



Don Cox Company | Austin, Texas

Office Markets Mirror Job Growth

Reducing unemployment continues to be an ongoing focus in the U.S. and abroad, and while the results are mixed, the overall trend is positive. The high growth fields of energy and technology are experiencing the strongest resurgence in the U.S., resulting in increased demand for office space in markets where these sectors are strong, such as Denver, San Francisco, Boston, Houston, and Seattle. Globally, job growth in China, India, Russia, and Brazil are expected to outpace European markets where leaders continue to struggle with high deficits. The 2013 Global Job Forecast by CareerBuilder points to customer service, IT, and production jobs as having the strongest growth potential worldwide.

Given the direct correlation between job growth and office demand, we can expect decreasing vacancy and rising effective rental rates to continue where jobs are being created. According to a June 2013 international office survey, the markets exhibiting the largest 12-month increases in office lease rates include Jakarta (38.9 percent), Suburban Houston

(21.2 percent), CBD Boston (15.4 percent), CBD Houston (14.9 percent) and Manila (14.9 percent). Beijing, San Francisco, Calgary, Seattle, and Hong Kong round out the top 10.

So how does this news impact the typical occupant of office space? Knowing where job growth and corresponding office demand will be strong can help you anticipate future restrictions on office space availability and potentially dramatic rent increases. Negotiating an early lease renewal and subleasing existing space can be effective ways to get ahead of the market, but these strategies should be applied with the expertise of a seasoned professional. Your ITRA representative has local market expertise and a global perspective, so call today.

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