.00
Los Angeles	\$39.20	1.1%	12.7%	100 Wilshire	\$111.00
Houston	\$29.67	0.9%	21.2%	Texas Tower	\$58.40
Charlotte	\$28.74	0.4%	9.7%	300 South Tryon	\$42.00
Denver	\$28.73	-0.2%	13.4%	William Building, The	\$59.67
Philadelphia	\$29.06	-0.5%	12.5%	One Liberty Place	\$51.71
Washington DC	\$40.12	-0.5%	14.6%	601 Pennsylvania Avenue NW-North Building	\$90.00
Twin Cities	\$27.05	-0.6%	11.4%	Offices at MOA, The	\$40.00
Atlanta	\$26.94	-0.9%	16.9%	300 Colony Square	\$50.00
Nashville	\$32.05	-0.9%	12.5%	Broadwest	\$50.72
Phoenix	\$27.37	-1.0%	16.7%	One Hundred Mill	\$50.50
Portland	\$29.37	-1.6%	12.2%	Broadway Tower	\$46.16
Chicago	\$28.08	-1.9%	14.0%	PNC Centre at One North Franklin	\$64.30
Brooklyn	\$50.91	-2.9%	14.0%	One MetroTech Center	\$65.59
Dallas	\$27.80	-3.4%	17.4%	Weir's Plaza	\$63.44
Seattle	\$35.79	-4.6%	9.5%	U.S. Bank Centre	\$66.39
Boston	\$34.84	-4.7%	10.4%	Two Charles Park	\$95.00
Tampa	\$27.88	-13.6%	12.0%	Heights Union-West Building	\$45.00
San Francisco	\$65.87	-14.7%	10.4%	2180 Sand Hill Road	\$150.84

Source: CommercialEdge. Data as of October 2020. Listing rates are full service or "full service equivalent" rates for spaces available as of report period.

Lease Rate and Occupancy Trends: Bay Area Tops 3-Month Rent Growth

- Nationwide, asking rents averaged \$36.23 per square foot in January 2019, up 0.45% over three months. Manhattan (\$74.33), San Francisco (\$58.75), and Brooklyn (\$47.86) are the markets with the highest asking rents.
- The most rapid growth over the last three months was in the Bay Area (4.8%), Philadelphia (3.3%), and Salt Lake City and Las Vegas (2.5%). In the past three months, each market's asking rate increased 2.5% or more. The Bay Area benefits from its proximity to San Francisco. Both draw from the same pool of talent, while the average listing rate is roughly 25% less in the Bay Area.
- The national vacancy rate increased to 14.1%, up 10 basis points from December. Corporate expansions and relocations have fueled growth in markets such as Salt Lake City and Las Vegas, increasing the demand for high-quality office space. Meanwhile, very little new office development has been delivered in Las Vegas in the past five years.

Listings by Metro

Market	Jan-19 Listing Rates	3-Month Change	Total Vacancy	Top Listing	Price Per Square Foot
National-Overall	\$36.23	0.5%	14.0%		
Bay Area	\$44.82	4.8%	15.3%	Castro Station	\$120.50
Philadelphia	\$29.13	3.3%	12.9%	Cira Centre	\$48.79
Miami	\$38.41	1.9%	13.4%	701 Brickell	\$65.00
San Francisco	\$58.76	1.7%	9.5%	Sand Hill Commons	\$150.00
Phoenix	\$27.13	1.2%	17.5%	Hayden Ferry Lakeside I	\$46.50
Chicago	\$29.77	0.9%	15.5%	300 North LaSalle Drive	\$60.73
Seattle	\$37.49	0.7%	9.3%	Key Center	\$57.92
Boston	\$37.69	0.7%	10.2%	One Federal Street	\$73.00
Houston	\$29.03	0.6%	22.1%	Campanile South	\$54.25
Nashville	\$28.37	0.6%	11.7%	615 Third Avenue	\$42.81
Denver	\$27.96	0.4%	14.2%	Block 162	\$51.11
Orlando	\$21.56	0.4%	13.3%	Guidewell Innovation Center	\$34.66
Twin Cities	\$26.01	0.3%	12.2%	Offices at MOA, The	\$53.43
Los Angeles	\$37.69	0.2%	13.6%	Constellation Place	\$87.71
Tampa	\$25.30	0.0%	11.2%	MetWest International-MetWest One	\$39.00
Dallas	\$27.54	0.0%	20.0%	Saint Ann Court	\$56.71
Charlotte	\$27.24	-0.1%	11.3%	The RailYard	\$40.00
New Jersey	\$32.29	-0.1%	20.4%	Newport-111 Town Square Place	\$62.97
Manhattan	\$74.33	-0.1%	9.0%	101 Park Avenue	\$200.00
San Diego	\$37.02	-0.2%	13.1%	Torrey Point	\$66.00
Washington DC	\$39.11	-0.3%	15.0%	1000 F Street, NW	\$83.08
Atlanta	\$25.71	-1.2%	16.1%	Three Alliance Center	\$52.98
Austin	\$35.32	-1.9%	9.9%	San Jacinto Center	\$60.83
Portland	\$28.22	-2.5%	12.9%	Clay Pavilion	\$45.55
Brooklyn	\$47.87	-3.5%	8.6%	Pioneer Building	\$65.00

Source: Yardi Matrix. Data as of 2/19/19. Listing rates are full service or "full service equivalent" rates for spaces available as of report period.