

JLL Research

2017 Most Expensive Streets

Where do office tenants pay *top dollar?*

Just how much will companies pay to occupy one of America's most desired office addresses? According to JLL's 2017 Most Expensive Streets study, which looks at the priciest U.S. office space, those high-profile strips command an average asking rent of \$48.65 per square foot, a 46.9-percent premium compared to the rest of the country.

And they remain as popular as ever. Just 12.8 percent of the nation's most expensive real estate is vacant – a full 250 basis points lower than the U.S. average.

Location, location,

location?

While traditional drivers like the financial, law and consulting industries continue to make their presence felt on these streets – think Fifth and Greenwich Avenues – tech is having an outsized effect. In fact, five of the top 10 streets in the ranking are tech hubs.

“As tech companies mature, their space needs begin to mirror those of traditional white-collar industries in these expensive locations,” said Scott Homa, JLL Director of U.S. Office Research. “Sand Hill Road is no longer the only example of this. We see it in cities like Boston, Cambridge and Austin where major tech players have leased large blocks of premium space.”

Added JLL Managing Director of Capital Markets Frank Petz, “We have seen a shift in tenancy and more migration between Cambridge and Boston. The proliferation of Life Science players in Cambridge has dislodged many traditional office users, and even tech companies. Cambridge now has vacancy rates near zero and rents at an all-time high, and Boston is benefitting as tech tenants cross the river to take advantage of the value proposition the city offers.”

Adding to the surge in demand for these addresses is exceptional pre-leasing on new developments. For instance, the delivery of FMC Tower on 30th Street in Philadelphia has cemented University City as one of the

most desirable office locations in the region's core. That street is now the most expensive in Philadelphia, a city in the midst of a tech, media, education and health expansion. Vacancy on 30th Street is just 7.1 percent and rents carry an 83.9 percent premium, a number that is sure to increase as the Schuykill Yards development matures.

Similarly, Penn Avenue in Pittsburgh, now the city's most expensive corridor, is benefitting from the presence of a major tech company anchoring the Bakery Square development. Rents on Penn Avenue carry a 72.1 percent premium over the rest of the city.

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Developing an *expensive taste*

“In the battle for talent, companies are always looking for something new to give them an edge,” said Chris Roeder, JLL Managing Director of Agency Leasing. “Developers recognize that these high-end amenities – roof decks, open and collaborative space, etc. – will draw the big name tenants that help developments stand out.”



1.

Sand Hill Road, San Francisco:

Home to some of the most prominent venture capital firms, Sand Hill Road is one of the Bay Area’s most high-profile business addresses. Rents here average **\$119.38** per square foot, and have hit as high as \$185.

2.

Fifth Avenue, New York:

Popular among hedge funds, investment banks and law firms, Fifth Avenue remains a New York landmark and one of the country’s most glamorous addresses. Average rents achieved **\$116.04** per square foot, with top rents of \$185 coming at a 157.9 percent premium compared to the rest of the market, helping propel Fifth Avenue up one place from the previous report.

3.

Mission Street, San Francisco:

Mission Street is home to a unique blend of prominent tech and financial services tenants, making it one of the best-recognized addresses in San Francisco. With an average asking rent of **\$93.68** per square foot, Mission Street boosted its ranking by two spots since 2015.

4.

Main Street, Boston:

Main Street is at the heart of Kendall Square in Cambridge and a hub for the top life sciences and tech companies globally. An address here comes with average rents of **\$90.00** per square foot, a list-topping 143.6 percent premium compared to Boston at large. Vacancy is also in the mid-single digits at a miniscule 5.3 percent.

5.

Greenwich Avenue, Fairfield County:

Housing a variety of hedge funds and financial services companies, Greenwich Avenue is also lined with upscale retailers and restaurants. Rents average **\$86.53** per square foot, with top rents coming in at \$101, a whopping 177.4 percent premium compared to the rest of Fairfield County.

6.

Pennsylvania Ave, Washington, DC:

It not only serves as the address of the White House, it’s also home to a variety of prestigious law firms and lobbying organizations and offers some of the best views in DC. At **\$80.00** per square foot, sharing a street with the White House and the Capitol means paying a 95.1 percent premium compared to the rest of the market. The street maintained its ranking from 2015.

7.

Ocean Avenue, Los Angeles:

Ocean Avenue runs north to south along the Pacific Coast, offering stunning ocean views and easy access to the beach. But gaining access to the famed strip, where rents average **\$78.20** per square foot, is anything but easy: vacancy is just 7.1 percent.

8.

Boylston Street, Boston:

Boylston Street is the premier office market in Boston’s CBD. The area attracts primarily financial and legal services firms. At **\$68.87** per square foot, Boylston Street was supplanted from its previous ranking at No. 7.

9.

Royal Palm Way, West Palm Beach:

With a concentration of high-net worth individuals living in the surrounding areas, Royal Palm Way is home to many financial institutions and wealth management companies. Staying put in the ninth spot on the list, Royal Palm Way averages **\$61.80** per square foot, a 96.1 percent premium compared to the rest of West Palm Beach.

10.

Congress Avenue, Austin:

Traditionally home to financial and state-government users, a wave of new office, multifamily and retail developments has transformed Congress Avenue into one of the market’s most dynamic corridors. A newcomer to the list’s top 10, Congress Avenue averages **\$58.20** per square foot and boasts a tiny 9.5 percent vacancy.

Breaking down the *numbers*

Rank	Street name	Market	Part of CBD or suburbs?	Average full service rent on the street (Q3 2017)	Average market asking rent (\$ p.s.f.)	Percent premium from street average to market average
1	Sand Hill Road	San Francisco Peninsula	Suburbs	\$119.38	\$59.29	101.3%
2	Fifth Avenue	New York	CBD	\$116.04	\$71.72	61.8%
3	Mission Street	San Francisco	CBD	\$93.68	\$74.22	26.2%
4	Main Street	Boston	Suburbs	\$90.00	\$36.95	143.6%
5	Greenwich Avenue	Fairfield County	CBD	\$86.53	\$36.41	137.7%
6	Pennsylvania Avenue	Washington, DC	CBD	\$80.00	\$41.00	95.1%
7	Ocean Avenue	Los Angeles	Suburbs	\$78.20	\$39.91	95.9%
8	Boylston Street	Boston	CBD	\$68.87	\$36.95	86.4%
9	Royal Palm Way	West Palm Beach	CBD	\$61.80	\$31.52	96.1%
10	Congress Avenue	Austin	CBD	\$58.25	\$55.20	5.5%
11	Broadway	Oakland-East Bay	CBD	\$58.00	\$39.12	48.3%
12	Wilson Boulevard	Northern Virginia	Suburbs	\$56.75	\$33.24	70.7%
13	High Bluff Drive	San Diego	Suburbs	\$54.00	\$32.28	67.3%
14	McKinney Avenue	Dallas	CBD	\$51.17	\$27.20	88.1%
15	Newport Center Drive	Orange County	Suburbs	\$50.16	\$33.36	50.4%
16	30th Street	Philadelphia	CBD	\$48.30	\$26.26	83.9%
17	Wisconsin Avenue	Suburban Maryland	Suburbs	\$47.05	\$41.00	14.8%
18	Las Olas Boulevard	Fort Lauderdale	CBD	\$47.03	\$29.14	61.4%
19	Wacker Drive	Chicago	CBD	\$45.67	\$41.04	11.3%
20	Brickell Avenue	Miami	CBD	\$44.28	\$37.36	18.5%
21	Main Street	Houston	CBD	\$44.24	\$30.55	44.8%
22	Couch Street	Portland	CBD	\$43.27	\$28.22	53.3%
23	Union Street	Seattle	CBD	\$43.20	\$36.28	19.1%
24	Penn Avenue	Pittsburgh	CBD	\$40.32	\$23.43	72.1%
25	Camelback Road	Phoenix	CBD	\$36.65	\$25.30	44.9%
26	17th Street	Denver	CBD	\$36.00	\$28.28	27.3%
27	Campus Drive	New Jersey	Suburbs	\$35.94	\$26.74	34.4%
28	Nicollet Mall	Minneapolis	CBD	\$35.89	\$26.51	35.4%
29	Capitol Mall	Sacramento	CBD	\$35.21	\$23.64	48.9%
30	Peachtree Road	Atlanta	CBD	\$33.66	\$24.81	35.7%
31	Cottonwood Parkway	Salt Lake City	Suburbs	\$33.18	\$27.23	21.9%
32	Jackson Street	Tampa	CBD	\$30.25	\$24.70	22.5%
33	Forsyth Boulevard	St. Louis	Suburbs	\$29.76	\$19.38	53.6%
34	Pratt Street	Baltimore	CBD	\$29.47	\$24.39	20.8%
35	Fayetteville Street	Raleigh-Durham	CBD	\$28.75	\$22.65	26.9%
36	Old Woodward Avenue	Detroit	Suburbs	\$28.57	\$19.00	50.4%
37	Orange Avenue	Orlando	CBD	\$26.28	\$19.72	33.3%
38	Montgomery Road	Cincinnati	Suburbs	\$26.07	\$19.21	35.7%
39	Monument Circle	Indianapolis	CBD	\$26.05	\$19.94	30.6%
40	Wisconsin Avenue	Milwaukee	CBD	\$25.67	\$19.99	28.4%
41	Virginia Beach Town Center	Hampton Roads	Suburbs	\$25.13	\$18.95	32.6%
42	Jordan Creek Parkway	Des Moines	Suburbs	\$24.92	\$18.12	37.5%
43	Cary Street	Richmond	CBD	\$24.29	\$19.51	24.5%
44	Monroe Avenue	Grand Rapids	CBD	\$23.74	\$17.42	36.3%
45	Public Square	Cleveland	CBD	\$23.53	\$19.30	21.9%
46	Hurstbourne Parkway	Louisville	Suburbs	\$22.14	\$17.73	24.9%
47	Laura Street	Jacksonville	CBD	\$20.44	\$21.60	-5.4%