

PULSE OF U.S. OFFICE DEMAND | NOVEMBER 2022

U.S. Office Demand Drops in November

▼ 74

Leasing Activity

▼ 69

Tenants in the Market (TIM)

▲ 240

Sublease Availability

Note: Arrows indicate change from previous month.

What is the CBRE Pulse Report?

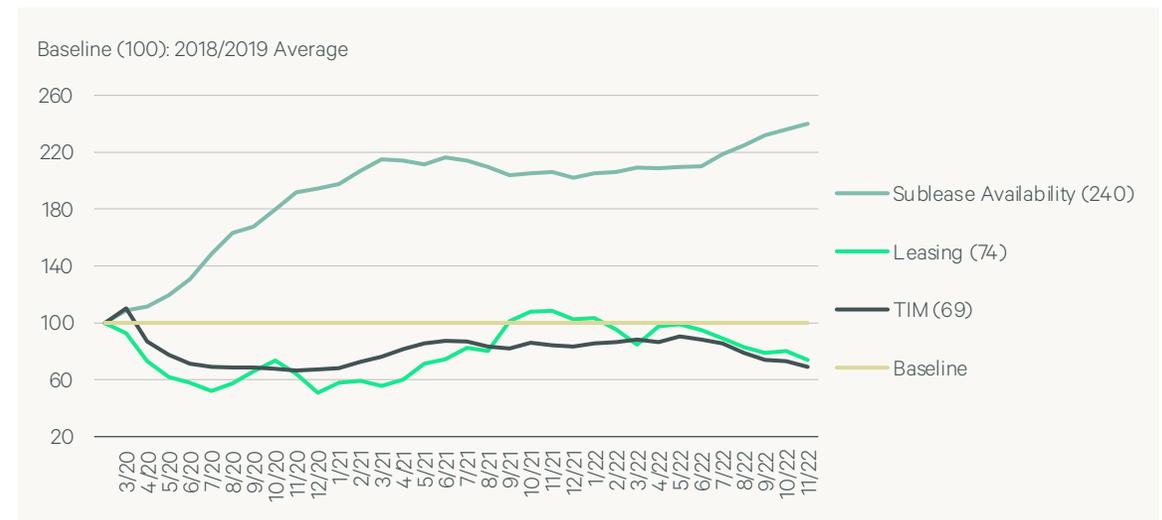
To gauge the pace of recovery, CBRE has created three indices for 11 major U.S. office markets—Atlanta, Boston, Chicago, Dallas/Fort Worth, Denver, Los Angeles, Manhattan, Philadelphia, San Francisco, Seattle and Washington, D.C.

Using CBRE data, these indices measure office market activity each month and provide early indications of when and where momentum in office demand may be shifting.

These metrics—space requirements of active tenants in the market (TIM), leasing activity and sublease availability—provide a clear picture of office demand amid the COVID-19 pandemic.

Note: Houston has been removed from the Pulse report and all historical data points have been restated.

FIGURE 1: Indexed Average Performance of Sublease Availability, TIM and Leasing Activity for the Top 11 U.S. Markets



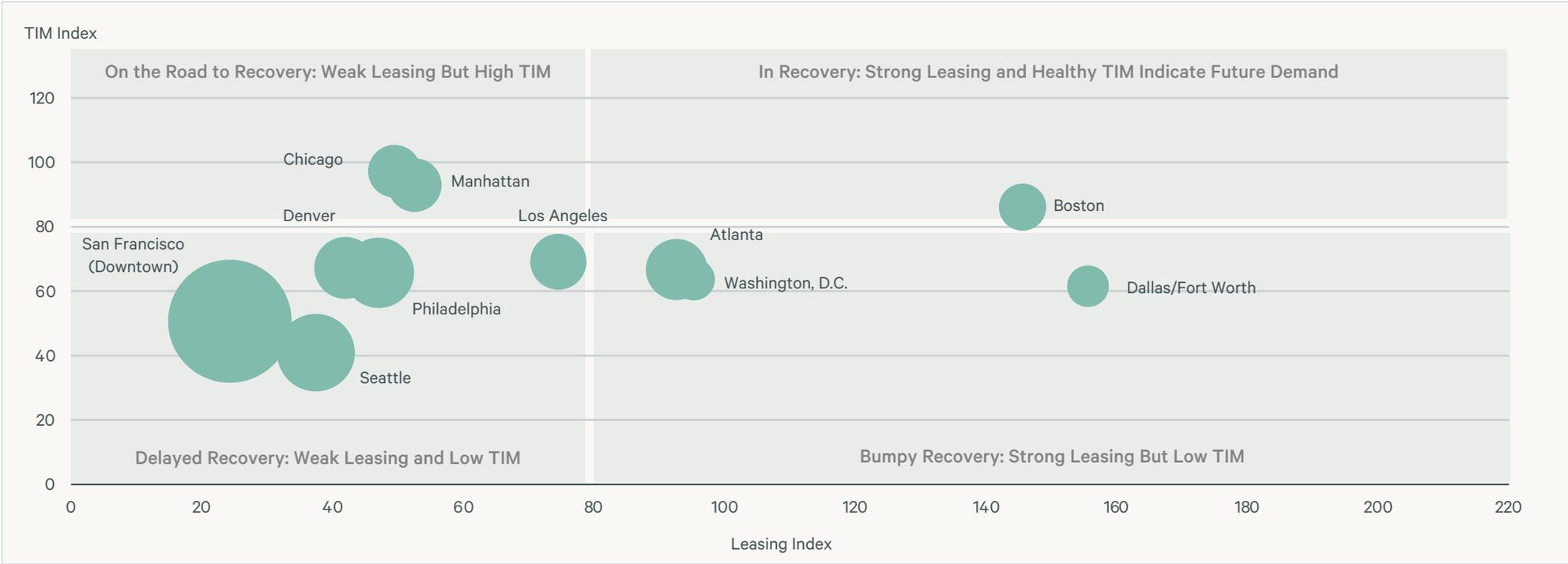
Source: CBRE Research, November 2022.

November Office Recovery by Market

Boston continued to set the pace for office recovery in November based on a composite index of leasing activity, tenants in the market and sublease space availability.

- Washington, D.C. and San Francisco were the only two markets with higher leasing activity for the month, while Dallas/Fort Worth overtook Boston for No. 1 in the leasing activity index.
- Chicago ranked highest in the tenants in the market (TIM) index last month, while Seattle had the lowest index score. Washington, D.C. had the biggest increase.
- Denver and Seattle had the biggest gain in their sublease availability index in November, while San Francisco had the highest level and Dallas/Fort Worth had the lowest.

FIGURE 2: November Office Market Recovery Index, Top U.S. Markets

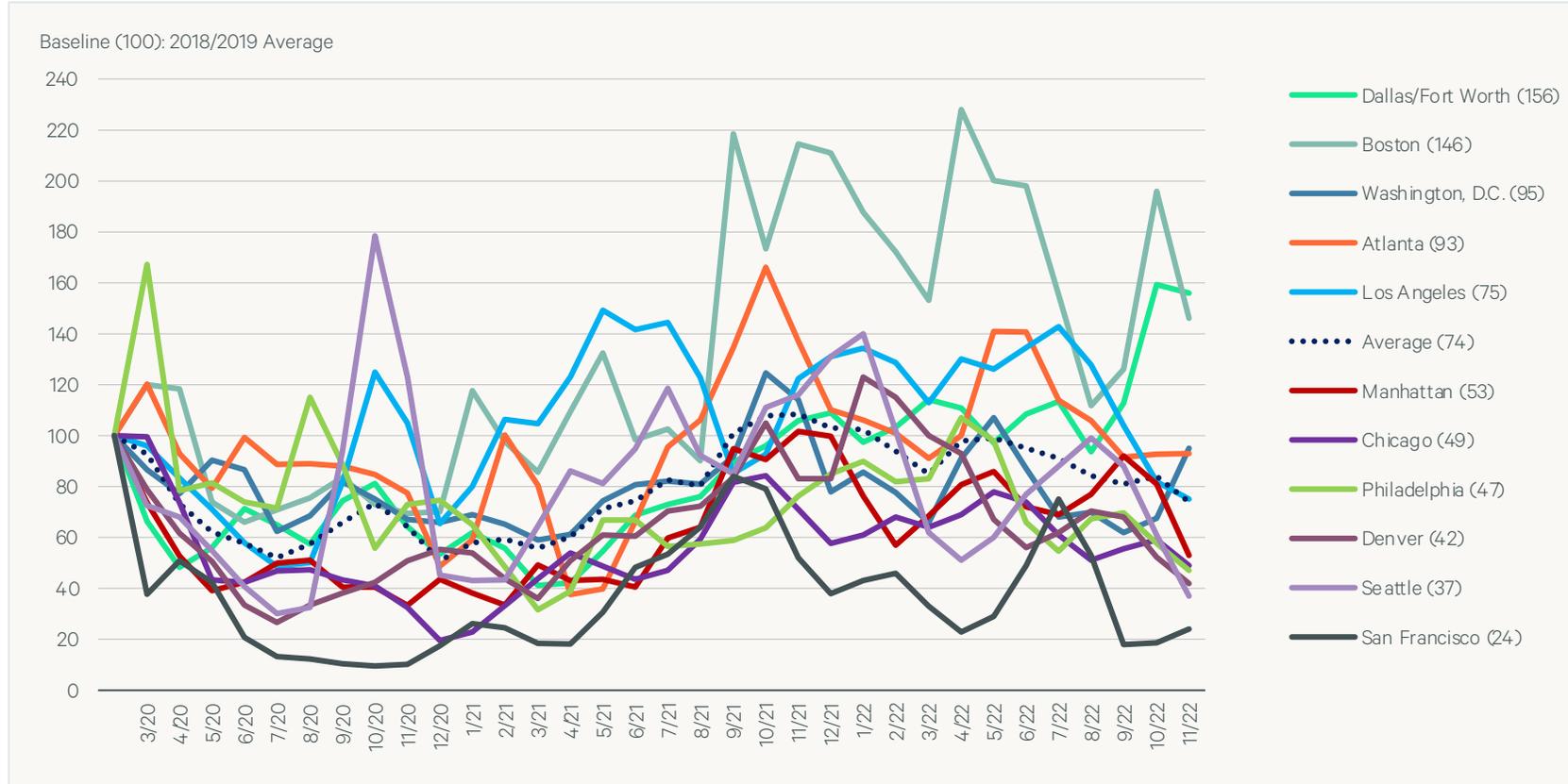


Note: Sublease Availability Index level is denoted by size of bubble (the bigger the bubble, the greater the availability).

Source: CBRE Research, November 2022.

Leasing Activity Index

FIGURE 3: Indexed Monthly Leasing by Market Compared with 2018/2019 Average



Source: CBRE Research, November 2022.

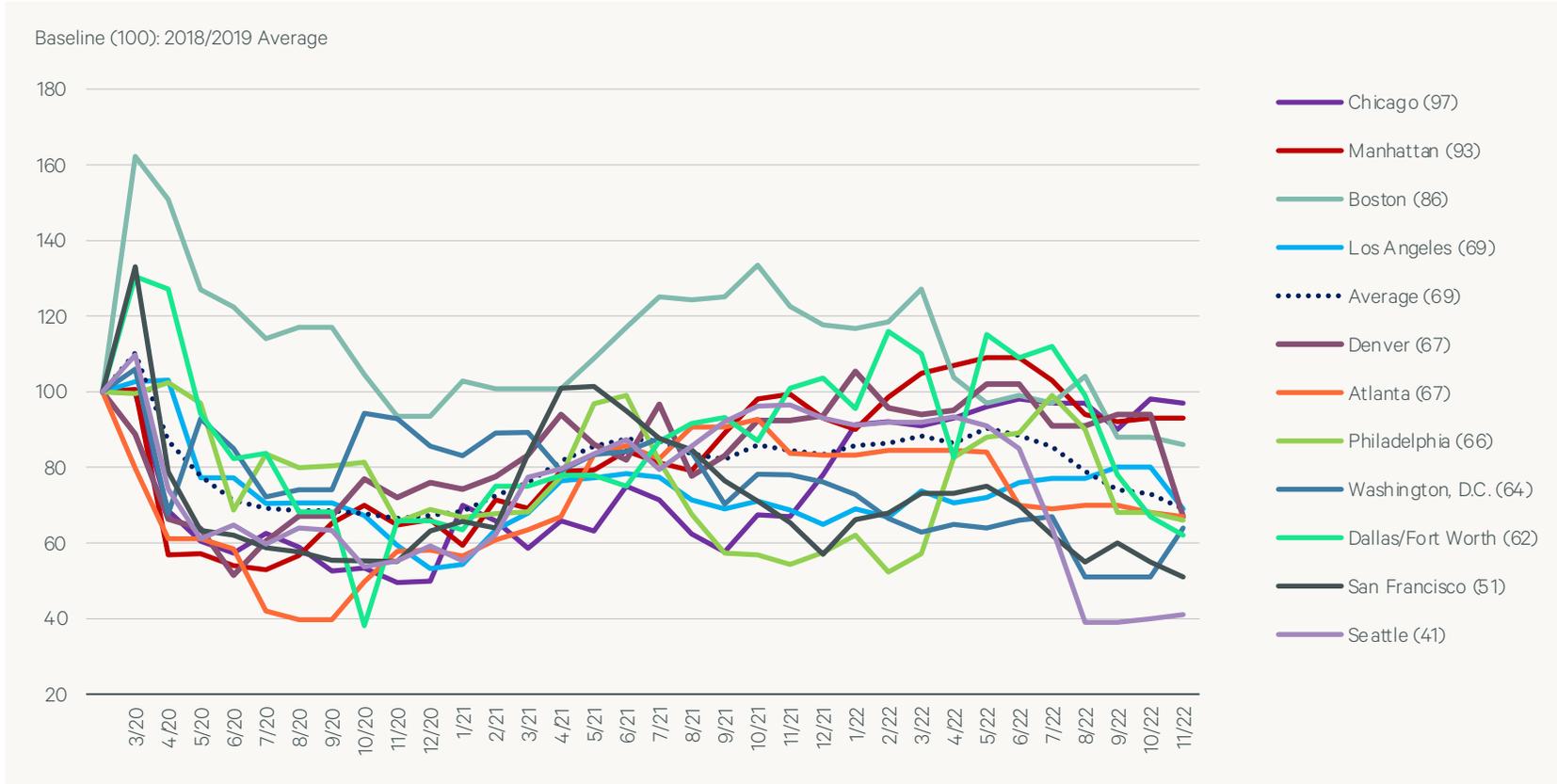
Leasing Index methodology note: Leasing activity includes all new leases, expansions and renewals of 10,000 sq. ft. or more that close each month. The Leasing Activity Index uses a rolling three-month average of leasing activity. Most markets the weighted 20% for the current month, 50% for the previous month and 30% for two months prior. For New York and Boston, where more accurate leasing data is available by the end of each month, the weights are 50% for the current month, 30% for the previous month and 20% for two months prior. The monthly rolling average is compared with a pre-pandemic baseline, which is the average monthly leasing activity between 2018 and 2019. The index level for the baseline is 100.

FIGURE 4: November 2022 Leasing Activity Index Top 11 U.S. Markets

Rank	Market	Score	MoM Change
1	Dallas/Fort Worth	156	-3
2	Boston	146	-50
3	Washington, D.C.	95	+27
4	Atlanta	93	0
5	Los Angeles	75	-7
5	Manhattan	53	-28
7	Chicago	49	-10
8	Philadelphia	47	-11
9	Denver	42	-10
10	Seattle	37	-24
11	San Francisco	24	+5
U.S. Average		74	-10

Source: CBRE Research, November 2022.

FIGURE 5: Indexed Square Footage of Tenant Requirements Compared with 2018/2019 Average



Source: CBRE Research, November 2022.

FIGURE 6: November 2022 TIM Index Top 11 U.S. Markets

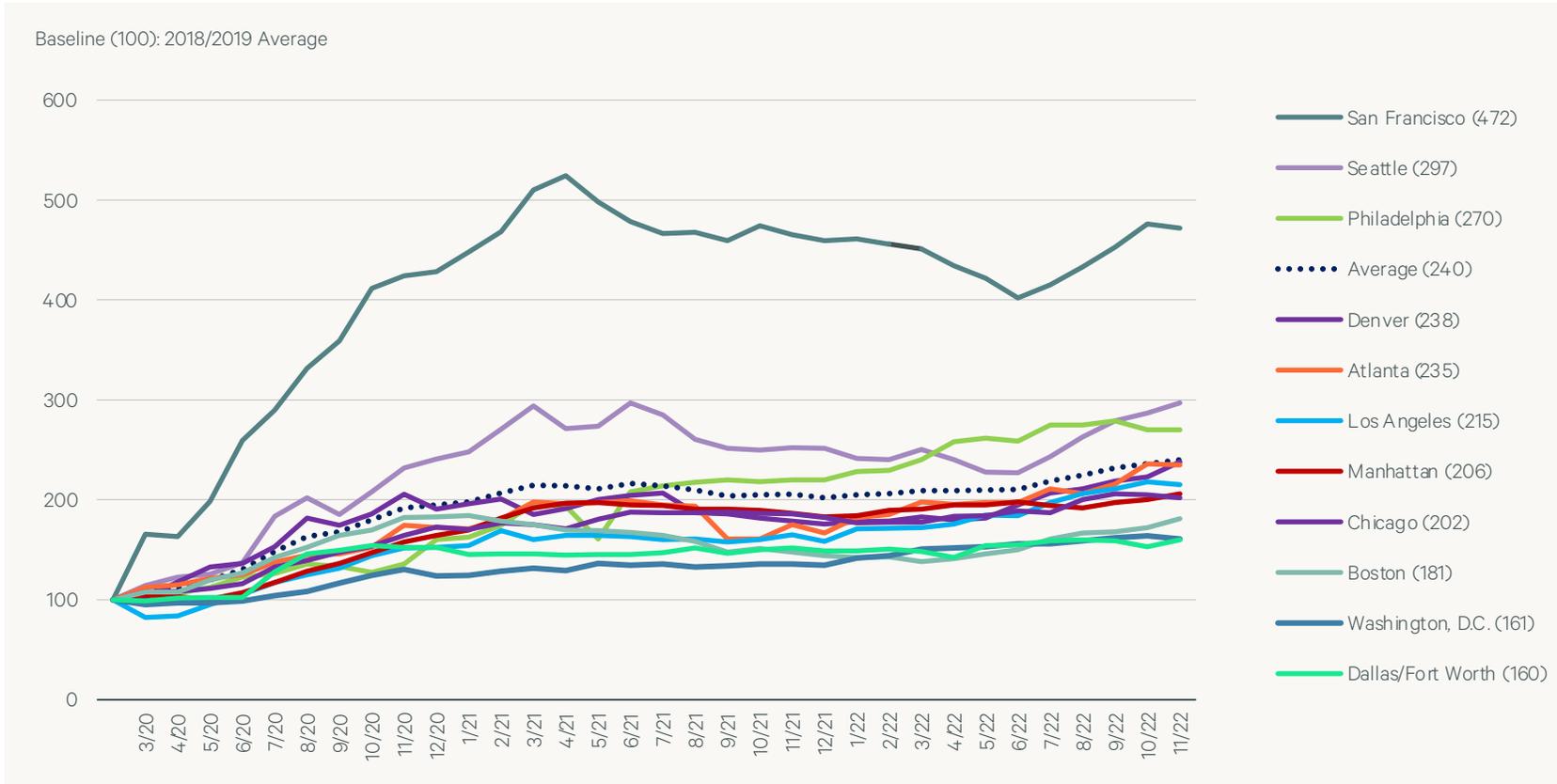
Rank	Market	Score	MoM Change
1	Chicago	97	-1
2	Manhattan	93	0
3	Boston	86	-2
4	Los Angeles	69	-11
5	Denver	67	-19
5	Atlanta	67	-1
7	Philadelphia	66	-2
8	Washington, D.C.	64	+13
9	Dallas/Fort Worth	62	-5
10	San Francisco	51	-4
11	Seattle	41	+1
U.S. Average		69	-3

Source: CBRE Research, November 2022.

TIM Index methodology note: CBRE tracks the total square footage of requirements from active tenants in the market, with minimum requirements of 10,000 sq. ft. The TIM Index compares the total monthly TIM requirements to a pre-pandemic baseline, which is the average of TIM requirements recorded by CBRE in 2018 and 2019. The index level for the baseline is 100. In most cases, when tenant requirements are given as a range, the index uses the minimum square footage. However, Seattle records TIM using the average requirement within the tenants' size range, while Philadelphia uses the maximum square footage.

Sublease Availability Index

FIGURE 7: Indexed Sublease Availability by Market Compared with 2018/2019 Average



Source: CBRE Research, November 2022.

Sublease Index methodology note: Sublease availability measures the total square footage of sublease space available for occupancy. The Sublease Availability Index compares monthly sublease availability totals with a pre-pandemic baseline, which is the average amount of sublease space available in 2018 and 2019. The index level for the baseline is 100.

Note: In contrast to the Leasing and TIM Indices, a higher score on the Sublease Index is considered undesirable as it reflects an increase in available sublease space.

FIGURE 8: November 2022 Sublease Availability Index Top 11 U.S. Markets

Rank	Market	Score	MoM Change
1	Dallas/Fort Worth	160	+7
2	Washington, D.C.	161	-3
3	Boston	181	+9
4	Chicago	202	-3
5	Manhattan	206	+6
6	Los Angeles	215	-3
7	Atlanta	235	-1
8	Denver	238	+15
9	Philadelphia	270	0
10	Seattle	297	+10
11	San Francisco	472	-4
U.S. Average		240	+3

Source: CBRE Research, November 2022.

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