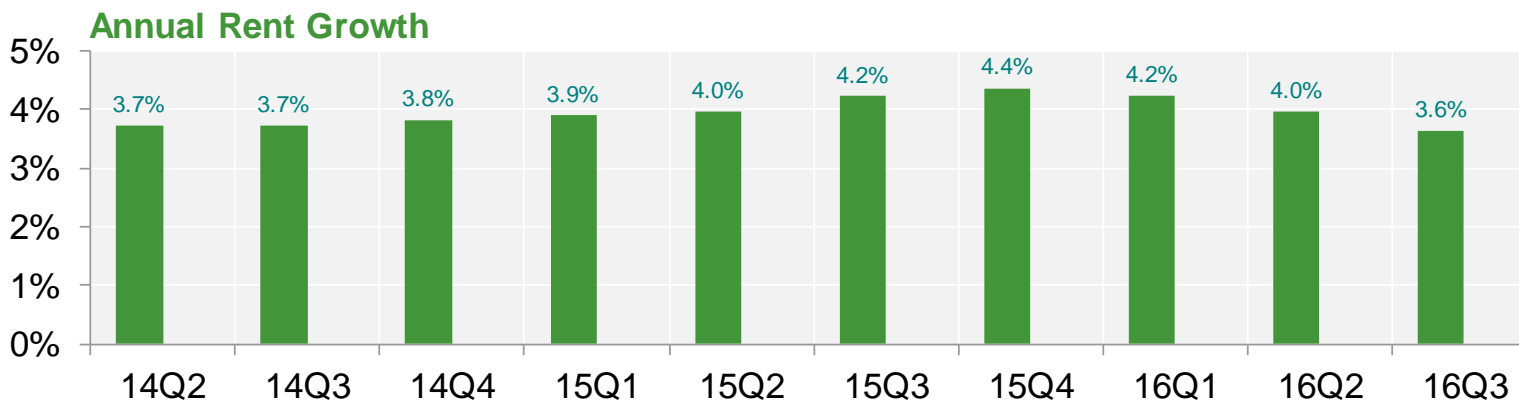
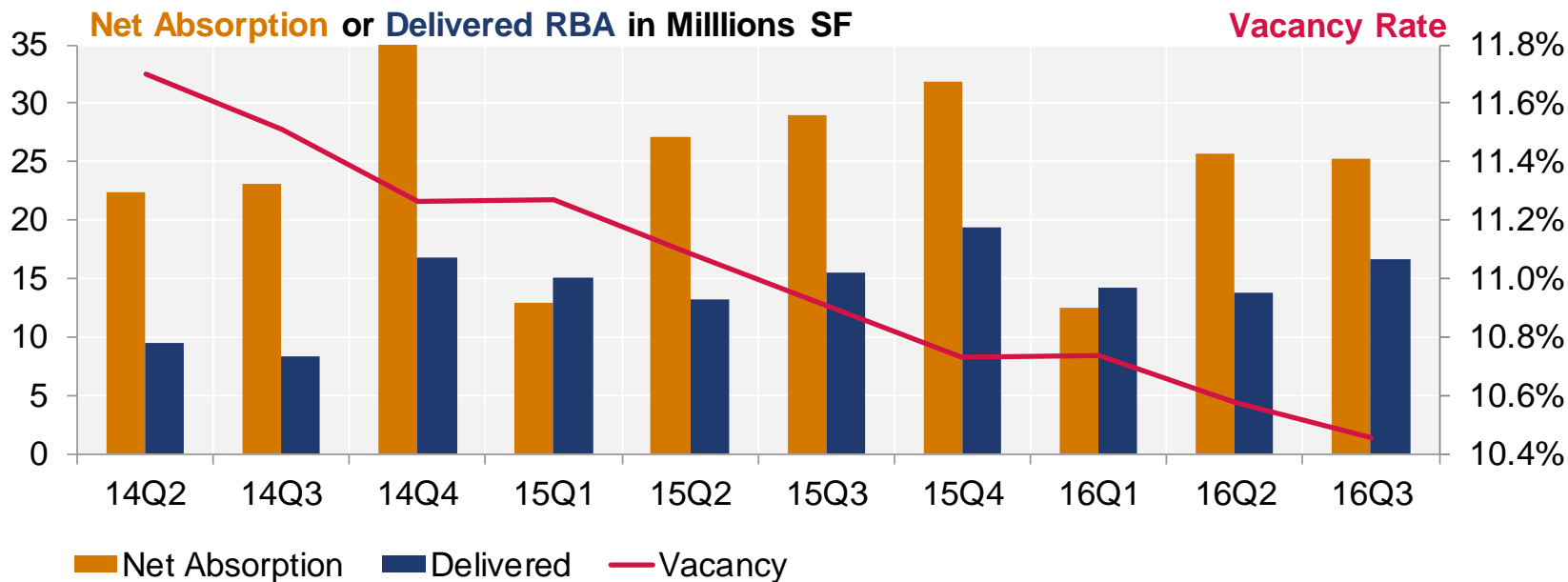


# Office Market Continues To Improve In Q3



## National Office Market Supply Demand Vacancy And Rent Trends



Source: CoStar Portfolio Strategy

As of 16Q3

# Most Markets Strong Except DC & NY



## 16Q3 Office Market Results By Metro

Market	Q/Q Supply Growth (000 SF)	Y/Y Supply Growth (000 SF)	Q/Q Net Absorption (000 SF)	Y/Y Net Absorption (000 SF)	Y/Y Rent Growth	16Q2 Vacancy	Q/Q Vacancy Change	Y/Y Vacancy Change
National Index	16,708	64,071	25,207	95,286	3.6%	10.5%	-0.1%	-0.5%
Atlanta	181	384	265	2,035	5.9%	12.1%	0.0%	-0.6%
Boston	1,480	3,832	2,148	4,876	7.0%	8.4%	-0.2%	-0.4%
Chicago	857	1,271	375	1,952	2.3%	13.3%	0.1%	-0.2%
Dallas	1,740	5,553	2,044	4,996	3.7%	14.3%	-0.2%	-0.1%
Denver	275	1,660	-40	2,304	2.8%	10.3%	0.2%	-0.5%
Houston	1,789	9,786	-126	2,527	2.0%	14.6%	0.5%	1.9%
Los Angeles	1,051	2,366	1,329	4,890	5.8%	10.5%	-0.1%	-0.7%
Miami	34	420	335	845	5.8%	9.9%	-0.3%	-0.5%
New York	298	1,883	981	36	2.9%	9.2%	-0.1%	0.2%
Phoenix	484	3,380	1,050	5,349	5.5%	15.3%	-0.4%	-1.5%
Portland	118	1,262	386	2,179	5.2%	7.2%	-0.3%	-1.0%
San Diego	8	494	546	1,660	3.4%	10.6%	-0.5%	-1.1%
San Francisco	323	3,387	133	2,436	7.0%	6.9%	0.1%	0.4%
San Jose	549	2,864	-170	2,615	9.5%	8.0%	0.6%	0.0%
Seattle	475	2,857	1,581	5,568	4.9%	6.8%	-0.6%	-1.5%
Washington	505	629	-40	76	1.2%	15.0%	0.1%	0.1%

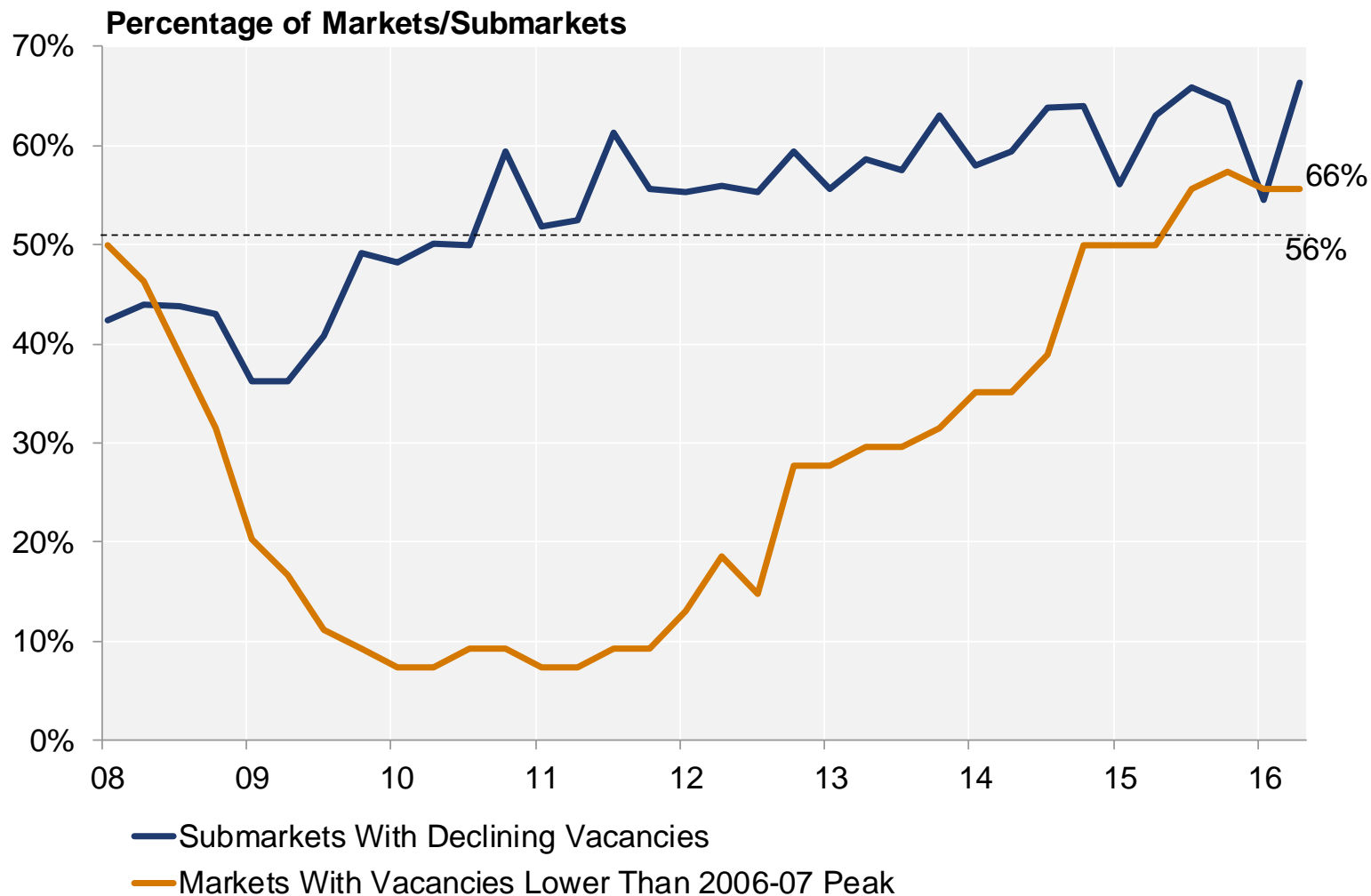
Source: CoStar Portfolio Strategy

As of 16Q3

# Second Quarter Turning Point Or Seasonal Trend?



## Most Office Submarkets Have Declining Vacancies



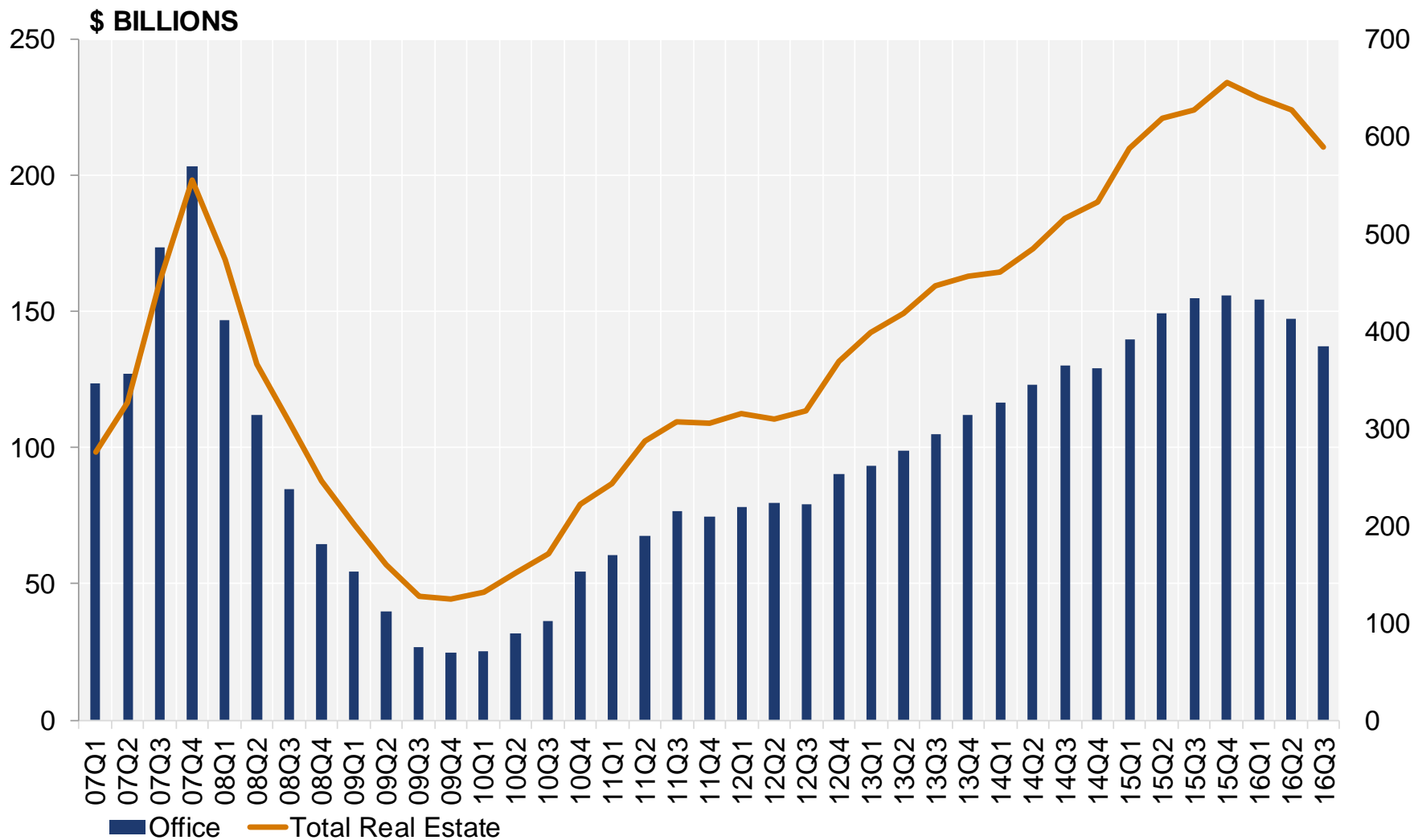
Source: CoStar Portfolio Strategy

As of 16Q2

# Year Over Year U.S. Sales Volume



## Rolling 4 Qtr Sales For Office Vs. Total Real Estate Market



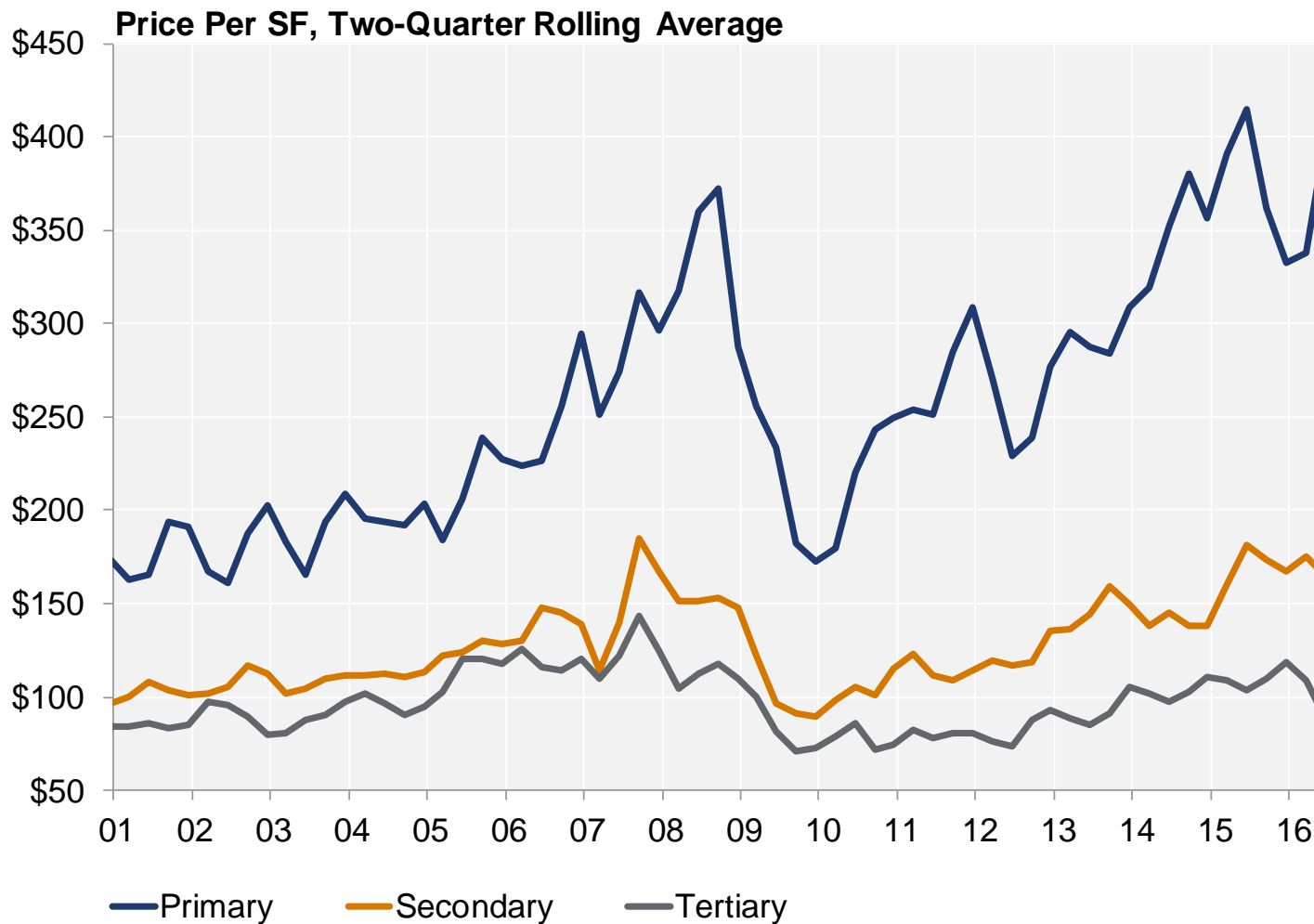
Source: CoStar Portfolio Strategy

As of 16Q3

# Pricing Up Sharply In Primary Markets



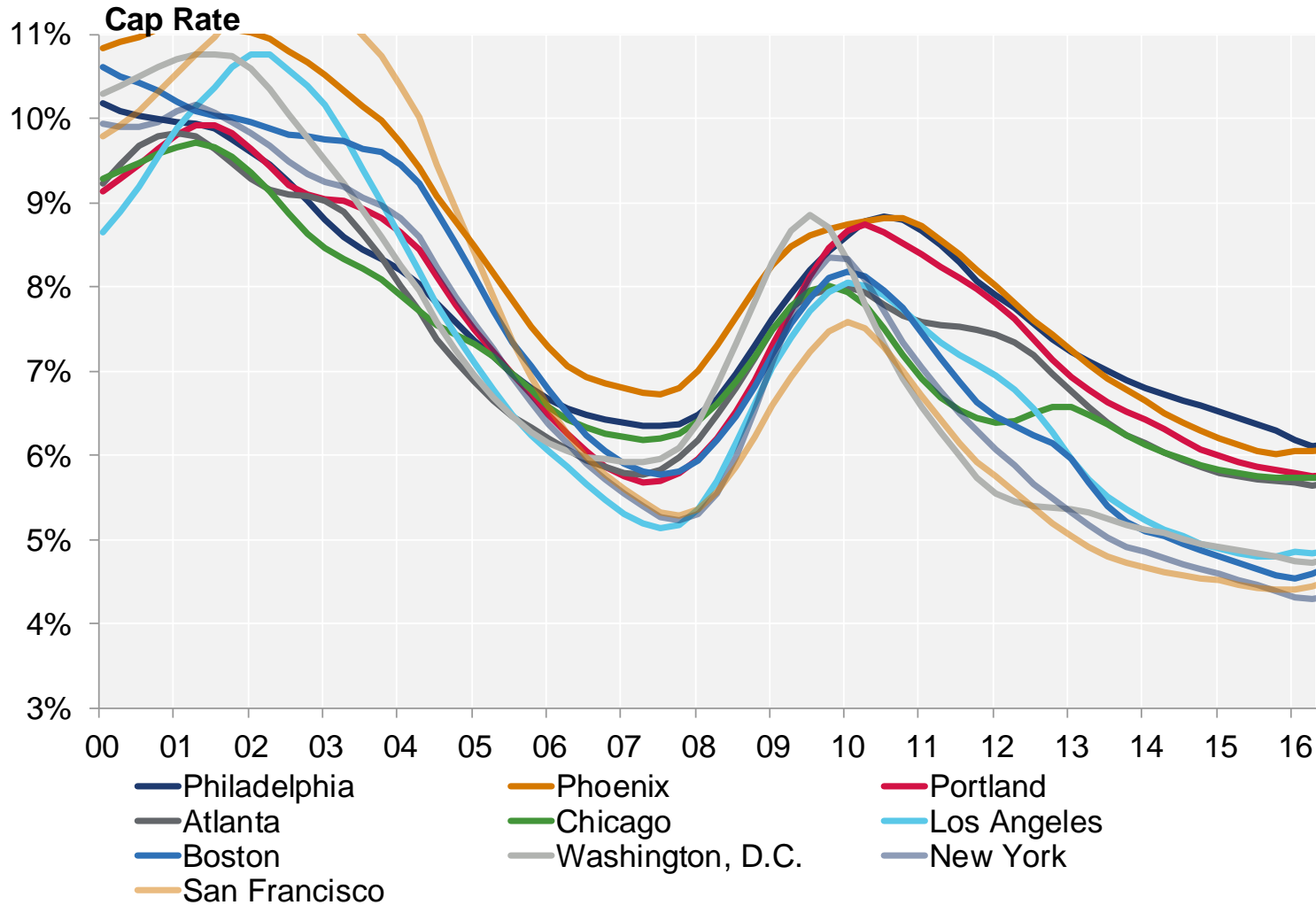
## Average Office Sales Price Per SF By Market Tier



Source: CoStar Portfolio Strategy

As of 16Q2

## Office Cap Rate By Metro



Source: CoStar Portfolio Strategy

As of 16Q2