

# Q4 2013 U.S. OFFICE & INDUSTRIAL REPORT



Both office and industrial show healthy growth in 2014.

## Office

- > Office markets absorbed 15.6 msf of office space in Q4.
- > Office vacancy rates are 15.1% - recessionary peak is 17.3%.

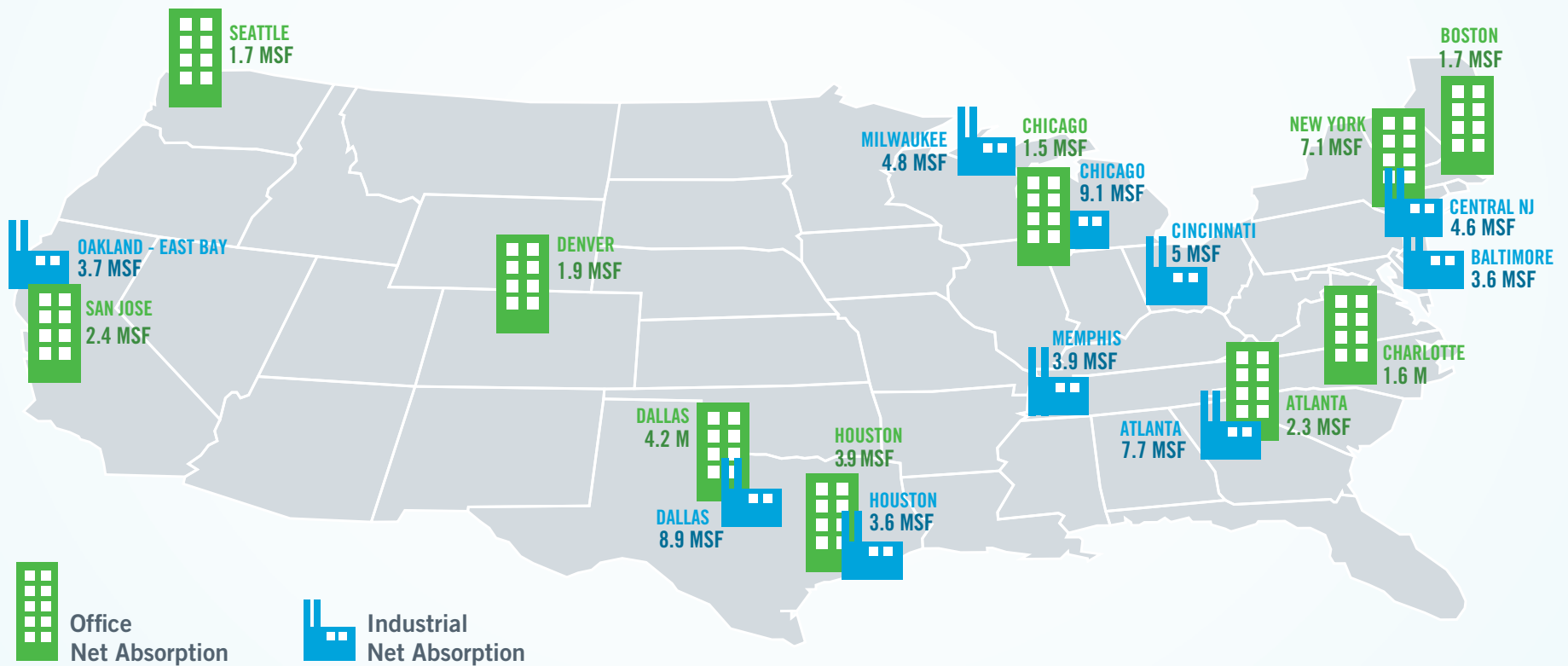


## Industrial

- > Industrial sector absorbed 34.8 msf of warehouse and distribution space in Q4.
- > The industrial sector absorbed 121.3 msf in 2013 – the strongest reading since 1998.



## TOP DEMAND MARKETS 2013



## Office

48 of the 82 markets report occupancy gains in 2013.



Office-using job growth was roughly the same as job growth in 2005 (real estate boom year), but net absorption in 2013 was 37 msf less.



33.3 msf of new office buildings delivered in 2013 – up from 24.6 msf in 2012, but still 50% below the norm.



Office space absorbed in the strongest markets:

- > New York 7.1 msf
- > Dallas 4.2 msf
- > Houston 3.9 msf
- > San Jose/Silicon Valley 2.4 msf
- > Atlanta 2.3 msf



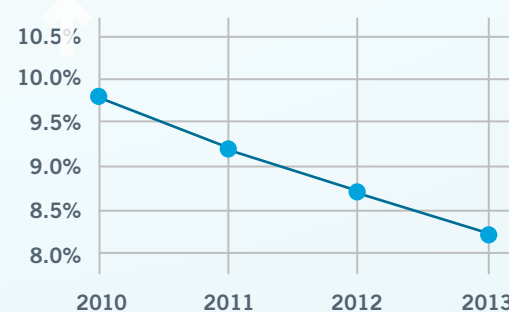
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## Industrial

Vacancy fell to 8.2%.



Vacancy fell 50 basis points during 2013.



All regions report positive absorption.



Demand sparks new development. There is 71.1 msf of new industrial space under construction, up 85% compared to a year ago.



ISM Manufacturing Index has been consistently above 50 points since July