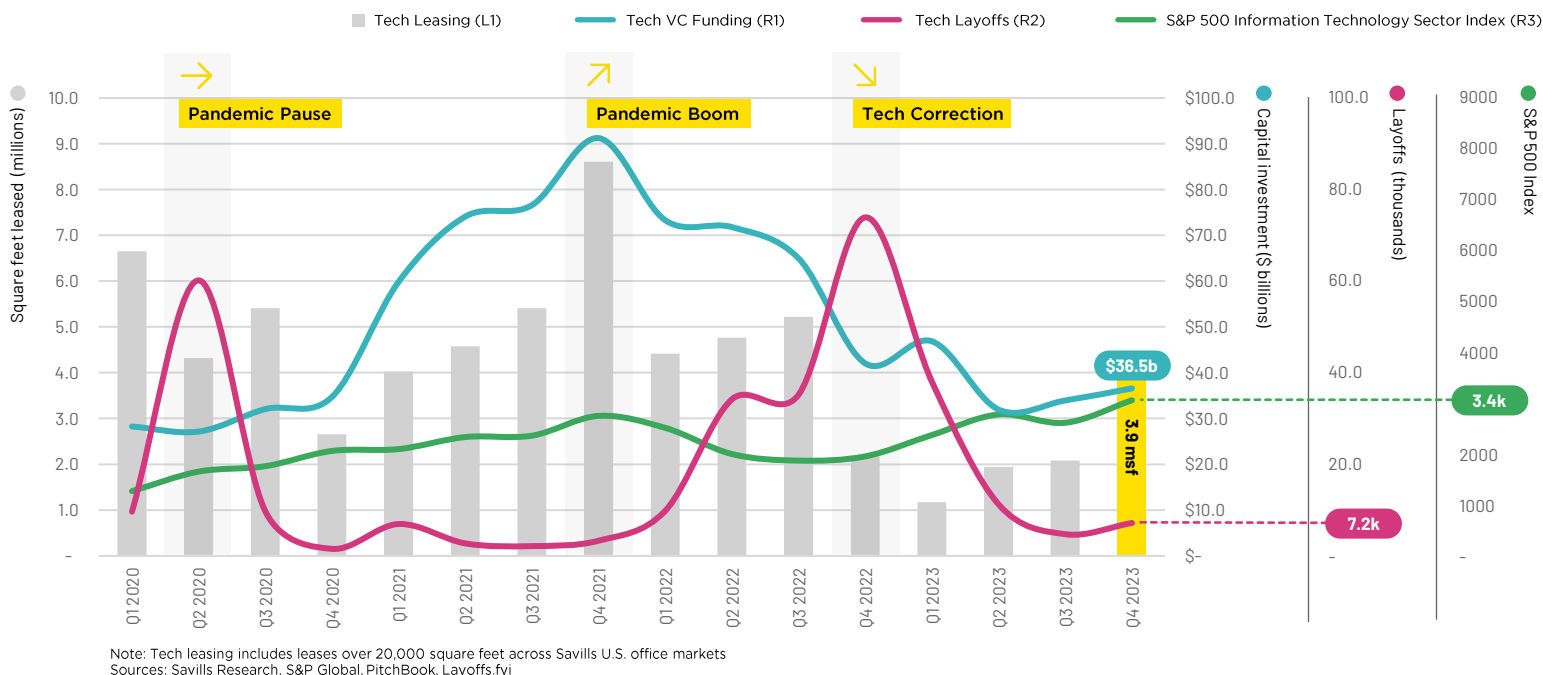


National

Powered by Savills Research & Data Services

Select metrics such as venture capital funding, labor force dynamics, the S&P 500 Information Technology Index, and tech leasing activity reveal a quickly adapting tech sector and opportunity ahead in 2024 for tenants.

Tech Leasing, S&P 500 Information Technology, VC Funding, and Layoffs



Notable 2023 U.S. Tech Leases

Market	Name	Address	Size (SF)	Transaction Type
Raleigh	IBM (Q4)	4205 S Miami Boulevard	774,000	Sale Leaseback
San Francisco	OpenAI (Q4)	1455-1515 3rd Street	486,600	Sublease
Austin	AMD (Advanced Micro Devices, Inc.) (Q4)	7171 Southwest Parkway	444,000	Renewal
North Virginia	Amazon (Q4)	1770 Crystal Drive	260,000	Renewal
San Francisco	Cisco Meraki (Q2)	500 Terry A Francois Boulevard	234,537	Renewal
San Francisco	Anthropic (Q4)	500 Howard Street	230,325	Sublease
New York	Amazon (Q2)	1440 Broadway	209,801	Renewal and Sublease
Silicon Valley	Texas Instruments (Q2)	4555 Great America Parkway	205,774	New Location
Seattle	Amazon (Q3)	1220 Howell Street	147,812	Renewal
New York	LinkedIn (Q4)	350 Fifth Avenue	143,778	Renewal and Expansion

Key Tech Leasing Stats

21.9%

of total 2023 leasing activity came from the top five leases

42.6%

of leases completed in 2023 were signed in the fourth quarter

9.0 msf

signed in 2023 is down from 16.6 msf in 2022 and 22.6 msf in 2021

Looking Ahead – Key Metrics for 2024

01 Leasing

The tech sector's downturn has significantly impacted the office market due to its previously central role in driving net growth, resulting in an oversupply of office space and a tenant-favorable market. As the sector adjusts, those ready to make strategic real estate decisions stand to gain from the current market conditions.

02 VC Funding

Venture capital (VC) funding is poised for a resurgence, with substantial funds left on the sidelines over the past two years. Funding in 2023 was uplifted by large rounds in the artificial intelligence (AI) vertical and new activity from other transformative technologies. An uptick in VC funding could fuel innovation and expansion, necessitating office space for startups that believe in-person work will enable them to create groundbreaking technologies, raise funding, and reach go-to-market milestones more efficiently than working remotely.

03 Layoffs

Tech layoffs were down 60.1% in 2023 compared to the year before, with the highest number occurring in Q4 2022. As layoffs persist into the new year, monitoring this trend will be crucial for identifying when the tech sector stabilizes and possibly demand picking up again.

04 S&P 500

The S&P 500 Information Technology Sector's upward trajectory provides a positive outlook for the tech sector as we move into 2024. The sector's growth is buoyed by significant advancements in artificial intelligence (AI) and the booming semiconductor industry. These developments open new avenues for investment and underline the sector's potential for further expansion.