

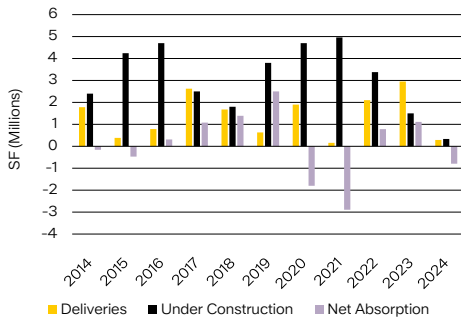
Market Spotlight

Washington, D.C.

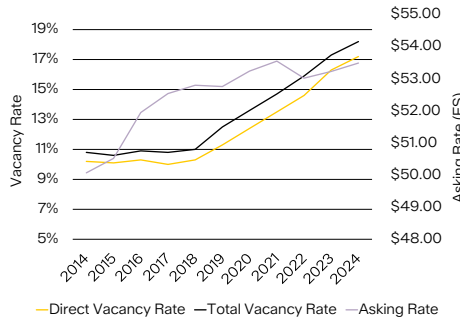
Mid-Q2 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats YTD Q2 2024

Inventory (SF)	160.5 M
Direct Vacancy	17.2%
Total Vacancy	18.2%
YTD 2024 Absorption (SF)	-794 K
YTD 2024 Leasing Activity (SF)	2.7 M
Under Construction (SF)	334 K
Pre-Leased	57%
Deliveries (SF)	288 K

Midway through Q2 2024 the direct vacancy rate in the Washington, D.C. market has increased to 17.2%, while the total vacancy rate increased to 18.2%.

Washington, D.C. has recorded negative 646,085 square feet of net absorption quarter-to-date. Tenants contributing to the negative net absorption included Merrill vacating 86,325 square feet at 1152 15th Street, NW and WeWork vacating 37,363 square feet at 200 Massachusetts Avenue, NW.

A total of 374,113 square feet has leased in Q2 2024, so far. Tenants executing leases this quarter included International Republican Institute renewing 47,416 square feet at 1225 Eye Street, NW and Strada Education Network signing a 27,324-square-foot lease at 2001 Pennsylvania Avenue, NW.

There has been two sale transactions quarter-to-date, totaling \$55,600,000. 1055 Thomas Jefferson Street, NW sold at foreclosure auction to JP Morgan from JBG Smith for \$22.3 M (\$93 psf) and 701 8th Street, NW sold at foreclosure to Voya Investment from Clarion for \$33.3 M (\$248 psf).

1700 M Street, NW is the sole building under construction in Washington, D.C. This 334,000-square-foot, trophy class building is expected to deliver by the end of Q2 2024. The building is currently 57 % pre-leased.

10 Year Averages 2014-2023

Net Absorption (SF)	-125 K per year
Deliveries (SF)	1.1 M per year
Leasing Activity (SF)	8.9 M per year

Asking Rental Rates (Full Service / PSF)

2014	\$50.07
2023	\$53.23
YTD 2024	\$53.49