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PLANNING &amp; DESIGN ULI Home &gt; Economy, Markets, &amp; Trends &gt; Top 10 Metros for Office Space Growth

## Top 10 Metros for Office Space Growth

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Initial signs of a turnaround are beginning to appear in the U.S. office market. The national office vacancy rate dropped during 2010's third quarter for the first time since 2007, and the market posted its second quarter of positive absorption after nine consecutive quarterly declines, according to Colliers International.

Office rents were mixed, with average downtown and suburban rents rising but most metropolitan areas still characterized by declining rents. Nevertheless, the absorption trend holds some promise of a new up cycle. The number of downtown Class A markets with positive absorption increased from 21 in the first quarter to 30 in the third quarter, and the number of suburban Class A markets with positive absorption increased from 25 to 32 during the same period. The strongest markets were mostly on the East and West coasts. Washington, D.C., was the only metro on both lists, benefitting from a surge in government leasing activity, according to Cushman & Wakefield Inc.

The upshot for ULI members is that the overall recovery in the U.S. office market is expected to be slow and long. Below are lists of major metros with the best year-to-date net absorption in downtown and suburban Class A office space:

Top 10 metro areas for 2010 net absorption of Downtown Class A office space, thru Sept. 30		
1	New York - Manhattan	6,541,000 sf
2	Washington D.C.	3,134,000 sf
3	Seattle	569,000 sf
4	Charlotte	528,000 sf
5	Atlanta	398,000 sf
6	White Plains, NY	267,000 sf
7	Chicago	263,000 sf
8	Stockton/San Joaquin County, CA	210,000 sf
9	Portland, OR	146,000 sf
10	Columbus, OH	106,000 sf

(Source: Colliers International.)

## Top 10 Metros for Office Space Growth

Top 10 metro areas for 2010 net absorption of Suburban Class A office space, thru Sept. 30		
1	Boston	1,460,000 sf
2	Washington D.C.	1,372,000 sf
3	San Diego County	861,000 sf
4	Baltimore	540,000 sf
5	Nashville	511,000 sf
6	Charleston, SC	496,000 sf
7	Raleigh/Durham, NC	389,000 sf
8	San Francisco Peninsula	350,000 sf
9	Miami/Dade County	342,000 sf
10	Phoenix	331,000 sf

*(Source: Colliers International.)*