

The Impact of COVID-19 on Market Statistics

Top 10 National Markets

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The rapid global spread of COVID-19, and the public health measures taken to reduce its deadly impacts, significantly changed National real estate market fundamentals. While the Nation has experienced its share of turbulent economic cycles, the speed and scope of the COVID-19 pandemic has been unprecedented. Economic recovery is expected to be accelerating moving into 2021, with increase office leasing activity not far behind.

Occupier's Perspective

National markets remain tenant-favorable as sublease availabilities continue to rise, vacancy rates remain high, and effective rents face downward pressure as concessions remain elevated.

Average Asking Rents

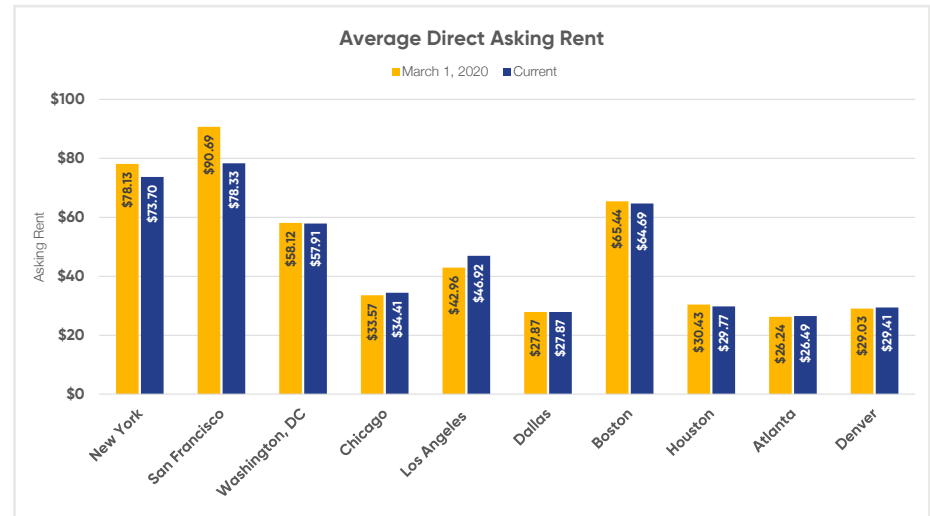
National asking rents in most major markets have dipped slightly since the onset of the pandemic, while concessions remain at all-time highs and have continued to increase due to decreased demand and high vacancy rates.



Market Highlight – San Francisco

The San Francisco office market is consistent with national markets recording asking rent declines during the COVID-induced recessionary period. Asking rates have fallen \$12.36/SF compared to pre-pandemic levels, representing five straight quarters of declining rates. As a result, San Francisco is no longer the most expensive US office market for the first time in a decade, falling just behind New York.

| Market | Pre-COVID-19 March 1, 2020 | Q1 2021 | Post-COVID Impact |
|----------------|-------------------------------|---------|----------------------|
| New York | \$78.13 | \$73.70 | -\$4.43 |
| San Francisco | \$90.69 | \$78.33 | -\$12.36 |
| Washington, DC | \$58.12 | \$57.91 | -\$0.21 |
| Chicago | \$33.57 | \$34.41 | \$0.84 |
| Los Angeles | \$42.96 | \$46.92 | \$3.96 |
| Dallas | \$27.87 | \$27.87 | \$0.00 |
| Boston | \$65.44 | \$64.69 | -\$0.75 |
| Houston | \$30.43 | \$29.77 | -\$0.66 |
| Atlanta | \$26.24 | \$26.49 | \$0.25 |
| Denver | \$29.03 | \$29.41 | \$0.38 |



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| Vacancy Rate | Market | Pre-COVID-19 March 1, 2020 | Q1 2021 | Post-COVID Impact |
|--------------|----------------|-------------------------------|---------|----------------------|
| | New York | 11.4% | 14.5% | 3.1% |
| | San Francisco | 5.0% | 16.5% | 11.5% |
| | Washington, DC | 15.0% | 15.9% | 0.9% |
| | Chicago | 16.7% | 18.3% | 1.6% |
| | Los Angeles | 11.9% | 14.8% | 2.9% |
| | Dallas | 16.1% | 17.7% | 1.6% |
| | Boston | 7.1% | 9.8% | 2.7% |
| | Houston | 18.8% | 21.9% | 3.1% |
| | Atlanta | 11.9% | 13.7% | 1.8% |
| Denver | 10.3% | 12.2% | 1.9% | |

Total Vacancy Rate

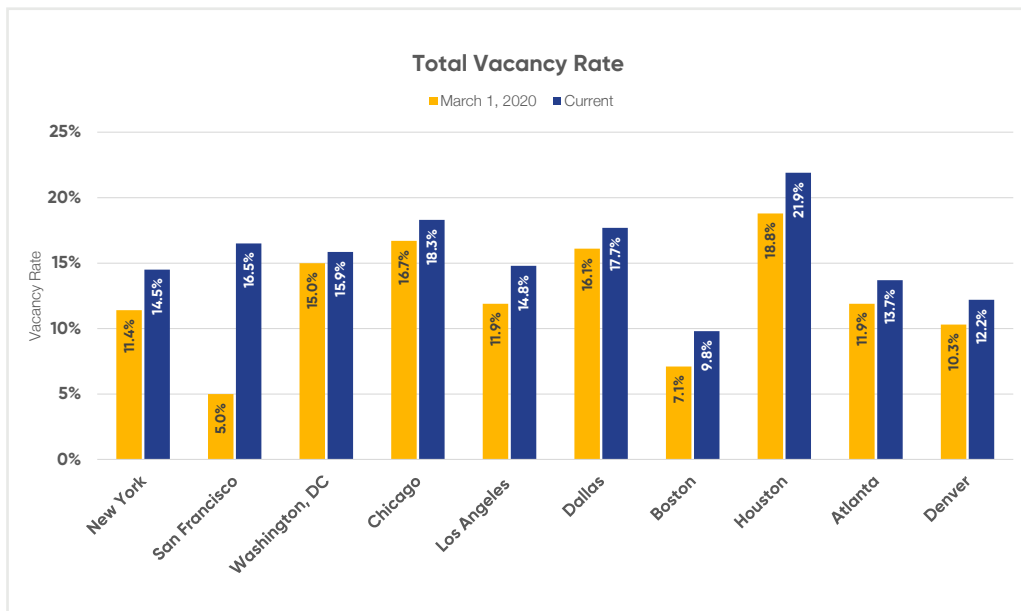


The total national vacancy has increased 134 basis points (bps) since the onset of the COVID-induced pandemic. Vacancy rates remain elevated as demand for space continues to fall and new supply in major markets delivers.

Market Highlight – New York

The New York office market has fared similarly to national markets, recording declining rental rates and seeing sizeable increases in vacancy and sublease inventory rates. Tenant demand continues to be low, as most leasing activity has come in the form of renewals. With 23M square feet of construction in the pipeline, further pressure of vacancy levels can be expected going forward.

| Total Vacant Square Feet | Market | Pre-COVID-19 March 1, 2020 | Q1 2021 | Post-COVID Impact |
|--------------------------|----------------|-------------------------------|------------|----------------------|
| | New York | 66,227,215 | 84,713,489 | 18,486,274 |
| | San Francisco | 4,316,620 | 14,244,847 | 9,928,226 |
| | Washington, DC | 19,435,950 | 20,572,544 | 1,136,594 |
| | Chicago | 42,897,969 | 48,129,733 | 5,231,765 |
| | Los Angeles | 27,921,573 | 34,961,875 | 7,040,302 |
| | Dallas | 56,586,488 | 62,209,990 | 5,623,502 |
| | Boston | 5,715,750 | 7,889,345 | 2,173,595 |
| | Houston | 58,753,258 | 68,887,220 | 10,133,961 |
| | Atlanta | 38,205,749 | 44,324,938 | 6,119,189 |
| Denver | 15,872,300 | 18,617,200 | 2,744,900 | |



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Sublease Availability

National sublease availability is recorded nearly 132 million square feet, a 48% increase from pre-COVID levels and an all-time national high.

Market Highlight – Atlanta

The Atlanta office market has seen consistent growth in their sublease inventory since the beginning of COVID, a trend seen throughout other national markets. After reaching an all-time high of 6.1 million square feet of sublease inventory in March 2021, the market has seen a slight decline. Still, total sublease availability in Atlanta is 71.6% higher than pre-COVID levels.

| Sublease Availability | Market | Pre-COVID-19 March 1, 2020 | Q1 2021 | Post-COVID Impact |
|-----------------------|----------------|-------------------------------|------------|-------------------|
| | New York | 15,587,380 | 23,831,641 | 52.9% |
| | San Francisco | 4,326,231 | 9,441,551 | 118.2% |
| | Washington, DC | 2,503,249 | 3,737,498 | 49.3% |
| | Chicago | 5,754,803 | 9,719,575 | 68.9% |
| | Los Angeles | 4,375,236 | 8,361,144 | 91.1% |
| | Dallas | 6,193,236 | 9,207,115 | 48.7% |
| | Boston | 1,615,335 | 3,182,089 | 97.0% |
| | Houston | 6,800,000 | 7,400,000 | 8.8% |
| | Atlanta | 3,452,047 | 5,922,016 | 71.6% |
| Denver | 2,951,185 | 5,330,346 | 80.6% | |

