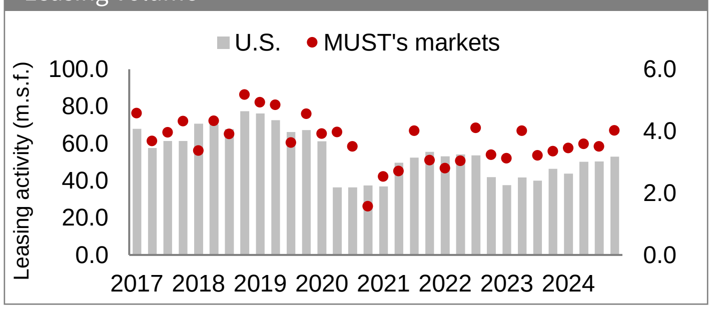
Executive summary

January 2025

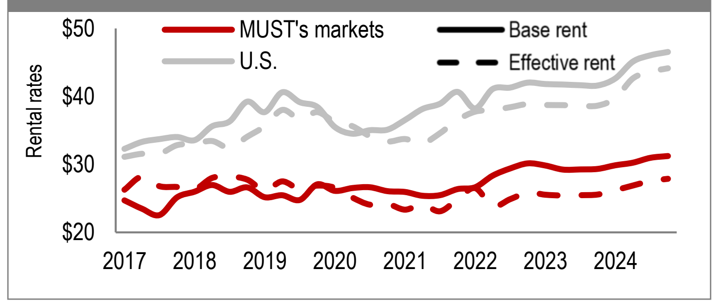
- For three consecutive quarters, office leasing volume has established a new post-pandemic high—Q4 leasing volume reflected over 92% of typical pre-pandemic averages.
- The market experienced its first quarter of positive net absorption since Q4 2021, and just the second time since the pandemic began.
- Availability has declined for two consecutive quarters, pointing towards notable declines in vacancy in 2025, especially as absorption is anticipated to stabilize and new deliveries decline.
- Despite lagging against inflation, same-store asking rents continue to grow; face rates and effective rates on leases signed in 2024 saw an improvement from softening economics in 2023.
- Groundbreakings for the past six quarters have averaged 10% lower than the previous historical low, and deliveries will begin to decline sharply after the first half of 2025.
- Record volume of inventory continues to be removed for conversion and redevelopment, leading to net inventory loss in many major markets.
- Momentum continues for return-to-office, with several major employers establishing or increasing requirements, or announcing new mechanisms of enforcement in Q4.
- **Manulife US REIT (MUST) markets are experiencing a recovery in line with the U.S. at large, but recovery has been uneven across submarkets due to industry composition and submarket characterizations (e.g. CBD, urban, suburban)**

MUST's market performance relative to U.S. average

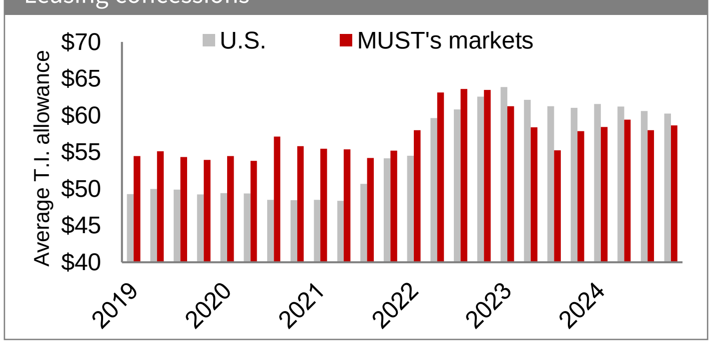
Leasing volume



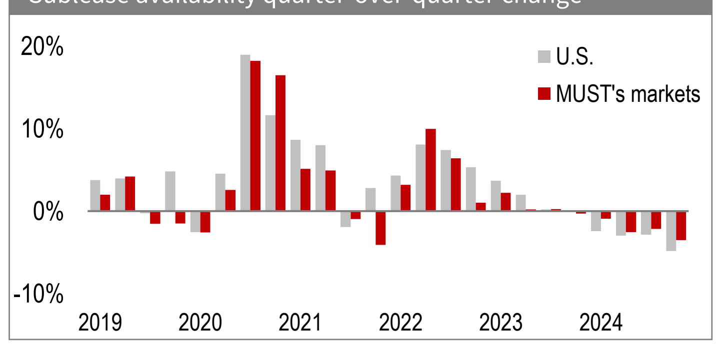
Base and net effective rental rates



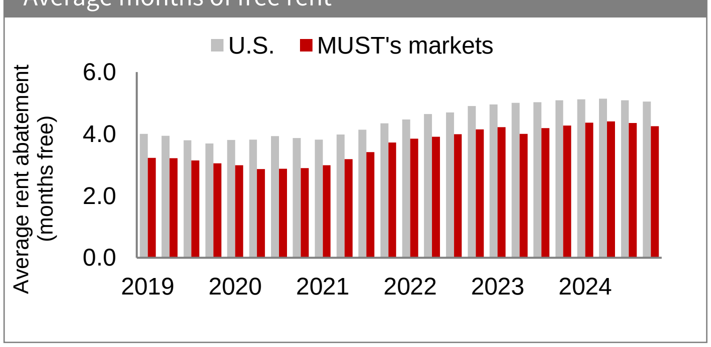
Leasing concessions



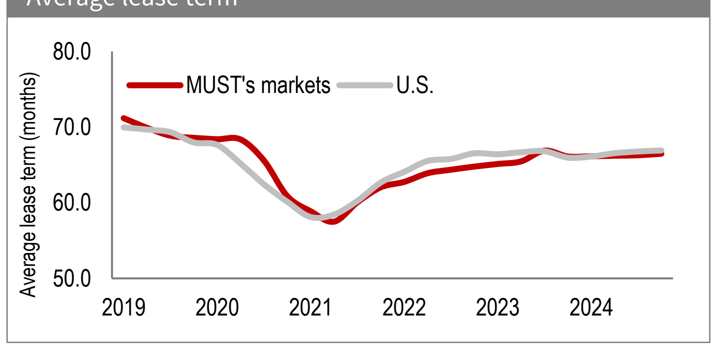
Sublease availability quarter-over-quarter change



Average months of free rent



Average lease term



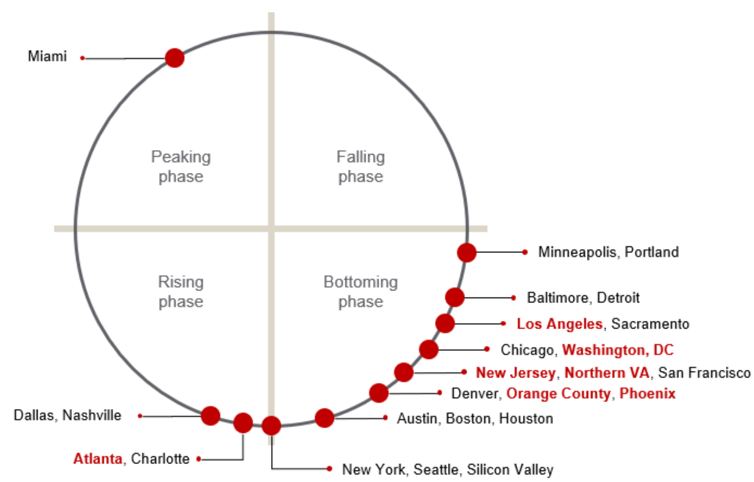
U.S. economy overview

January 2025

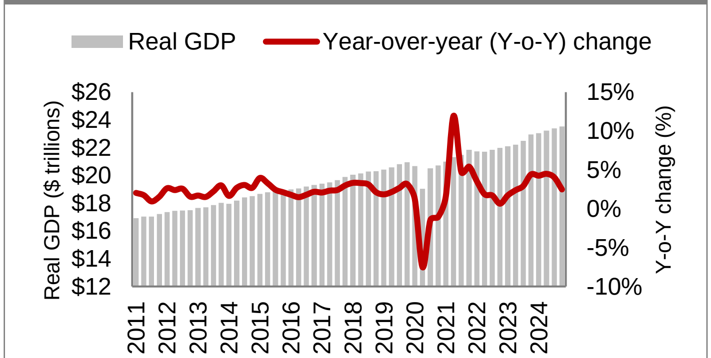
The macroeconomic landscape improved considerably over the course of 2024 but is beginning to experience heightened volatility in the wake of presidential election results. Inflation progress has temporarily stalled, with both the CPI and PCE showing increases for the past two monthly readings, and 10-year treasuries have risen 74 basis points over the past three months. Labor markets are softer than recent years but remain resilient: office-using industries added 104,000 jobs in the past quarter and have grown by 615,000 during 2024, down somewhat from 763,000 jobs added in 2023. Growth has been concentrated in the Government sector in 2024, with more than 75% of job gains occurring within Government. Corporate earnings have been strong throughout the year, with growth accelerating at year-end: Q4 2024 marked the sixth consecutive quarter of year-over-year earnings growth in the S&P 500, with the Q4 2024 growth rate of 11.7% representing the highest YoY growth since Q4 2021.

After the results of the November presidential election, federal policy is now anticipated to shift in several consequential ways. The new administration has signaled a desire to require federal workers to return to offices, potentially spurring more activity in Washington, DC and other federal government enclaves, and potential tax cuts or removal of regulatory burdens is expected to drive faster growth generally. However, policies surrounding tariffs and immigration have the potential to undercut growth and drive inflation if implemented to their full extent. These expectations have already impacted the interest rate outlook: three months ago, investors were expecting three additional rate cuts in 2024 and four in 2025; after 50 bps of cuts in the last two months, investors now expect only two additional cuts in 2025.

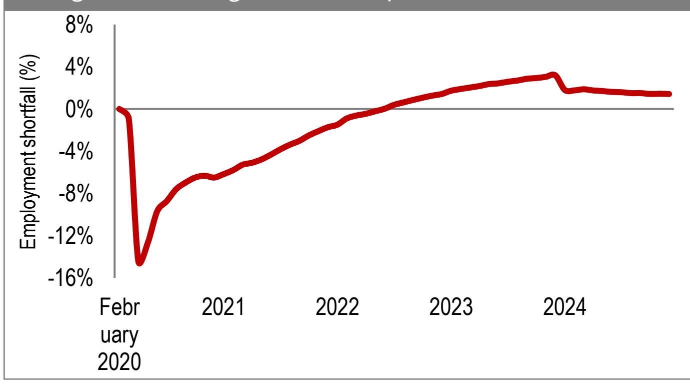
JLL Property Clock



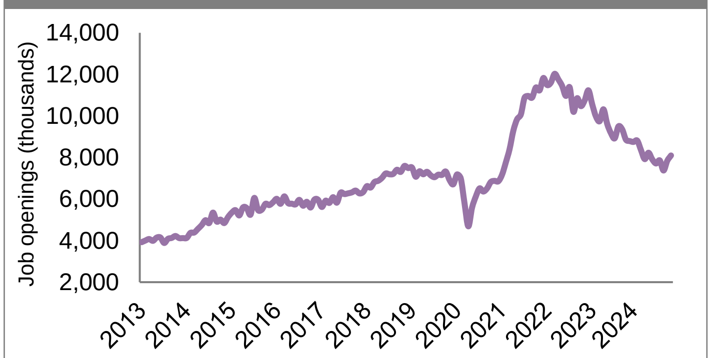
GDP growth outpacing other major economies



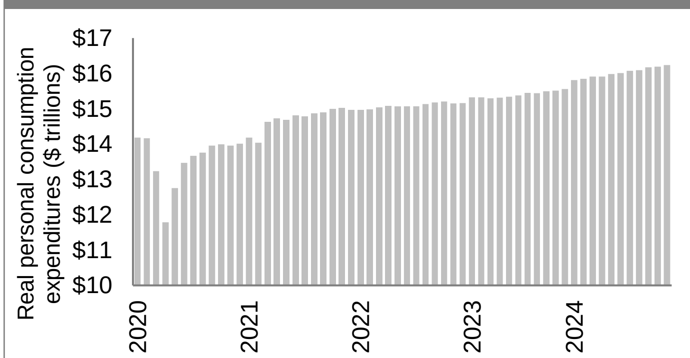
Job growth slowing but remains positive



Job openings declining as employers gain leverage



Consumer spending continues to steadily grow



U.S. office overview

U.S. office occupiers had their most active quarter since the pandemic onset, leasing 52.9 million s.f., a post-pandemic high for the third straight quarter. This reflected 4.9% growth quarter-over-quarter (QoQ) and 17.6% growth year-over-year (YoY), with Q4 volume surpassing 92% of pre-pandemic averages. Geographic variance is narrowing as the recovery spreads more broadly. Sun Belt markets lead with over 95% of pre-pandemic activity over the last six months, while gateway markets have recovered to 76% of pre-pandemic activity in the second half of the year.

Leasing strategies reflect the shift from a low-rate environment with a robust development pipeline to the current higher rate environment with diminishing high-end options. First-generation new leases and relocations comprised less than 6% of leasing volume in 2024, while renewals and extensions generated a larger share. Effective rents in first-generation space grew nearly 17% YoY, rebounding from 2023 softening. Second-generation leases and renewals both grew roughly 7% YoY. Asking rates continue to marginally increase, with same-asset rents growing 0.2% in the past year.

The sublease market showed steady improvement throughout 2024. New additions declined 26% YoY, with four of the last five months seeing fewer sublease additions than the monthly average since 2020. Backfills grew 11% YoY even as availability levels declined. Sublease vacancy levels have decreased for five consecutive quarters, returning to mid-2022 levels.

Downsizing activity has declined over the past nine months. In 2024, tenants over 25,000 s.f. who acted upon a lease expiration cut their footprints by 7.9% on average, the most substantial YoY improvement since the pandemic began. Q4 saw the lowest downsizing rate to date, with expiring tenants associated with just over 200,000 s.f. in footprint reduction on nearly 7 million s.f. of leases. 63% of large tenants with expiring leases in 2024 either maintained their footprint or expanded, the largest share in recent years.

The U.S. experienced 276,400 s.f. of net absorption in Q4, reversing the significant occupancy loss over the past 20 quarters. Despite this, vacancy rates rose by 9 bps amid a slight uptick in construction deliveries. Availability declined for the second consecutive quarter, by 7.8 million s.f., implying a continued positive outlook for absorption and vacancy rates.

As development slows, vacancy rates in new supply are declining swiftly in most markets. 38 of the 53 office markets tracked by JLL have lower vacancy rates in new supply, and national vacancy is more than 400 basis points lower in newer product. Available supply in newer buildings has declined 25% from peak levels in 2022.

Spillover demand is benefitting similar pockets of the market across multiple geographies, with tenants targeting buildings in top-tier locations or upgraded buildings. Second-generation new construction and renovated buildings have seen their share of leasing volume growing since early 2022. Highly amenitized buildings in CBD markets have gained nearly 2 million s.f. of occupancy in 2024, regardless of their original development year.

Office development declined to unprecedented levels in 2024. Just over 500,000 s.f. of construction broke ground in Q4, dominated by small-scale, pre-committed developments. The remaining pipeline declined by almost 40% YoY and has fallen by nearly 80% since 2019. Nearly 30 million s.f. delivered in 2024 – that will decline by about 20% in 2025 and then by almost 75% annually for two consecutive years.

Conversions and redevelopments have been growing over a 20% annual growth rate since 2020, establishing record inventory removal levels for each of the past four years. In 2024, more than 37 million s.f. was taken offline or planned for removal, mostly comprising office-to-residential conversion projects. 13 of the 20 largest office markets in the U.S. have created new incentives for office redevelopments since 2020.

The capital markets recovery has been methodical. Overall office investment volume increased by roughly 30% YoY, but single-asset traditional office sales increased by only 10% YoY, matching 2010 levels of liquidity. Notably, institutional groups and public REITs increased their acquisitions activity significantly in 2024, growing by 57% and 316% YoY, respectively. Open-ended diversified core funds' capital expenditure reporting shows more capex deployed on building improvements in the last 12 months than any period on record other than Q2 2019 – Q1 2020.

The distress pipeline has not yet shown meaningful signs of a plateau. Office CMBS delinquency rates rose more than 250 bps since Q3. Distress-driven transactions were more frequent in 2024 and appear to be slated to grow in 2025, but strategies from new ownership may evolve.

At the close of the year, the vast majority of large employers have established office attendance requirements. In the Fortune 100, 21% of employees are required to attend the office five days per week, 74% have hybrid policies requiring 1 to 4 days per week, 4% have other variations of hybrid, and just 1% of employees are fully remote. More companies are expected to gradually establish attendance requirements or incrementally increase them until office attendance largely resembles pre-pandemic norms, eventually settling on an average requirement of 3.5 to 4.0 days.

The fourth quarter was the culmination of a strong year of progress in stabilizing the U.S. office market, but pressures remain. Leasing activity may experience some choppiness in the first half of 2025 amid a volatile policy outlook, but tenant requirement volume continues to trend upwards. Leasing volume is expected to grow by nearly 10% YoY in 2025. Leasing strategies will continue to skew towards renewals as newer availabilities disappear. Two consecutive quarters of meaningful reductions in availability are creating more certainty that vacancy rates will decline in 2025, likely by the first or second quarter of the year. Net absorption may fluctuate during the first half of the year but is positioned to improve considerably in 2025 and reach marginally positive totals for the full year.

Despite the improvement of occupier markets in the past year, tenants are ultimately depending on improved capital flows to alleviate some of the pressures in the market. Most markets remain undersupplied with well-amenitized, high-quality workspaces, despite high vacancy levels in commodity office space. Improvements in liquidity will allow suitable assets to transfer to new ownership that is positioned to deploy capital to upgrade properties and help fill the supply gap that is widening amid the lack of development activity.

Atlanta (Buckhead and Midtown)

- Vacancy in Buckhead and Midtown continue to surge as development is concentrated in these two markets and downsizing continues among technology tenants.
- 2024 ended with reason to be optimistic about the office market heading into the new year. Headlines include strong leasing activity, slowing occupancy losses, increased rent growth, and declining sublease availability.
- The shifts on the supply side are continuing to play a noteworthy role in the Atlanta market. After shrinking last quarter, existing inventory increased as a wave of new deliveries outweighed converted/demolished properties coming out of current stock.
- The addition of sublease space continued to decline, and this, coupled with a growing trend of tenants listing only part of their space for sublease, shows true slowdown in this subset of availabilities.

Office market trends

The year ended on a strong note with fundamentals pointing to reasons to be optimistic about the office market entering 2025. More aggressive RTO policies by major tenants in Buckhead and Midtown, including Amazon and AT&T, is expected to spur more foot traffic in 2025. Absorption for Q4 was overall negative but relatively modest(-127,298 s.f.), the least negative quarterly absorption in two years. As observed in prior quarters, and with no end to the flight-to-quality trend in sight, Trophy assets recorded positive absorption (+99,738 s.f.) in contrast to their Class A and B counterparts.

Inventory did increase this quarter but only by 0.1%, as there was 835,000 s.f. of new deliveries and slightly less (648,000 s.f.) removed from inventory. The three new office deliveries were all concentrated in Midtown, which has seen the most development activity of any submarket for over a decade now. This year, Atlanta observed a multitude of new uses planned for office conversions/demolitions including apartments, schools, industrial, and senior housing.

Sublease availability dropped to the lowest level in eight quarters, falling to just under 4.0% of inventory. Over 85% of sublease space that came off the market was subleased (not withdrawn or expired) showing the strong demand for move-in ready spaces. Also, several of the larger blocks added to the sublease market this quarter were only a portion of the tenant's space, indicative of the need for retaining some office space for employees.

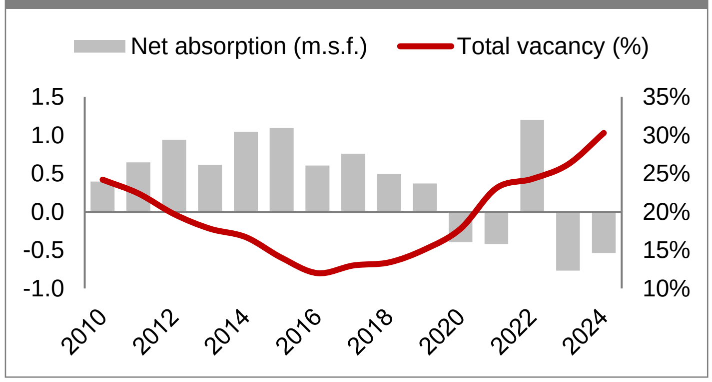
Outlook

Looking ahead, we expect the strong office demand and uptick in large transactions (average deal size is up 9.8% QoQ) to continue into the new year as Atlanta remains a favorable market. Asking rents saw the highest quarterly increase all year in Q4 (up 50 bps), and that healthy rent growth should continue. We can expect market conditions to stabilize towards the latter end of 2025 and into 2026, contributed to by supply constraints putting downward pressure on vacancy as quality relocation options dry up. More aggressive RTO policies by major tenants in Buckhead and Midtown, including Amazon and AT&T, is expected to spur more foot traffic in 2025.

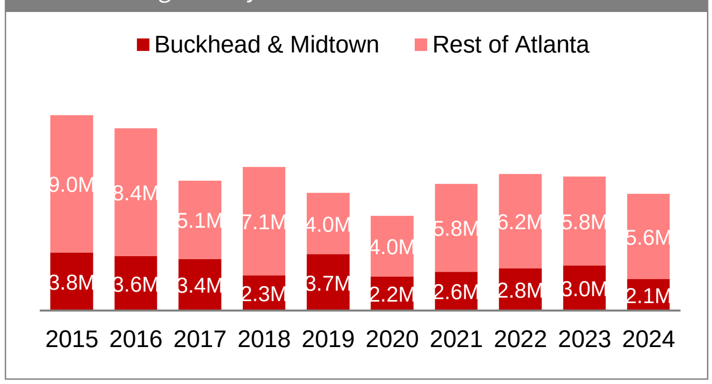
Overall market statistics		Forecast
2024 net absorption (s.f.)	-2,455,638	▲
Under construction (s.f.)	474,000	▼
Total vacancy (%)	26.7%	▼
Sublease vacancy (s.f.)	3,452,606	▼
Asking rent ($ p.s.f.)	$33.65	▲
Concessions	Stable	▶

MUST's submarkets

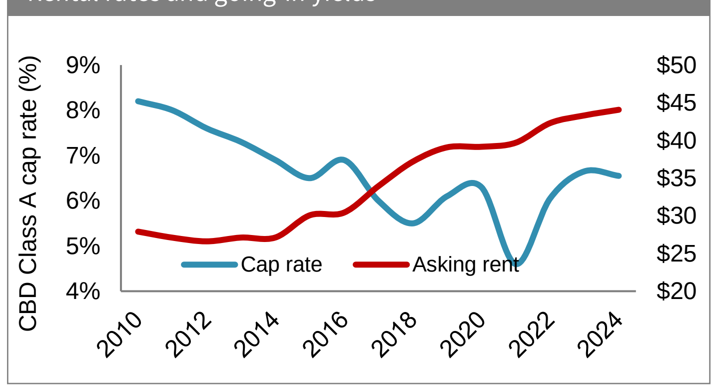
Net absorption and overall vacancy rates



Gross leasing activity



Rental rates and going-in yields



Los Angeles (Downtown)

- Total absorption trended positive for the LA metro, but the Downtown submarket continues to lose occupancy as tenants relocate to other Westside submarkets – however, relocation options are waning, which could drive demand back to downtown L.A. for larger blocks of space and less expensive deals.
- Sublease availabilities decreased from 10.5 million s.f. to 10.0 million, a 5% decline quarter-over-quarter, driven by backfills and subleases expiring as direct availabilities.
- A proposed doubling of film incentives by the State of California could help bolster entertainment industry, which has faced reduced filming activity and competition from other states.

Overall market statistics		Forecast
2024 net absorption (s.f.)	-3,311,669	▲
Under construction (s.f.)	2,187,931	▼
Total vacancy (%)	28.4%	▼
Sublease vacancy (s.f.)	8,586,304	▼
Asking rent ($ p.s.f.)	$48.48	▲
Concessions	Stable	▶

Office market trends

Additional signs the LA office market has reached bottom came to light in Q4. Occupancy nudged up as total net absorption turned positive for the first time since Q2 2022, and only the second time since the pandemic began. Downtown absorption remains negative but improved slightly YoY amid a 10% increase in lease volume from 2023. 10.8 million s.f. of leasing for the year represented 93% of pre-pandemic levels market-wide, but downtown leasing remains around 75% of pre-pandemic levels.

Q4 leasing activity received a boost from LA 2028, the Olympic and Paralympic Games organizing committee. The organization took 160,000 s.f. in Downtown LA, the largest lease signed in Q4. In another notable Q4 lease transaction, law firm Loeb & Loeb recommitted to 130,000 s.f. in Century City, one of the strongest submarkets in LA, which captured 16% of Q4 total leasing activity. The migration of tenants from the urban core to Westside submarkets including Century City is likely to stem in 2025, as less than 2 million s.f. remain available for lease in Century City, including within the development pipeline.

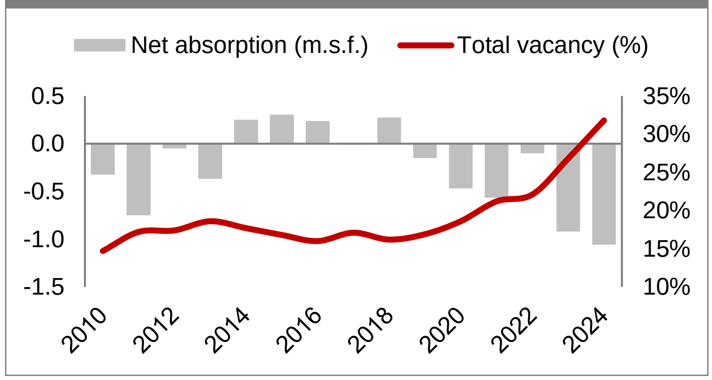
Although sales volumes remained flat, favorable pricing indications emerged on the Westside. Highlighting this, the Arboretum, a 226,000-s.f. office building fully leased to Universal Music Group for 12 years in Santa Monica, traded for $183 million ($810 p.s.f.). In Beverly Hills, 407 Maple, a 174,847-s.f. Class A asset, sold for $118.3 million ($677 p.s.f.). Apparel company Fashion Nova acquired the property and will occupy the premises. In another noteworthy owner-occupier trade, the 1.4 million-s.f. Gas Company Tower in Downtown LA was acquired by the County of LA for $200 million ($143 p.s.f.).

Outlook

Firmer return-to-the-office mandates have begun to stem the tide of space giveback and will help stabilize Los Angeles's office demand. LA's diversified tenant base will continue to bridge the lull in tech demand. The entertainment sector, LA's other leading industry, continued to face headwinds tied to reduced filming and costly streaming competition. However, a proposed doubling of film incentives by the State of California could help keep more filming activity locally and bolster this important economic sector.

While high-end concession packages continue to be executed with improvement allowances in the mid-to-upper $100s, there was some softening of downtown concessions rates in 2024: average TI packages for new deals fell by 14%, and a greater share of new leases were signed with improvement allowances lower than $100 per s.f.

Net absorption and overall vacancy rates



Gross leasing activity

Rental rates and going-in yields

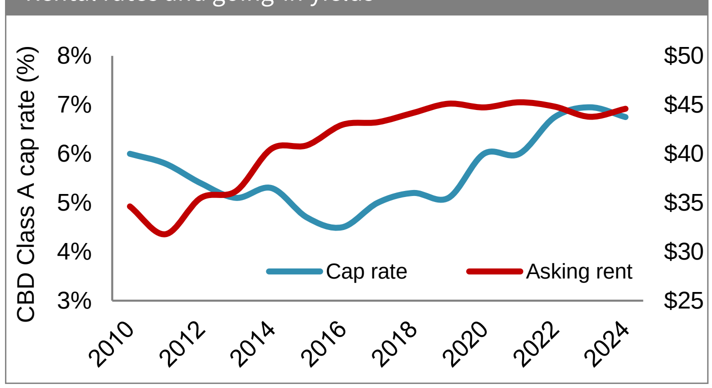


Table refers to overall market, while charts refer to Manulife submarkets

New Jersey (Hudson Waterfront and the Meadowlands)

- Vacancy rates in Hudson Waterfront and the Meadowlands plateaued in 2024 and began to decline in the second half of the year, reaching 30.2% at year-end, a decline of 60 basis points from peak levels in Q2 2024
- Legal services was the most active sector during the final three months of 2024, as law firms were responsible for nearly 40% of signed leases.
- Further stabilization of the state's office sublease pipeline will help to maintain downward pressures on the vacancy rate in the coming year.

Overall market statistics		Forecast
2024 net absorption (s.f.)	506,668	▲
Under construction (s.f.)	374,318	▼
Total vacancy (%)	26.6%	▼
Sublease vacancy (s.f.)	7,906,370	▼
Asking rent ($ p.s.f.)	$30.74	▲
Concessions	Stable	▶

Office market trends

Hudson Waterfront and the Secaucus region saw several important milestones contributing to office recovery in 2024. Both markets generated positive net absorption for the full year, and are beginning to see vacancy rates decline from historic highs. Class A product in Hudson Waterfront is beginning to stabilize after large-scale consolidations from financial services occupiers over the past several years, and is currently poised to recover on the back of a broad recovery of the New York City office market. The Meadowlands also generated positive net absorption in 2025 as downsizing activity has largely abated. While product in this submarket is not seeing migration from other areas, a lower denominator of inventory through conversions and redevelopments aims to support existing product.

Most of the latest leasing activity was being driven by smaller-sized transactions, which had been a recurring trend in the state's office market during the past few years. Leases in excess of 100,000 s.f. were elusive during Q4. Instead, more than 60% of signed deals were in the 10,000-s.f. to 25,000-s.f. range.

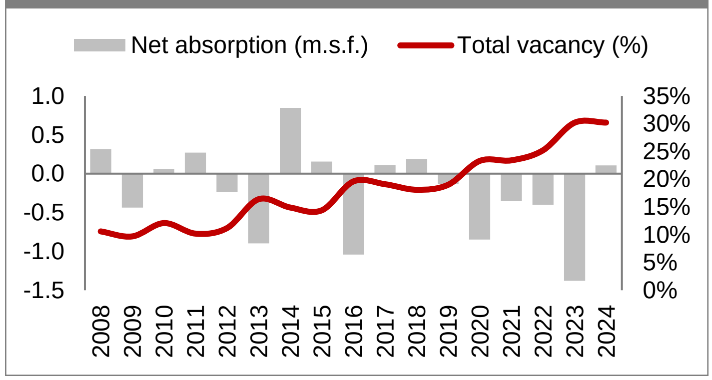
The legal services sector was responsible for much of the Q4 demand, accounting for nearly 40% of signed leases. Furthermore, three out of the five largest leases during Q4 involved law firms. This activity was often being driven by relocations from outdated spaces to higher-end facilities. Capitalizing on multimillion-dollar renovations at 7 Giralda Farms in Madison, Riker Danzig LLP leased 45,500 s.f. at the building. The law firm will be moving from its long-time home at Headquarters Plaza in Morristown. Kelley Drye & Warren LLP also leased 16,000 s.f. at 7 Giralda Farms in late 2024.

Outlook

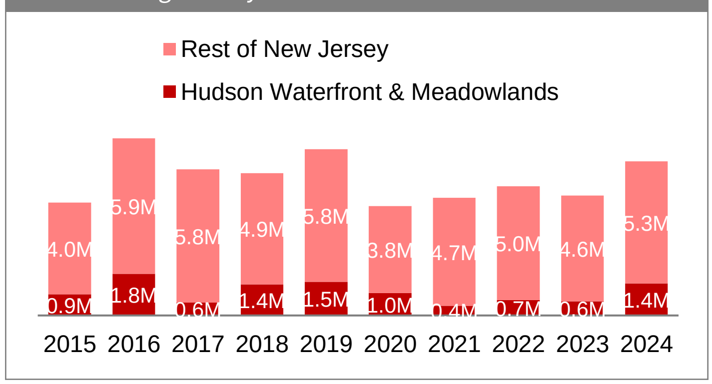
Continuing stabilization of the state's office sublease pipeline, combined with increased tenant requirements, will help maintain downward pressures on the vacancy rate in the coming year. After corporate restructurings boosted Class A office sublease space to nearly 7.9 million s.f. in mid-2023, the supply had since trended lower to 7.1 million s.f. by year-end 2024. While New Jersey's Class A overall vacancy rate was above 30%, the direct vacancy rate was under 24%.

With 38 million s.f. of expiring leases in the next three years and just over 300,000 s.f. available in the pipeline or recent developments, New Jersey will experience among the highest renewal rates in the country over the near term.

Net absorption and overall vacancy rates



Gross leasing activity



Rental rates and going-in yields

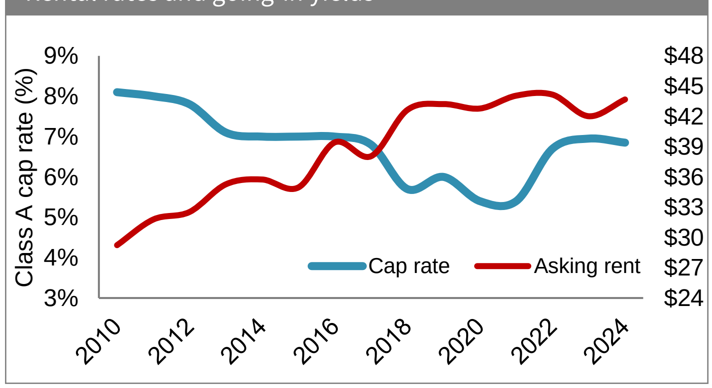


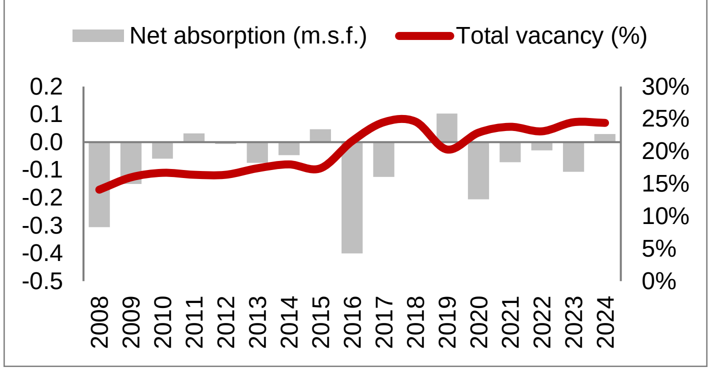
Table refers to overall market, while charts refer to Manulife submarkets

Northern Virginia (Fairfax Center and Fairfax City)

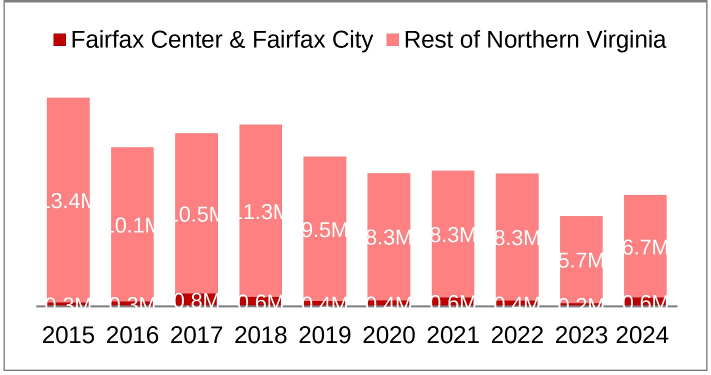
- Despite softness in the broader market amid government downsizing in 2024, Fairfax saw conditions stabilize in 2024, with the first year of positive net absorption since 2019, driving a plateau and decline in overall vacancy rates.
- The development pipeline remains at historical lows with no new deliveries this quarter. Only two buildings remain under construction and are expected to deliver within the next 12 months.
- Adaptive reuse and mixed-use redevelopment of older office properties are expected to gain momentum, potentially reducing overall vacancy and revitalizing struggling submarkets.

Overall market statistics		Forecast
2024 net absorption (s.f.)	-2,199,963	▲
Under construction (s.f.)	244,000	▼
Total vacancy (%)	24.3%	▼
Sublease vacancy (s.f.)	1,602,112	▼
Asking rent ($ p.s.f.)	$36.67	▲
Concessions	Stable	▶

Net absorption and overall vacancy rates



Gross leasing activity



Rental rates and going-in yields

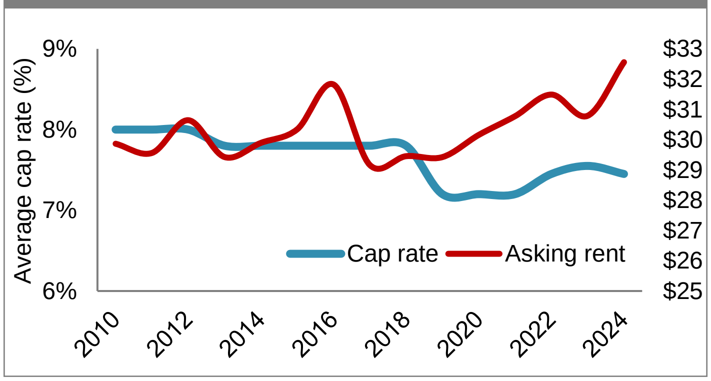


Table refers to overall market, while charts refer to Manulife submarkets

Office market trends

The Fairfax Center and Fairfax City submarkets made progress towards absorbing some of the elevated vacancy that has emerged since the pandemic, posting the first year of positive net absorption since 2019, allowing vacancy rates to decline moderately. While tenants in the broader Northern Virginia market are prioritizing transit-oriented nodes like Reston and the Silver Line Corridor, Fairfax is benefitting from a disproportionate share of redevelopments and conversions helping to reduce inventory and offset vacancy increases.

Therefore, well-amenitized or relatively well-positioned buildings in Fairfax are beginning to see more activity as tenants in the surrounding area face fewer options for office space.

Professional and business services, technology and finance tenants led leasing activity this quarter, accounting for 45% of total volume. Renewals grew to 58.4% of total volume, in continuation of the trend in Q3, driven by a number of factors, including capital constraints pushing more buildout costs to tenants.

Meanwhile, the development pipeline remained at historic lows, with no new deliveries this quarter. Only two buildings are under construction in Northern Virginia and both sit outside of Fairfax – OB5 at Reston Station and One Loudoun – amounting to 244,000 s.f.

Outlook

Looking ahead, the Northern Virginia office market is poised for a gradual recovery, driven by the market's strong technology and government contracting sectors. As companies finalize their return-to-office strategies, we anticipate increased leasing activity, particularly for high-quality, amenity-rich spaces in mixed-use developments.

The ongoing transformation of aging office stock into mixed-use developments will likely accelerate, reshaping submarkets and creating new opportunities for both tenants and investors.

With a large volume of expirations due in the next three years, low availability in trophy supply and very few deliveries in the pipeline, tenants will have much more pressure to renew leases over the short term.

Orange County (Irvine)

- 2024 office leasing activity in Irvine reached a new high since the pandemic despite the slowdown in Q4, but activity was dominated by renewals, many of which were associated with a downsized footprint, which drove negative net absorption for the year.
- Financial and technology firms were the primary drivers of leases on spaces larger than 10,000 s.f. during Q4.
- The first interest rate cut since 2022 stimulated a 77% increase in office sales in Q4. However, 2024's total volume was the lowest since 2010, reflecting the lingering impact of high interest rates.
- Residential, rather than industrial, began to dominate office conversions in response to state's housing mandates and demand shift in Orange County.

Office market trends

Orange County office leasing volume declined 7.2% quarter-over-quarter in Q4. Despite this slowdown, 2024's total leasing activity surpassed 8.3 million s.f., setting a new high since the pandemic and only 8.7% below the total recorded in 2019.

Irvine saw a pickup in leasing activity in 2024, but leases were dominated by renewals and corresponded with continuing downsizing activity, leading negative net absorption to grow YoY. Irvine's leasing acceleration has largely benefitted offices in walkable settings, or creative office product that appeals to technology occupiers.

Interest rate cuts have not yet created a meaningful improvement in liquidity for office product in Orange County, although Irvine is generating the largest share of investment activity. Despite a roughly 30% increase in sales volume nationally, investment volume in Orange County totaled just $843 million, a 15% decline YoY. Accelerated sales activity in the region will allow older properties to more quickly be redeveloped to industrial or medical uses, helping to offset the increase in vacancy.

Responding to the state mandate of enlarging housing supply, The Irvine Company recently proposed replacing two MacArthur Court offices with 700 apartment units. Cities of Orange and Anaheim also announced new plans to convert three office buildings to residential. In the office conversion trend since the pandemic, Q4 2024 marked the first time that residential dominated redevelopments instead of industrial, signaling the demand shift in Orange County.

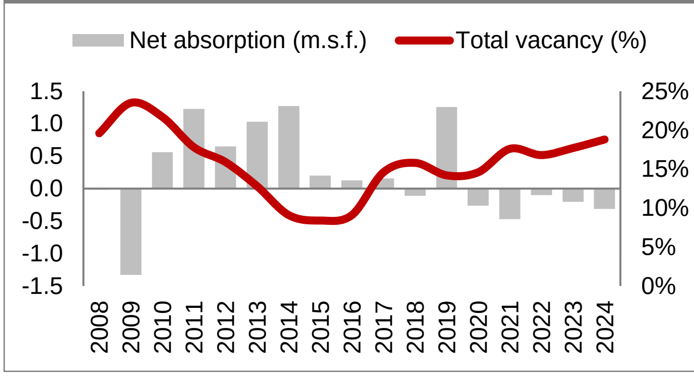
Outlook

Looking ahead, the uncertain impact of potential tariffs and immigration policies under the new presidency, as well as Federal Reserve's unclear direction for 2025, may slow down the active trading momentum observed in Q4 2024. Despite these uncertainties, stable employment, steady leasing activity and limited new supply should position Orange County well to face upcoming challenges.

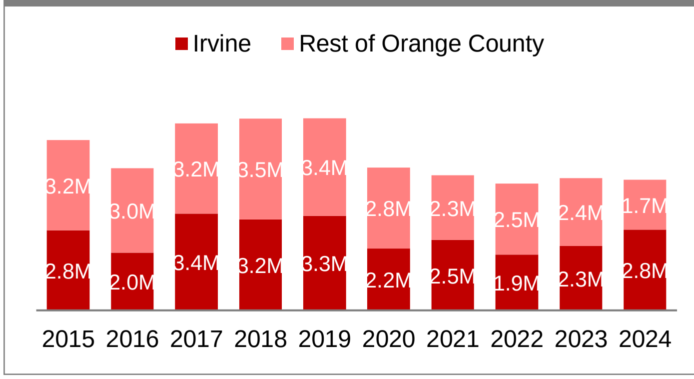
With 35 million s.f. of expiring leases in the next three years and just over one million s.f. available in the pipeline or recent developments, Orange County will experience high renewal rates in the coming years.

Overall market statistics		Forecast
2023 net absorption (s.f.)	-352,770	▲
Under construction (s.f.)	168,137	▼
Total vacancy (%)	17.2%	▼
Sublease vacancy (s.f.)	1,928,832	▼
Asking rent ($ p.s.f.)	$35.52	▲
Concessions	Stable	▶

Net absorption and overall vacancy rates



Gross leasing activity



Rental rates and going-in yields

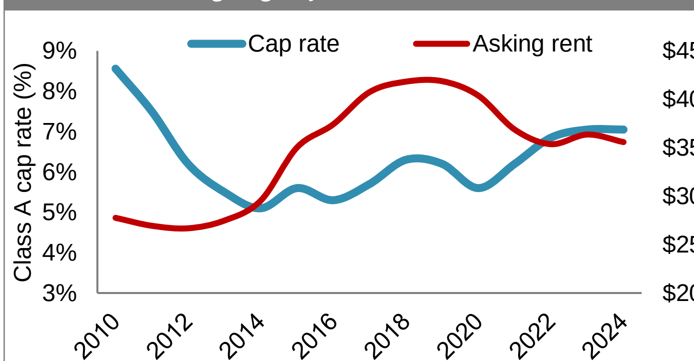


Table refers to overall market, while charts refer to Manulife submarkets

Phoenix (Tempe)

- Negative net absorption fell by 85% YoY as occupancy losses stabilized considerably over the course of the year. Vacancy rates have plateaued in the broader metro but increased slightly in Tempe amid construction deliveries.
- Total office inventory declined for the fifth consecutive quarter, with elevated conversion activity and less construction compared with historical levels.
- Quarterly net absorption was slightly positive but nearly neutral, with total net absorption of 8,700 s.f. This was the first quarter of positive net absorption since Q3 2021.
- Direct asking rent growth, which increased by 3.1% year-over-year, highlighted ongoing optimism.

Overall market statistics		Forecast
2023 net absorption (s.f.)	-1,305,021	▲
Under construction (s.f.)	502,177	▼
Total vacancy (%)	24.9%	▼
Sublease vacancy (s.f.)	4,851,007	▼
Asking rent ($ p.s.f.)	$30.82	▲
Concessions	Stable	▶

Office market trends

The Phoenix office market continued to find its footing through 2024. Leasing activity grew 7% year-over-year and exceeded pre-pandemic levels. Stabilizing vacancy rates and steady rent growth indicated a potential shift toward recovery. Tempe experienced a slower recovery than other submarkets as tenants prioritized the CBD and Camelback Corridor in recent quarters. Tempe has generally seen a slower leasing recovery over the past two years as its dominant industry, back-office technology, has been more defensive.

Total office inventory in the Phoenix market declined for the fifth consecutive quarter, contributing further to a decrease in the total vacancy rate, but a concentration of recent development activity around Tempe has driven local vacancy rates to near 30%, though they are beginning to plateau. Approximately 502,000 s.f. of office space was under construction as of year-end 2024, mostly build-to-suit development, and all properties were fully pre-leased.

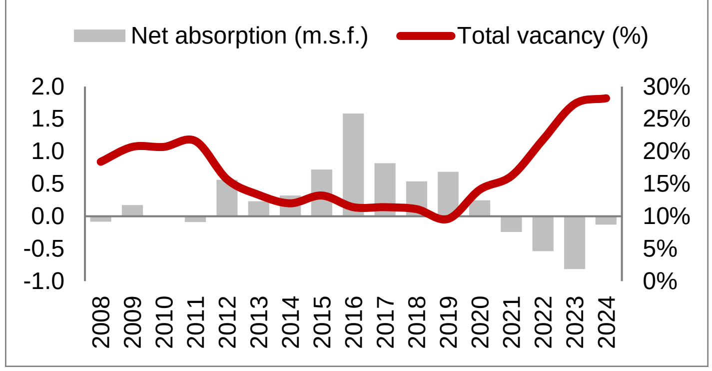
Direct asking rent growth highlighted ongoing market optimism, increasing by 3.1% year-over-year. Demand remained concentrated in amenity-rich spaces, particularly in Tempe and Camelback Corridor. The Downtown submarket, greatly impacted during the pandemic, had positive net absorption and signs of returning interest in 2024. However, struggles persisted in some large submarkets, such as Midtown and the Airport Area.

Outlook

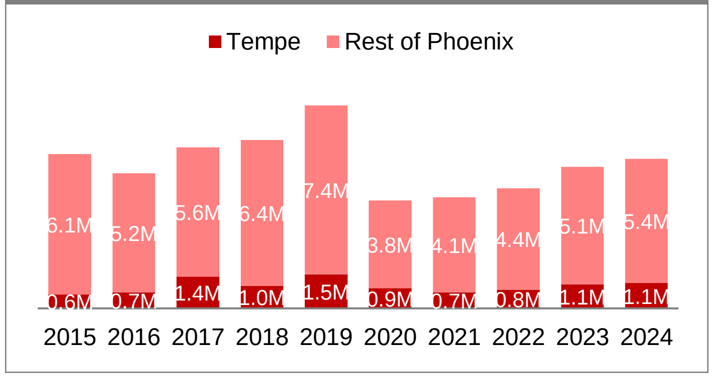
The Phoenix office market is set for gradual improvement in 2025, with stabilizing vacancy rates and steady rent growth indicating cautious optimism. Many businesses have likely finalized future space adjustments, reducing occupancy volatility, as leases signed before the pandemic have mostly expired. Additionally, the ongoing conversion of obsolete buildings and limited new construction should help limit market weakness. However, a lack of new supply may reduce suitable options for companies looking to relocate or expand.

With 31 million s.f. of expiring leases in the next three years and 4.8 million s.f. available in the pipeline or recent developments, Phoenix will likely experience lower renewal rates than the U.S. average in the coming years.

Net absorption and overall vacancy rates



Gross leasing activity



Rental rates and going-in yields

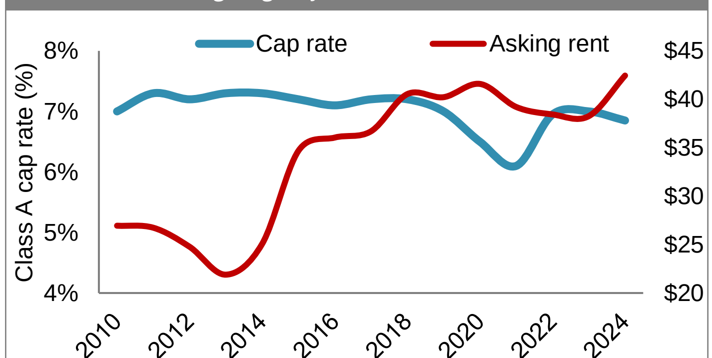


Table refers to overall market, while charts refer to Manulife submarkets

Washington, D.C. (CBD)

- The DC office market showed signs of improvement in Q4, with positive quarterly absorption for the first time in 10 quarters and a slight dip in total vacancy to 19.9%.
- The CBD posted its second consecutive year of positive net absorption as downsizing has slowed and expansionary activity is returning. A flight to quality has driven gains predominantly in Trophy and Class A buildings.
- Leasing activity in 2024 returned to pre-pandemic levels of 8.8 million s.f. Government, law firms, and non-profits and associations drove leasing activity.
- While total vacancy increased slightly from 2023 to 2024, office conversions will gain momentum in 2025, which will help reduce vacancy rates over time.

Overall market statistics		Forecast
2024 net absorption (s.f.)	-876,320	▲
Under construction (s.f.)	400,000	▼
Total vacancy (%)	19.9%	▼
Sublease vacancy (s.f.)	1,444,125	▼
Asking rent ($ p.s.f.)	$59.54	▲
Concessions	Stable	▶

Office market trends

Absorption swung positive during Q4 for first time in 10 quarters, causing total vacancy to dip slightly to 19.9%. CBD absorption has reached positive territory for two consecutive years, with occupancy gain growing 30% YoY, but vacancy rates continue to gradually increase as the construction pipeline delivers remaining projects. Rents showed resilience, with the average asking rate at $59.54 p.s.f. FS, reflecting the underlying strength at the top of the market.

Trophy space continues to outperform, with asking rents rising to $91 p.s.f. FS. Trophy rents exceeded $90 p.s.f. FS for the first time this quarter and commanded premiums of 60% above the rest of the market. Trophy total vacancy is 12.3%, more than eight percentage points below the rest of the market. There is just one Trophy building under construction in DC, and no new office buildings broke ground in 2024.

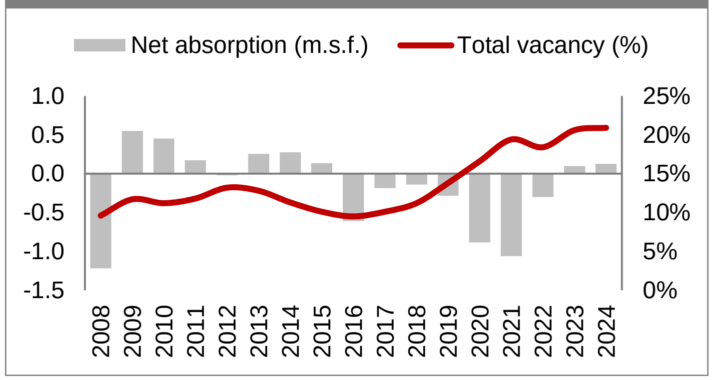
CBD leasing fell by 20% YoY, but this was largely driven by reduced expiration activity as new deals and expansions remained consistent. Leasing activity is still highly bifurcated by asset quality, but tenants are now targeting a broader share of buildings—the share of leasing in Trophy properties fell by 3% YoY, but the share of leasing in Class A properties increased by 24%. Federal government, law firms, and non-profits and associations represented 55% of annual volume. 64% of tenants maintained or grew their footprint in 2024. Consulting and law firms drove growth in Q4 2024, with Alvarez & Marsal, Milbank, and Simpson Thatcher among firms that grew their footprints the most. Additionally, tenants signing 10,000-20,000 s.f. leases in 2024 grew their footprint by an average of 3%.

Outlook

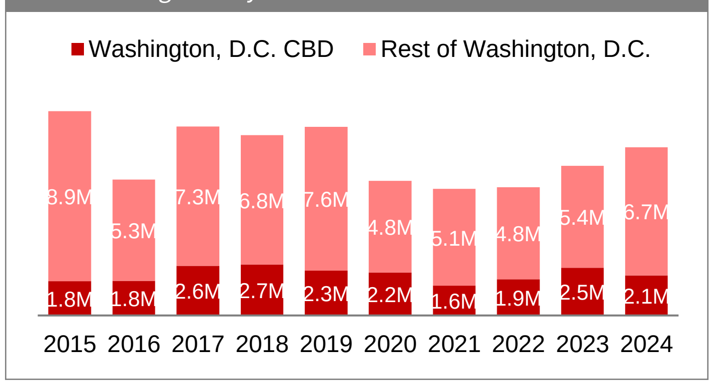
There are signs for optimism for DC's office market. The tight supply of Trophy space will continue, driving more tenants into the market sooner. This supply/demand imbalance in the Trophy market will reach a tipping point, and at least one new Trophy building will break ground next year. At the bottom of the market, conversions will gain momentum in 2025. Removing obsolete office buildings will reduce vacancy rates over time. Current and planned office conversions will remove 5.2 million s.f. from the office inventory.

82 million s.f. are set to expire market-wide over the next three years, and just 5 million s.f. remains available in supply built in the last decade or the pipeline, suggesting high renewal rates over the short term.

Net absorption and overall vacancy rates



Gross leasing activity



Rental rates and going-in yields

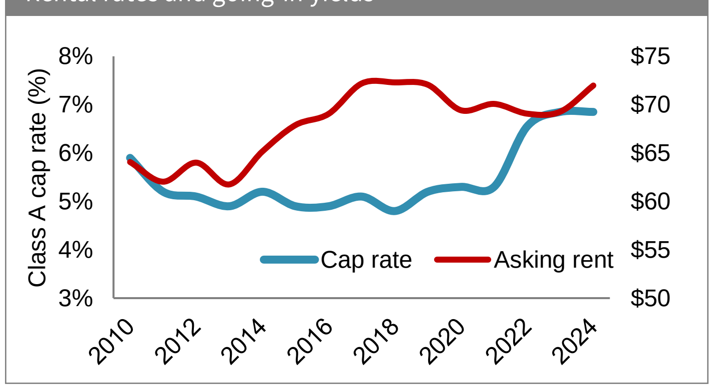
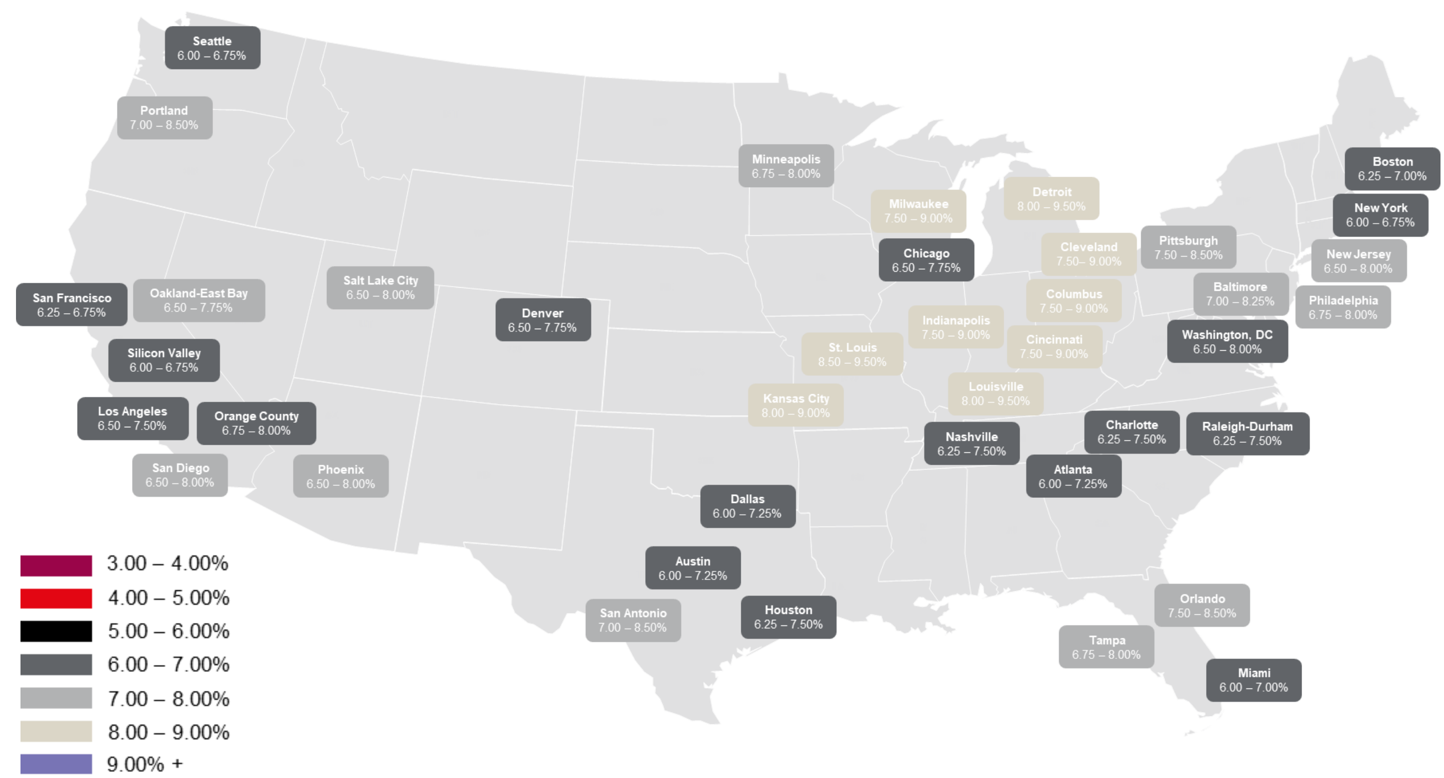


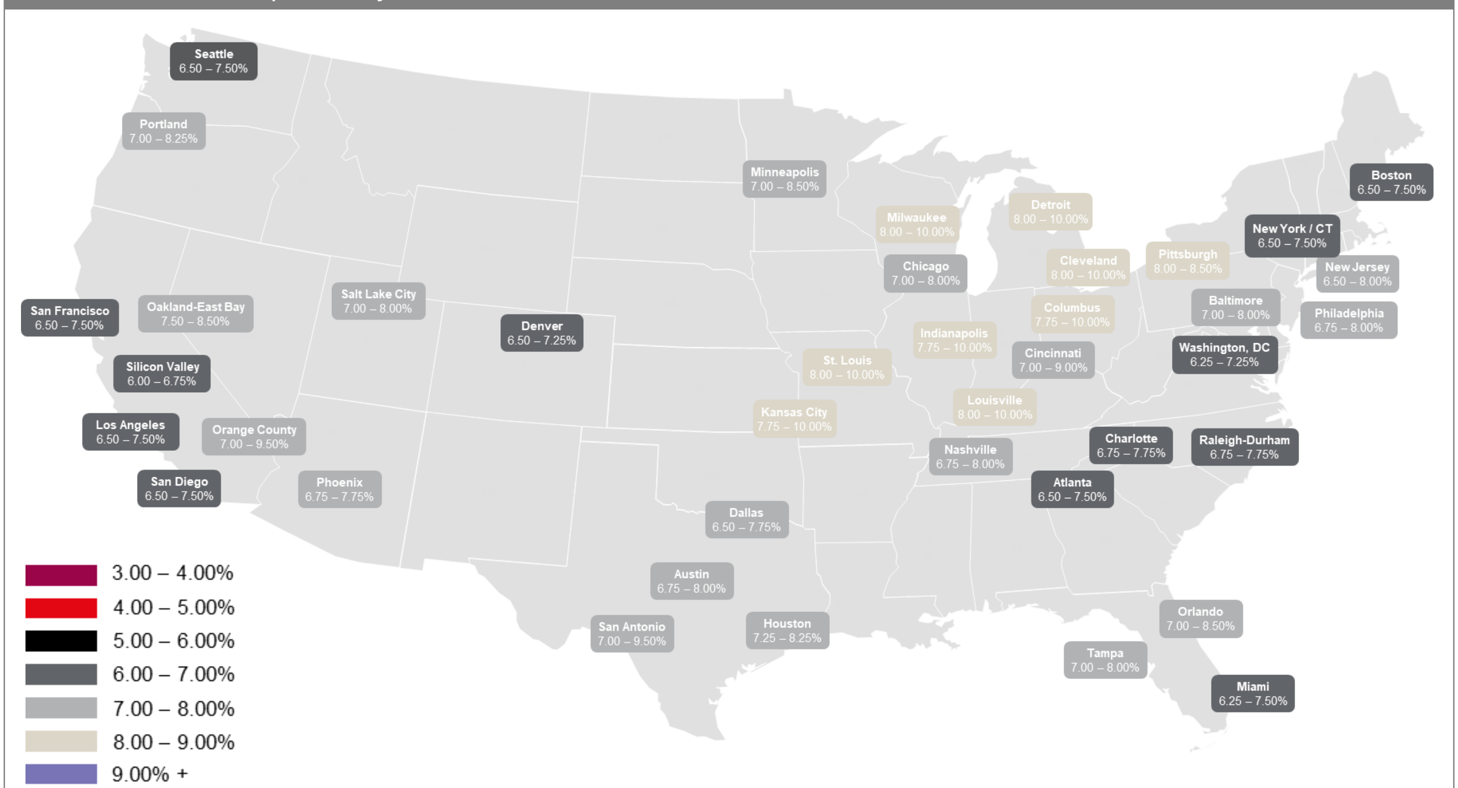
Table refers to overall market, while charts refer to Manulife submarkets

Cap rates by market

CBD Class A cap rates by market



Suburban Class A cap rates by market



MUST market data

Leasing Activity (2024, over 20,000 s.f.)						
Tenant	**Market**	**Submarket**	**Address**	**Class**	**Lease type**	**Size (s.f.)**
AGL Services Company	Atlanta	Midtown	725 W Peachtree St NE	A	New Lease	264,300
Piedmont Healthcare Inc	Atlanta	Midtown	271 17th St NW	A	New Lease	164,221
Merrill Lynch	Atlanta	Buckhead	3455 Peachtree Rd NE	A	Renewal	127,688
AT&T	Atlanta	Buckhead	1057 Lenox Park Blvd NE	A	New Lease	117,045
Morris, Manning & Martin	Atlanta	Buckhead	3560 Lenox Rd NE	Trophy	New Lease	104,440
AT&T	Atlanta	Buckhead	1055 Lenox Park Blvd NE	A	New Lease	103,229
HNTB	Atlanta	Midtown	14th St NW & Spring St NW	A	New Lease	91,906
South State Bank	Atlanta	Buckhead	3475 Piedmont Rd NE	A	New Lease	87,000
Cargill	Atlanta	Midtown	864 Spring St NW	Trophy	Sublease	82,437
CoStar Group	Atlanta	Buckhead	3438 Peachtree Rd NE	Trophy	Renewal	82,131
Workday	Atlanta	Buckhead	3350 Peachtree Rd NE	A	Expansion	57,698
Workday	Atlanta	Buckhead	3350 Peachtree Rd NE	A	Renewal	55,697
Confidential	Atlanta	Midtown	675 Ponce de Leon Ave NE	Trophy	New Lease	48,838
CONA Services	Atlanta	Midtown	675 Ponce de Leon Ave NE	Trophy	New Lease	48,000
United States FDIC	Atlanta	Midtown	10 10th St NW	A	Renewal	45,738
Athenahealth Inc	Atlanta	Midtown	675 Ponce de Leon Ave NE	Trophy	Renewal	45,652
PrizePicks	Atlanta	Midtown	1055 Howell Mill Rd NW	Trophy	New Lease	33,348
Janney Montgomery Scott	Atlanta	Buckhead	3560 Lenox Rd NE	Trophy	New Lease	30,580
Stifel Nicolaus & Company, Inc.	Atlanta	Buckhead	3630 Peachtree Rd NE	A	Renewal	29,047
Amazon.com Services, LLC	Atlanta	Midtown	271 17th St NW	A	Renewal	26,252
Thompson Hine	Atlanta	Buckhead	3560 Lenox Rd NE	Trophy	Renewal	25,031
Argenbright Capital	Atlanta	Buckhead	950 E Paces Ferry Rd NE	A	New Lease	24,620
Bank of America	Atlanta	Buckhead	3455 Peachtree Rd NE	A	Renewal	23,783
Oxford Industries, Inc.	Atlanta	Midtown	999 Peachtree St NE	A	Renewal	23,170
South State Bank	Atlanta	Buckhead	3565 Piedmont Rd NE	A	Renewal	22,945
Deloitte	Atlanta	Midtown	1230 Peachtree St NE	A	Expansion	22,654
Robert Half International	Atlanta	Midtown	1180 W Peachtree St NW	A	Renewal	22,199
Libreum International	Atlanta	Buckhead	3340 Peachtree Rd NE	A	Relocation	20,744
Travelers Insurance	Atlanta	Midtown	756 W Peachtree St	Trophy	Sublease	20,673
AbbVie	Atlanta	Buckhead	1 Phipps Plz	Trophy	New to Market	20,475
Change Healthcare	Atlanta	Buckhead	3535 Piedmont Rd NE	A	Renewal	20,461
Atlanta Capital	Atlanta	Midtown	1075 Peachtree St NE	Trophy	Renewal	20,045
Southern California Gas Company	Los Angeles	CBD	350 S Grand Ave	Trophy	Relocation	198,553
Los Angeles Olympics 2028	Los Angeles	CBD	1150 S Olive St	A	New Lease	160,000
US Bank	Los Angeles	CBD	633 W 5th St	Trophy	Renewal	73,228
Bank of Tokyo	Los Angeles	CBD	555 S Flower St	Trophy	New Lease	61,983
Industrious	Los Angeles	CBD	444 S Flower St	A	New Lease	44,536
L.A. County MTA	Los Angeles	CBD	777 S Figueroa St	Trophy	Renewal	41,628
Reed Smith	Los Angeles	CBD	515 S Flower St	Trophy	New to Market	41,129
Davis Wright Tremaine	Los Angeles	CBD	350 S Grand Ave	Trophy	New Lease	39,657
Fashionphile Group LLC	Los Angeles	CBD	757 S Alameda St	A	Relocation	32,330
California Bank & Trust	Los Angeles	CBD	707 Wilshire Blvd	A	Relocation	28,603
Shein Distribution Corporation	Los Angeles	CBD	757 S Alameda St	A	Renewal	28,593
Shein Distribution Corporation	Los Angeles	CBD	757 S Alameda St	A	Renewal	28,593
JAMS	Los Angeles	CBD	555 S Flower St	Trophy	New Lease	27,230
Hill Farrer & Burrill LLP	Los Angeles	CBD	515 S Flower St	Trophy	Relocation	24,979
Regus	Los Angeles	CBD	633 W 5th St	Trophy	Renewal	24,410
Finesse Inc	Los Angeles	CBD	700 S Flower St	A	Sublease	23,234
United Way	Los Angeles	CBD	515 S Figueroa St	A	New Lease	22,115
L.A. County MTA	Los Angeles	CBD	777 S Figueroa St	Trophy	Renewal	21,274
AEG Worldwide	Los Angeles	CBD	865 S Figueroa St	A	Renewal	21,214
JP Morgan Chase & Company	New Jersey	Hudson Waterfront	545 Washington Blvd	A	Expansion	201,047
Fidelity Investments	New Jersey	Hudson Waterfront	499 Washington Blvd	A	Renewal	184,341
The Children's Place	New Jersey	Meadowlands	500 Plaza Dr	A	Renewal	119,979
Unilever	New Jersey	Hudson Waterfront	111 River St	A	Relocation	111,000
Newell Brands	New Jersey	Hudson Waterfront	221 River St	A	Renewal	60,000
Sumitomo Mitsui Trust Bank	New Jersey	Hudson Waterfront	111 River St	A	Renewal	30,000
National Retail Systems Inc	New Jersey	Meadowlands	125 Chubb Ave	A	New Lease	29,766
Sika Corporation	New Jersey	Meadowlands	301 Route 17 N	A	Sublease	26,520
Pierre Fabre Dermo Cosmetique	New Jersey	Meadowlands	500 Plaza Dr	A	New Lease	23,769
Becton, Dickinson and Company	Orange County	Irvine Spectrum	17200 Laguna Canyon Rd	A	Sublease	116,261
Pacific Premier Bank	Orange County	Irvine	17901 Von Karman Ave	A	Renewal	115,438
Google, Inc.	Orange County	Irvine	19510 Jamboree Rd	A	Renewal	107,865
Google, Inc.	Orange County	Irvine	19520 Jamboree Rd	A	Renewal	89,641

MUST market data

Leasing Activity (2024, over 20,000 s.f.)

Tenant	Market	Submarket	Address	Class	Lease type	Size (s.f.)
JP Morgan Chase & Company	Orange County	Irvine	3 Park Plaza	A	Renewal	86,250
Henkel	Orange County	Irvine	14000 Jamboree Rd	B	Renewal	77,626
JP Morgan Chase & Company	Orange County	Irvine	3 Park Plaza	A	Expansion	69,054
Willow Laboratories	Orange County	Irvine	121 Theory	B	New Lease	63,440
Tarsus Pharmaceuticals	Orange County	Irvine Spectrum	17700 Laguna Canyon Rd	A	New Lease	59,626
Ventura Foods LLC	Orange County	Irvine Spectrum	17800 Laguna Canyon Rd	A	New Lease	59,626
Pepperdine University	Orange County	Irvine	18111 Von Karman Ave	A	Renewal	54,703
Inari Medical Inc	Orange County	Irvine Spectrum	510 Technology Dr	A	New Lease	54,406
Hyundai Glovis America	Orange County	Irvine	18191 Von Karman Ave	A	New Lease	53,282
Wells Fargo	Orange County	Irvine	2030 Main St	A	Renewal	52,598
Symple Lending	Orange County	Irvine	3351 Michelson Dr	A	New Lease	51,629
Clear Start Tax	Orange County	Irvine	5 Park Plaza	A	Sublease	45,960
BSH Home Appliances Corporation	Orange County	Irvine	1901 Main St	A	Renewal	44,940
WM Technology	Orange County	Irvine Spectrum	41 Discovery	B	Renewal	44,820
St. Joseph Health System	Orange County	Irvine Spectrum	15480 Laguna Canyon Rd	B	New Lease	44,820
Fisher Phillips	Orange County	Irvine	2050 Main St	A	Expansion	44,304
Fisher Phillips	Orange County	Irvine	2050 Main St	A	Renewal	44,162
TaxRise	Orange County	Irvine	19900 Macarthur Blvd	A	Renewal	44,000
LPA Inc	Orange County	Irvine	5301 California Ave	B	Renewal	39,219
Consumer Portfolio Services	Orange County	Irvine	19540 Jamboree Rd	A	Renewal	38,898
KPMG	Orange County	Irvine Spectrum	20 Pacifica	A	Renewal	34,585
The Trade Desk	Orange County	Irvine Spectrum	400 Spectrum Center Dr	A	Renewal	34,111
UCI Foundation	Orange County	Irvine	5141 California Ave	B	New Lease	31,720
Primoris Services Corporation	Orange County	Irvine Spectrum	7515 Irvine Center Dr	B	New Lease	31,706
Hyundai Capital America	Orange County	Irvine	3161 Michelson Dr	A	Expansion	31,196
New Home Co.	Orange County	Irvine	18300 Von Karman Ave	A	Relocation	30,269
Consumer Portfolio Services	Orange County	Irvine	19500 Jamboree Rd	A	Renewal	30,039
Jackson Lewis	Orange County	Irvine Spectrum	200 Spectrum Center Dr	A	Renewal	29,538
Inari Medical Inc	Orange County	Irvine Spectrum	510 Technology Dr	A	Sublease	27,057
Bonfire Studios, Inc.	Orange County	Irvine	18600 Macarthur Blvd	B	Expansion	24,481
TJ Maxx	Orange County	Irvine	18100 Von Karman Ave	A	Renewal	24,234
Moss Adams	Orange County	Irvine	2050 Main St	A	New Lease	24,159
City Of Irvine	Orange County	Irvine	5300 California Ave	B	Renewal	23,757
Atkinson, Andelson, Loya, Ruud & Romo	Orange County	Irvine Spectrum	20 Pacifica	A	Renewal	23,316
Ferguson Braswell Fraser Kubasta, PC	Orange County	Irvine	5 Park Plaza	A	New Lease	23,240
Brown & Streza LLP	Orange County	Irvine Spectrum	40 Pacifica	A	Renewal	22,954
Everett & Dorey, LLP	Orange County	Irvine	2030 Main St	A	New Lease	22,842
Palmieri,Tyler,Wiener,Wilhelm & Waldron LLP	Orange County	Irvine	1900 Main St	A	Renewal	22,464
Regus	Orange County	Irvine	2020 Main St	A	New Lease	22,145
Armanino LLP	Orange County	Irvine Spectrum	400 Spectrum Center Dr	A	New Lease	22,000
MTS Capital LLC	Orange County	Irvine	19900 Macarthur Blvd	A	New Lease	21,285
OneDigital	Orange County	Irvine Spectrum	7755 Irvine Center Dr	A	Renewal	21,283
CU Direct Corporation	Orange County	Irvine	18400 Von Karman Ave	A	Renewal	20,804
K1 Speed	Orange County	Irvine	18500 Von Karman Ave	A	New Lease	20,528
TBD	Orange County	Irvine Spectrum	230 Progress	A	New Lease	20,130
Ooblix	Orange County	Irvine	5161 California Ave	B	Sublease	20,000
NewRez LLC	Phoenix	Tempe	2116 E Freedom Way	A	Sublease	91,506
Amazon	Phoenix	South Tempe	8600 S Science Dr	B	Renewal	64,892
Amazon	Phoenix	South Tempe	8600 S Science Dr	B	Renewal	58,972
Clifton Larson Allen LLP	Phoenix	Tempe	80 E Rio Salado Pkwy	A	Relocation	52,775
Unknown	Phoenix	Tempe	80 E Rio Salado Pkwy	A	New Lease	51,973
LPL Financial Services	Phoenix	Tempe	500 E Rio Salado Pkwy	Trophy	Sublease	42,467
Lego	Phoenix	Tempe	433 S Farmer Ave	A	New Lease	42,344
Verigon	Phoenix	South Tempe	14415 S 50th St	B	New Lease	40,997
Arizona Department of Transportation	Phoenix	Midtown	3838 N Central Ave	B	New Lease	34,837
Feed My Starving Children	Phoenix	South Tempe	1100 W Grove Pkwy	B	New Lease	34,187
Pulte Homes	Phoenix	Tempe	222 S Mill Ave	A	Relocation	34,049
GoDaddy	Phoenix	Tempe	100 S Mill Ave	Trophy	New Lease	31,667
Unknown	Phoenix	Midtown	645 E Missouri Ave	A	New Lease	30,225
Cognite	Phoenix	Tempe	40 E Rio Salado Pkwy	A	New Lease	28,300
Trinity Air Medical	Phoenix	South Tempe	1725 W Greentree Dr	B	Sublease	26,990
Monogram Health	Phoenix	Tempe	60 E Rio Salado Pkwy	A	Renewal	26,042
Broening Oberg Woods & Wilson	Phoenix	Midtown	2800 N Central Ave	A	Renewal	24,251
Arizona College	Phoenix	Tempe	163 N Dobson Rd	C	New Lease	24,000

MUST market data

Leasing Activity (2024, over 20,000 s.f.)						
Tenant	**Market**	**Submarket**	**Address**	**Class**	**Lease type**	**Size (s.f.)**
The Harkey Group	Phoenix	Midtown	3550 N Central Ave	B	New Lease	23,212
Flagship Credit Acceptance	Phoenix	Tempe	1500 N Priest Dr	B	New Lease	22,086
Renesas	Phoenix	South Tempe	3100 W Ray Rd	A	Renewal	21,782
Freedom Financial Network	Phoenix	Tempe	2116 E Freedom Way	A	Renewal	20,994
LaneTerralever	Phoenix	Midtown	645 E Missouri Ave	A	Renewal	20,130
US Agency for Global Media (USAGM)	Washington, DC - Metro	CBD	1875 Pennsylvania Ave NW	A	Relocation	315,859
Northrop Grumman	Washington, DC - Metro	Fairfax Center	12900 Federal Systems Park	B	Renewal	309,000
Zeta Associates	Washington, DC - Metro	Fairfax City	10302 Eaton Pl	B	Renewal	210,190
Holland & Knight	Washington, DC - Metro	CBD	800 17th St NW	Trophy	Renewal	145,750
United States ICE	Washington, DC - Metro	Fairfax Center	11320 Random Hills Rd	B	Renewal	98,471
Sullivan & Cromwell	Washington, DC - Metro	CBD	1700 New York Ave NW	Trophy	Renewal	78,740
Fairfax County Board of Supervisors	Washington, DC - Metro	Fairfax Center	4050 Legato Rd	A	Blend & Extend	69,765
Cozen O'Connor	Washington, DC - Metro	CBD	2001 M St NW	A	Sublease	65,576
Cozen O'Connor	Washington, DC - Metro	CBD	2001 M St NW	A	Renewal	65,576
World Bank Group	Washington, DC - Metro	CBD	1899 Pennsylvania Ave NW	A	Blend & Extend	56,796
American Center for Int'l Labor Solidarity	Washington, DC - Metro	CBD	1130 Connecticut Ave NW	B	Renewal	41,678
Haynes & Boone	Washington, DC - Metro	CBD	888 16th St NW	A	Relocation	31,188
United States Customs & Border Protection	Washington, DC - Metro	CBD	1717 H St NW	C	Renewal	30,000
Bradley Arant Boult Cummings	Washington, DC - Metro	CBD	1900 K St NW	Trophy	Sublease	28,251
Brown Rudnick Berlack Israels	Washington, DC - Metro	CBD	1900 N St NW	Trophy	Relocation	27,513
Gainwell Technologies	Washington, DC - Metro	CBD	1111 19th St NW	B	Sublease	23,494
Torridon Law	Washington, DC - Metro	CBD	801 17th St NW	Trophy	Sublease	21,931
Nuclear Threat Initiative	Washington, DC - Metro	CBD	1776 I St NW	A	Renewal	21,803
DCI Group	Washington, DC - Metro	CBD	2000 K St NW	A	Sublease	20,253

MUST market data

Sales Transactions (2024, over $15.0 million, excludes entity-level sales)

Building	Market	RBA (s.f.)	Sales price ($)	Price p.s.f.	Buyer	Seller	Port.?
1150 Spring St	Atlanta	324,000	$104,000,760	$321	Shorenstein	Crescent Communities	No
1170 Peachtree St NE	Atlanta	527,523	$83,250,000	$158	Cousins Properties	Manulife Financial	No
765 Echo St NW	Atlanta	305,000	$61,000,000	$200	Menlo Equities	Lincoln Property Co	No
1420 Peachtree St NE	Atlanta	159,891	$34,000,000	$213	28th Street Ventures	Franklin Street Props	No
555 West 5th St	Los Angeles	1,313,409	$200,000,000	$152	Los Angeles County	Situs Cos	No
777 S Figueroa St	Los Angeles	1,024,834	$120,000,000	$117	Min Xia	Brookfield AM	No
445 S Figueroa St	Los Angeles	627,334	$80,000,000	$128	Washington Capital Mgmt	Waterbridge Capital	No
801 S Figueroa St	Los Angeles	458,570	$60,000,000	$131	Barska Optics	Barings	No
2160 Grand Ave	Los Angeles	151,879	$59,200,000	$390	Mattel	New York Life	No
660 S Figueroa St	Los Angeles	278,657	$44,000,000	$158	Jay Fall	Jade Enterprises	No
2130 Violet St	Los Angeles	113,000	$29,130,000	$258	Harkham Ventures	Related Companies	No
617 W 7th St	Los Angeles	208,543	$20,467,000	$98	Izek Shomof	Swig Company	No
612 S Broadway	Los Angeles	81,307	$16,100,000	$198	Jonathan Kim (CA)	Afton Properties	No
5 Harborside Pl	New Jersey	977,225	$85,075,000	$87	601W Companies	Veris Residential	No
2020 Main St	Orange County	267,000	$53,715,000	$201	MGR Real Estate	PGIM Real Estate	No
5 Peters Canyon Rd	Orange County	156,305	$40,578,300	$260	TP-Link USA	GEM Realty	No
15131 Alton Pkwy	Orange County	178,000	$18,640,123	$105	City of Hope Medical	Five Point	Yes
17305 Von Karman Ave	Orange County	43,000	$15,300,000	$356	John Keskin	Scott Cornell; Kwangho Han	No
433 S Farmer Ave	Phoenix	184,000	$56,200,000	$305	Cross Ocean Partners	Mortenson Development	No
3200 N Central Ave	Phoenix	338,411	$24,480,000	$72	Younan Properties	Bridge Investment Grp	No
6955 W Morelos Pl	Phoenix	170,647	$16,836,380	$99	Ryan Companies	Landwin	No
8123 S Hardy Dr	Phoenix	56,240	$15,650,000	$278	Dean B Van Kirk	Fundrise eREIT	No
2000 K St NW	Washington, DC	233,292	$140,200,000	$601	Spear Street Capital	Tishman Speyer	No
2101 L St NW	Washington, DC	380,000	$110,100,912	$290	BG Ventures	JBG Smith	No
1700 Pennsylvania Ave NW	Washington, DC	208,622	$100,533,000	$1,025	Spear Street Capital	Klock Family	No
800 17th St	Washington, DC	365,000	$82,710,431	$452	NBIM	TIAA-CREF	Yes
1200 New Hampshire NW	Washington, DC	274,000	$70,800,000	$258	Brookfield AM	BentallGreenOak	No
2001 Pennsylvania Ave NW	Washington, DC	150,783	$35,000,000	$232	GWU	Carr Properties	No
2001 L St NW	Washington, DC	167,000	$30,550,000	$183	Melrose Solomon	LaSalle	No
1776 K St NW	Washington, DC	198,101	$27,945,000	$141	OTO Development	Vornado	No
11350 Random Hills Rd	Washington, DC	177,642	$27,800,000	$156	550 Sunnyside Road	Novel Office	No
1899 L St NW	Washington, DC	139,305	$26,650,000	$191	Taicoon Property	BlackRock	No
1201 Connecticut Ave NW	Washington, DC	173,688	$21,500,000	$124	Duball LLC	KeyCorp	No
1616 H St NW	Washington, DC	48,174	$16,916,110	$351	Ryan Lambert	NGOPH	No

MUST market data

Active Development Pipeline						
Building	**Market**	**Submarket**	**RBA (s.f.)**	**Developer**	**Spec/BTS**	**Completion**
Science Square	Atlanta	Midtown	368,258	Trammell Crow Company	Spec	2024
1072 W Peachtree St NW	Atlanta	Midtown	224,000	Rockefeller Group	Spec	2026
The Broadway Trade Center	Los Angeles	CBD	950,400	Waterbridge Capital LLC	Spec	2026
Forge at Alloy	Los Angeles	CBD	105,000	Carmel Partners	Spec	2024
Stanford Wholesale Mart Phase II	Los Angeles	CBD	60,000	Stanford Mart LP	Spec	2026
Lincoln Medical Building	Los Angeles	CBD	47,000	Oppidan LLC	Spec	2026
Arts and Power House Building	New Jersey	Hudson Waterfront	114,318	KABR Real Estate Investment Partners	Spec	2025
Rural Rd & University Dr	Phoenix	Tempe	165,000	Ryan Companies	Spec	2024

Methodology and terms of use

Methodology

JLL leverages proprietary leasing data with a blend of public, government-issued and third-party sources to produce our economic and market reports.

Office inventory spans 50+ U.S. local markets and is generally limited to investment-grade assets larger than 30,000 s.f., excluding medical office and owner-occupied assets.

Net absorption is recognized upon lease commencement and/or physical move-in, not lease sign date. Vacancy is recognized upon physical move-out or lease expiration date, not the time at which space is advertised for lease.

All sources are deemed reliable, but in some cases, information cannot be independently verified.

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