

# Tech Job Growth Has Spilled Over to Less Established Markets, According to New Research from CBRE

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San Francisco Bay Area, Seattle and Toronto rank atop CBRE's annual evaluation of tech centers, with Orlando and San Diego among fastest risers

LOS ANGELES--(BUSINESS WIRE)-- Shrinking supplies of available tech talent in leading markets has spurred hiring momentum in smaller and upstart markets in the U.S. and Canada – such as Tucson, Ariz., and Waterloo, Ont. – as expanding tech employers seek additional labor pools, according to **CBRE's annual Scoring Tech Talent report.**

Overall, big markets continue to produce the largest volumes of jobs and tech degree graduates, with the San Francisco Bay Area, Toronto and New York City adding the most tech jobs in the past five years. But several years of low unemployment rates have dampened the momentum of many leading tech talent markets. Fifteen of the top 50 markets in CBRE's report registered an accelerated, two-year pace of tech job growth, down from 23 last year.

Partly as a result, smaller markets outside of CBRE's top 50 have absorbed some tech-labor demand. For the first time, CBRE's report includes a list of fast-growing "opportunity markets," led by Tucson with a 90 percent increase in tech jobs over five years, Hamilton, Ont.'s 52 percent gain, Waterloo's 40 percent gain and Las Vegas' 35 percent gain.

"The tech talent labor pool in the U.S. grew by 16 percent in the past five years, compared with an average of 9 percent for all U.S. professions. That type of growth can deplete even the deepest pools of qualified labor," said **Colin Yasukochi**, Director of Research and Analysis for CBRE and co-author of the report. "Many of the opportunity markets offer quality labor pools that are untapped and have high growth potential. These markets can be ideal for small-scale operations, start-ups and tech jobs with non-tech employers like banks, media and services firms that comprise nearly two thirds of the tech labor pool."

CBRE ranks markets on its Tech Talent Scorecard based on 13 unique metrics, including tech talent supply, concentration, cost, completed tech degrees, industry outlook for job growth, and market outlook for both office- and apartment-rent cost growth. The top cities in this year's scorecard are all large markets with a tech labor pool of more than 50,000 people each.

The Bay Area and Seattle remain the two highest rated tech talent markets, respectively, and Toronto climbed one spot to No. 3 overall. Washington, D.C., and New York City – the top two regions for producing tech-degree graduates – round out the top five. CBRE's separate list of "momentum markets" that most accelerated their tech talent employment growth is led by Orlando with a 14.1 percentage point increase in growth rate, San Diego (+10.2) and Chicago (+8.0).

The high-tech industry accounted for 20 percent of major office-leasing activity in this year's first quarter, the most of any industry. The tech industry's growth has left little available office space in large or small markets, with vacancy in single-digit percentages in the tightest markets, such as 4.6 percent in Madison, Wis., 4.7 percent in Vancouver, 5.9 percent in Charlotte, and 6.1 percent in the San Francisco Bay Area. That scarcity of available space has pushed up rents, especially in large markets. For example, the office lease rate in Orange County, Calif., has increased by 50 percent over the past five years.

View the full report here. To view individual market statistics and rankings, including rankings on the Scorecard, access CBRE's **Tech Talent Analyzer**.

### About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2018 revenue). The company has more than 90,000 employees (excluding affiliates) and serves real estate investors and occupiers through more than 480 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at [www.cbre.com](http://www.cbre.com).

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