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# Cushman forecast: San Francisco is top U.S. city for office net growth

San Francisco Business Times by J.K. Dineen, Reporter  
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San Francisco was the only U.S. city to rank in the top 10 of cities forecast to see the highest office rental rates over the next two years, according to a new forecast from Cushman & Wakefield.

According to the forecast, Jakarta, Sao Paulo and San Francisco will be the top cities for growth in 2013 and 2014.

While some markets and regions will experience increased activity later in 2013, noteworthy growth is not expected in the majority of locations until 2014 and beyond.

The report states that U.S. office markets will continue to be driven by the technology, energy and healthcare sectors. Rent increases in San Francisco will rise 33 percent over the next three years. Rents in the city have jumped more than 20 percent in each of the past two years.

The report says that the San Francisco job market will outperform the rest of the country through 2014. As a result, demand will continue to outpace supply, with healthy absorption rates through the forecast period. The technology sector continues to drive the market.

"Construction projects are ramping up to help relieve some of the pent-up demand. While only one new speculative project is currently underway, several buildings are undergoing renovations and more proposed projects are expected to move forward by the end of the forecast period," the report states.

"The global office market is transforming itself, particularly in the more mature markets," said [Glenn Rufrano](#), president and chief executive officer of Cushman & Wakefield. "Tenants are focused on achieving efficiencies, which in many instances has translated into occupying less space, and at the same time, we've seen an increasing flight to quality, resulting in pockets of growth in top-quality properties and global gateway cities."

Office rents probably will climb 79 percent in the Indonesian capital from the end of last year through the fourth quarter of 2014. Sao Paulo is poised to have the second-biggest increase, at 59 percent. London rents are expected to rise 21 percent, ranking it number 10 on Cushman's list.

J.K. Dineen covers real estate for the San Francisco Business Times.

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