

Office Market Report

Washington, D.C.

Q1 2024

Lincoln

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Metropolitan D.C. Market Overview

Overall Market Summary

The Washington, DC Metropolitan commercial real estate market is comprised of approximately 445.7 million square feet of rentable office space located in the District of Columbia, Northern Virginia, and Suburban Maryland.

The total vacancy rate increased to 17.3% at the end of Q1 2024, while the market recorded negative 1,394,356 square feet of net absorption. Contributing to the negative net absorption was Sodexo vacating 190,698 square feet at 9801 Washington Boulevard in Gaithersburg, MD.

Leasing activity totaled 4,887,609 square feet for the quarter. The largest lease executed was a 543,845-square-foot renewal by the D.C. Department of General Services at Waterfront Station I & II, in the Southwest submarket of D.C.

A total of 1,518,197 square feet was under construction at the end of Q1 2024, with 35.5% of the space pre-leased. Three buildings completed construction this quarter, totaling 485,116 square feet. The largest project to deliver was 2201 Shannon Place, SE. This 288,000-square-foot, Class A building delivered 100% leased to D.C. Health. No additional buildings broke ground this quarter.

There were twelve sale transactions in Q1 2024, totaling \$931,345,000. The largest sale was 1201 Wilson Boulevard trading to CoStar Group for \$325,000,000 (\$588 psf). CoStar is expected to vacate their current location in D.C. and occupy approximately 150,000 square feet at 1201 Wilson.

Average asking rental rates increased \$0.02 to \$40.46 per square foot, Full Service.

The D.C. Metropolitan Statistical Area (MSA) added 19,600 jobs from February 2023-February 2024, representing 0.6% growth over this 12-month period. Sectors adding the most jobs were Government with 18,500, Education & Health Services with 12,800, and Trade, Transportation, & Utilities with 3,100. The unemployment rate for the D.C. Metro, however, increased to 3.0% in Q1 2024.

Direct Vacancy

(Q1 2024)

		(YOY)
DC	16.7%	
VA	15.5%	
MD	17.2%	
Metro Area (YTD)	16.3%	

Total Vacancy

(Q1 2024)

		(YOY)
DC	17.6%	
VA	16.6%	
MD	18.2%	
Metro Area (YTD)	17.3%	

Net Absorption

(SF, YTD Q1 2024)

		(YOY)
DC	-147,786	
VA	-861,282	
MD	-385,288	
Metro Area (YTD)	-1,394,356	

Leasing Activity

(SF, YTD Q1 2024)

		(YOY)
DC	2,331,702	
VA	1,918,683	
MD	637,224	
Metro Area (YTD)	4,887,609	

Market Outlook

Market fundamentals for the Metropolitan Washington, D.C. office market softened further in Q1 2024. Total vacancy increased to 17.3%, an increase of 0.2 percentage points from the previous quarter, while the market recorded negative 1,394,356 square feet of net absorption (compared to negative 418,214 square feet absorbed in Q4 2023). On a more positive note, leasing activity increased 19.2% quarter-over-quarter with approximately 4.9 M SF leased in Q1 2024, while Capital Markets increased 43.7% quarter-over quarter with \$931.3 M in sales in Q1 2024. Lastly, the construction pipeline continues to being extremely limited with only seven buildings, totaling approximately 1.5 M SF, currently under construction in the D.C. Metro.

Kastle Systems "return-to-office" tracker has averaged approximately 47% for the D.C. Metro YTD 2024, an increase of 2.0 percentage points from the 45% RTO averaged in 2023. The D.C. region has seen its highest weekly RTO (post-pandemic) in Q1 2024, with the weekly RTO average surpassing 50% on three separate occasions. Daily MetroRail ridership continues to improve YTD 2024 as well; current ridership is at 57% of the 2019 (pre-pandemic) total.

The current D.C. MSA unemployment rate of 3.0% (tied with Atlanta) is lower than other large commercial office markets nationally including; Boston, Chicago, Dallas/Ft. Worth, Houston, Los Angeles, New York, Philadelphia, San Francisco, and Seattle. The national unemployment rate is currently 3.8%.

The DC MSA currently ranks 4th nationally (tied with Atlanta) in unemployment (compared to other MSAs with populations of 1,000,000 and greater).

GSA / National Capital Region (NCR)

Federal employees continue to work under hybrid work guidelines, and are generally required to be in the office 1-2 days per week. There is additional pressure to increase required days in the office, however, the occupancy figures have not reflected a substantial change. GSA continues to reduce its leased footprint whenever possible, especially the National Capital Region (NCR). This focus on consolidation has resulted in reduced procurement activity, especially for smaller leases. In the NCR there have been multiple recent Prospectus-level leases that are being reduced by 20%-30% from their current footprint. Lastly, GSA is attempting to better utilize Federally owned properties. Many buildings are slated for substantial rehabilitation, to improve working conditions and entice workers back to the office. Some Federal buildings that are not going to be utilized moving forward are being disposed of via the Federal Assets Sale Transfer Act (FASTA).

D.C. Market Summary

The Washington, D.C. office market currently consists of 818 buildings, over 25,000 square feet, totaling approximately 160.5 million square feet of rentable space.

As of February 2024, the unemployment rate for the District of Columbia increased to 5.1%, as unemployment for the Washington, D.C. Metropolitan area increased to 3.0%. The national unemployment rate slightly increased to 3.8%.

The D.C. Metropolitan Statistical Area (MSA) added 19,600 jobs from February 2023–February 2024, representing 0.6% growth YOY. Sectors adding the most jobs were Government with 18,500, followed by Education & Health Services with 12,800, and Trade, Transportation & Utilities gaining 3,100.

The D.C. Department of General Services signed the largest public sector lease this quarter with a 543,845-square-foot renewal at 1100 & 1101 4th Street, SW (Waterfront Station I & II).

The largest private sector lease executed this quarter was a renewal signed by The Washington Post for 297,176 square feet at 1301 K Street, NW (One Franklin Square).

There were five sale transactions, totaling \$470,800,000 in Q1 2024. The largest sale was 701 & 801 Pennsylvania Avenue, NW (Market Square) trading to PRP / Morning Calm for \$323,000,000 (\$457 psf), at a 9.7% Cap Rate.



	Q1 2024	Q4 2023	Q1 2023
Direct Vacancy	16.7%	16.3%	15.1%
Total Vacancy	17.6%	17.3%	16.4%
Net Absorption (SF)	-148 K	363 K	-261 K
Leasing Activity (SF)	2.3 M	1.3 M	1.6 M
Under Construction (SF)	334 K	622 K	1.0 M
Under Construction % Pre-Leased	57%	77%	84%
Deliveries (SF)	288 K	139 K	-
Average Asking Rental Rate (PSF, Full Service)	\$53.55	\$53.23	\$53.11
Sales Volume	\$470.8 M	\$345.2 M	\$204.5 M
Unemployment D.C. Metro Area	3.0%	2.5%	3.0%
Sublease Space Available (SF)	3.6 M	3.5 M	3.6 M

Vacancy Rate

The total vacancy rate in D.C. increased to 17.6% at the end of Q1 2024, totaling approximately 28.0 million square feet of vacant space. Class A total vacancy in DC increased to 16.9% (approx. 17.4 M SF vacant) while Class B total vacancy increased to 20.3% (approx. 10.7 M SF vacant) during the first quarter.

Sublease vacancy decreased to 0.9% at the end of Q1 2024, with approximately 1.5 million square feet of vacant space available. A total of 3.6 million square feet of sublease is being marketed as available (2.2% of the total availability rate), the amount of sublease space available has increased approximately 135,000 square feet since Q4 2023.

Net Absorption & Leasing

The Washington, D.C. market recorded negative 147,786 square feet of net absorption in Q1 2024, a decrease from the 362,907 square feet absorbed in Q4 2023.

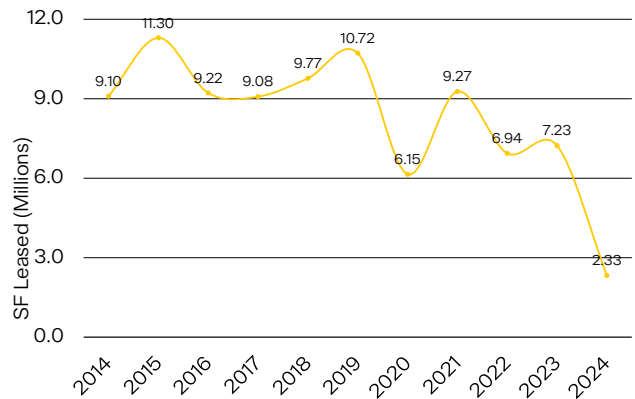
Tenants contributing to the negative net absorption included Orrick vacating 129,265 square feet at 1152 15th Street, NW and Blue Cross Blue Shield Association vacating 84,065 square feet at 1310 G Street, NW.

The Central Business District (CBD) market recored 240,132 square feet of net absorption in Q1 2024, while the East End recorded negative 531,735 square feet of net absorption in Q1 2024.

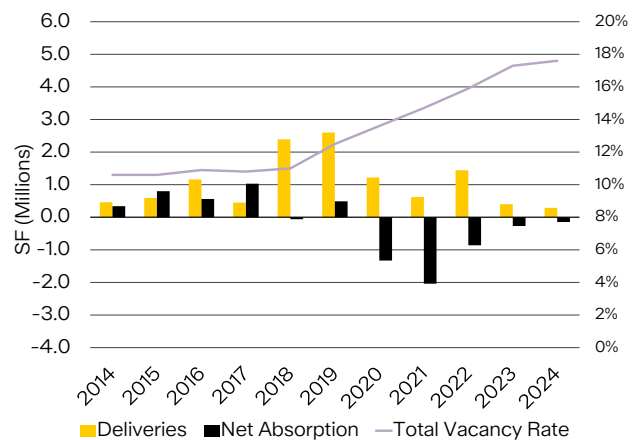
The Top Ten leases of the quarter ranged in size from 543,845 square feet to 31,876 square feet. Four of the ten leases signed were law firms. The largest lease executed this quarter was a renewal lease signed by D.C. Department of General Services for a 543,845-square-foot renewal at 1100 & 1101 4th Street, SW (Waterfront Station I & II).

The Washington, D.C. market totaled 2,331,702 square feet of leasing in Q1 2024, representing a 73% increase compared to the 1,343,646 square feet leased in Q4 2023.

Leasing Activity



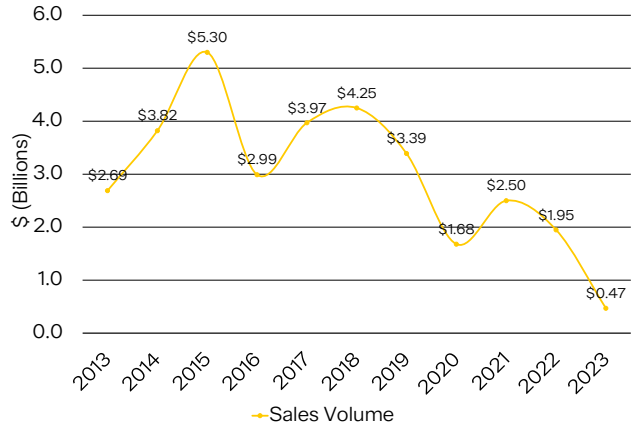
Deliveries | Net Absorption | Vacancy Rate



Sales Volume

There were five sales transactions, totaling \$470,800,000 in Q1 2024. 701 & 801 Pennsylvania Avenue, NW (Market Square) sold to PRP/Morning Calm for \$323,000,000 (\$457 psf), 1099 New York Avenue, NW sold to Quadrangle Development for \$95,000,000 (\$525 psf), 1899 L Street, NW sold to Taicoon for \$26,650,000 (\$175 psf), 1101 Vermont Avenue, NW sold to Zumot for \$15,822,000 (\$90 psf), and 1616 H Street, NW sold to Bungalow Ventures for \$10,300,000 (213 psf).

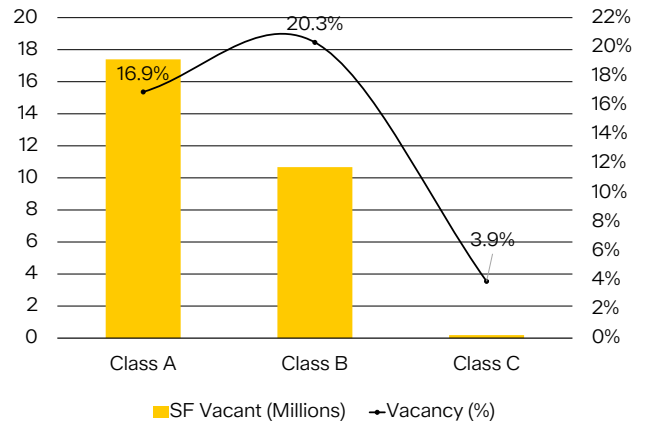
Sales Volume



Vacant Space Available & Vacancy By Class

In Q1 2024, Class A total vacancy in D.C. increased to 16.9% (approx. 17.4 M SF vacant) while Class B total vacancy increased to 20.3% (approx. 10.7 M SF vacant) in the first quarter. Class C vacancy increased to 3.9% with approximately 187,000 square feet vacant.

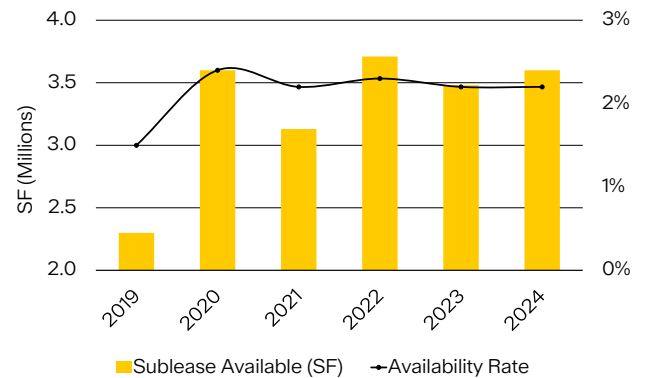
Vacant Space Available & Vacancy By Class



Sublease Space Available

Approximately 3,621,000 square feet of sublease space was available at the end of Q1 2024. The amount of sublease space available has increased approximately 135,000 square feet since Q4 2023.

Sublease Space Available



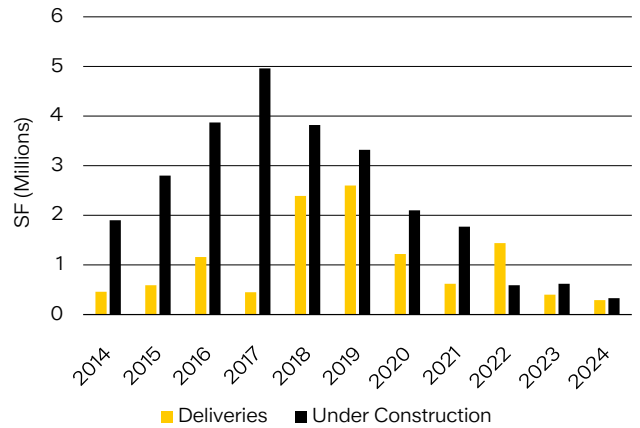


Construction

One building was under construction in Washington, D.C. at the end of Q1 2024. 1700 M Street, NW (334,000 SF, 57% pre-leased) is expected to be completed in Q2 2024.

2201 Shannon Place, SE delivered this quarter. The 288,000-square-foot, Class A building delivered 100% leased to D.C. Health. No additional buildings delivered this quarter.

Deliveries | Under Construction



	RBA (SF)	CLASS	DELIVERING	PRE-LEASED
17XM 1700 M Street, NW	334,000	A	May 2024	57% Pre-Leased Gibson Dunn & UBS

Financial Plaza* 60 New York Avenue, NE	1.2 M SF	A	TBD	100% Pre-Leased SEC
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*Proposed, but stalled

Top Ten Leases

In Q1 2024, there were eight renewals and two new leases in the Top Ten. Three of the renewals executed were over 200,000 square feet.

The D.C. Department of General Services signed the largest public sector lease this quarter with a 543,845-square-foot renewal at 1100 & 1101 4th Street, SW (Waterfront Station I & II).






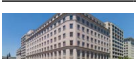

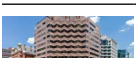


The largest private sector lease executed this quarter was a renewal signed by the Washington Post for 297,176 square feet at 1301 K Street, NW (One Franklin Square).

Law firms were well represented in the Top Ten this quarter. Finnegan renewed 214,408 square feet at 901 New York Avenue, NW, Sullivan & Cromwell renewed and expanded 78,740 square feet at 1700 New York Avenue, NW, Caplin & Drysdale renewed 51,247 square feet at 1 Thomas Circle, NW, and Zuckerman






Spaeder signed for 40,503 square feet at 2100 L Street, NW.

Information technology and associations were also represented this quarter. The International Bank for Reconstruction and Development (IBRD) signed a 56,796-square-foot renewal at 1899 Pennsylvania Avenue, NW, IBM renewed 51,990 square feet at 600 14th Street, NW, International Republic Institute renewed and expanded 47,416 square feet at 1225 Eye Street, NW, and Encore Vet Group signed a 31,876-square-foot lease at 5025 Wisconsin Avenue, NW.

The Washington, D.C. market totaled 2,331,702 square feet of leasing in Q1 2024, representing a 73% increase compared to the 1,343,646 square feet leased in Q4 2023.

			Tenant	Size (SF)	Type
	01	Waterfront Station I & II 1100 & 1101 4th Street, SW	D.C. Department of General Services	543,845	Renewal
	02	One Franklin Square 1301 K Street, NW	The Washington Post	297,176	Renewal
	03	901 New York 901 New York Avenue, NW	Finnegan	214,408	Renewal
	04	1700 New York 1700 New York Avenue, NW	Sullivan & Cromwell	78,740	Renewal / Expansion
	05	1899 Penn 1899 Pennsylvania Avenue, NW	International Bank (IBRD)	56,796	Renewal
	06	Hamilton Square 600 14th Street, NE	IBM	51,990	Renewal
	07	One Thomas Circle 1 Thomas Circle, NW	Caplin & Drysdale	51,247	Renewal
	08	1225 Eye 1225 Eye Street, NW	International Republic Institute	47,416	Renewal / Expansion
	09	2100 L 2100 L Street, NW	Zuckerman Spaeder	40,531	New
	10	5025 Wisc 5025 Wisconsin Avenue, NW	Encore Vet Group	31,876	New

Top D.C. Sales Transactions

	Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Comment
	Market Square 701 & 801 Pennsylvania Ave, NW	East End	Mar 2024	\$323.0 M	\$457	PRP / Morning Calm	Blackstone / Columbia	707,476	A	86%	9.7% Cap Rate Portfolio Sale
	1099 New York 1099 New York Ave, NW	East End	Mar 2024	\$95.0 M	\$525	Quadrangle Development	Credit Suisse	180,878	A	95%	9.3% Cap Rate
	1899 L 1899 L St, NW	CBD	Apr 2024	\$26.7 M	\$175	Taicoon	BlackRock	152,500	A	59%	N/A
	1101 Vermont 1101 Vermont Ave, NW	East End	Mar 2024	\$15.8 M	\$90	Zumot	UBS	175,663	B	59%	8.0% Cap Rate
	National Grange 1616 H St. NW	CBD	Feb 2024	\$10.3 M	\$213	Bungalow Ventures	National Grange	48,174	C	100%	N/A



Outlook

Market fundamentals remained moderately soft in Washington, D.C. in Q1 2024. Vacancy increased to 17.6%, while the market recorded negative 147,786 square feet of absorption in the quarter. The good news is leasing activity totaled approximately 2.3 million square feet in Q1 2024, representing a 73% increase in leasing quarter-over-quarter. Sales transactions totaled \$470.8 million in Q1 2024, a \$125.6 million increase from the previous quarter. Kastle Systems “return-to-office” tracker has averaged approximately 47% for the D.C. Metro in the Q1 2024, a sustained uptick from the 45% RTO average in 2023. Employment growth remained strong at 0.6% Y-o-Y, while the unemployment rate increased slightly to 2.8%. Federal employees continue to primarily work hybrid schedules with senior level employees returning to the office at least 3 days per week. The GSA continues to evaluate its footprint with the intent to either downsize or move into Federal space.



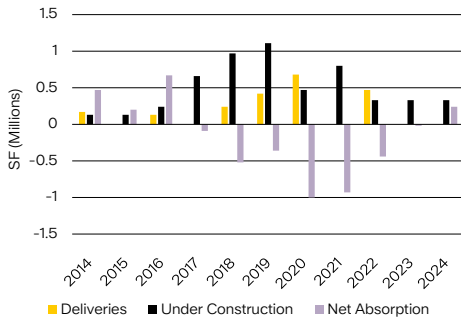
Market Spotlights

Washington, D.C.

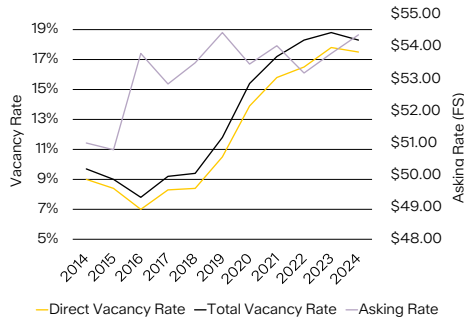
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	47.5 M
Direct Vacancy	17.5%
Total Vacancy	18.3%
YTD 2024 Absorption (SF)	240 K
YTD 2024 Leasing Activity (SF)	490 K
Under Construction (SF)	334 K
Pre-Leased	57%
Deliveries (SF)	-

Direct vacancy in CBD decreased to 17.5% at the end of Q1 2024, down from 17.8% at the end of Q4 2023.

Total vacancy in the CBD market decreased to 18.3% at the end of Q1 2024, down from 18.8% at the end of Q4 2023.

The CBD recorded 240,132 square feet of net absorption in Q1 2024, an increase from the 95,099 square feet absorbed in Q4 2023. Tenants contributing to the positive net absorption included Orrick moving into 104,829 square feet at 2100 Pennsylvania Avenue, NW and Van Ness Feldman moving into 45,120 square feet at 2000 Pennsylvania Avenue, NW.

A total of 489,811 square feet was leased in Q1 2024, an increase from the 292,005 square feet leased in Q4 2023. Tenants executing leases this quarter included Sullivan & Cromwell renewing 78,740 square feet at 1700 New York Avenue, NW and the International Bank (IBRD) signing a 56,796-square-foot renewal at 1899 Pennsylvania Avenue, NW.

1700 M Street, NW is the sole building under construction in the CBD. This 334,000-square-foot, Trophy Class building (57% pre-leased) is expected to deliver in Q2 2024.

There were two sale transactions in the CBD this quarter. 1899 L Street, NW sold to Taicon for \$26,650,000 (\$175 psf) and 1616 H Street sold to Bungalow Ventures for \$10,300,000 (\$213 psf).

10 Year Averages 2014-2023

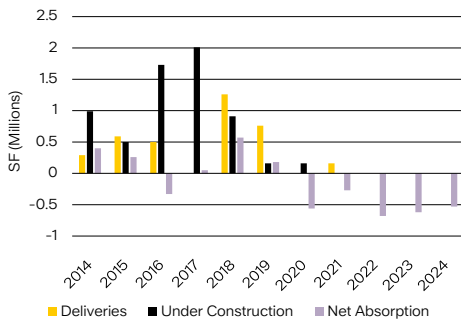
Net Absorption (SF)	-242 K per year
Deliveries (SF)	194 K per year
Leasing Activity (SF)	2.5 M per year

Asking Rental Rates (Full Service / PSF)

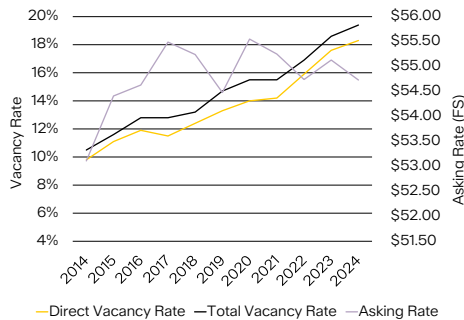
2014	\$51.00
2023	\$53.79
YTD 2024	\$54.37



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	54.4 M
Direct Vacancy	18.3%
Total Vacancy	19.4%
YTD 2024 Absorption (SF)	-532 K
YTD 2024 Leasing Activity (SF)	1.0 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in East End increased to 18.3% at the end of Q1 2024, up from 17.6% at the end of Q4 2023.

Total vacancy in the East End market increased to 19.4% at the end of Q1 2024, up from 18.6% at the end of Q4 2023.

The East End recorded negative 531,735 square feet of net absorption in Q1 2024, a decrease from the negative 32,887 square feet absorbed in Q4 2023. Tenants contributing to the negative net absorption included Orrick vacating 129,265 square feet at 1152 15th Street, NW and Blue Cross Blue Shield Association vacating 84,065 square feet at 1310 G Street, NW.

A total of 1,006,360 square feet was leased in Q1 2024, a significant increase from the 549,821 square feet leased in Q4 2023. Tenants executing leases this quarter included The Washington Post renewing 297,176 square feet at 1301 K Street, NW and IBM renewing 51,990 square feet at 600 14th Street, NW.

600 5th Street, NW is currently under renovation. The building is expanding into an eleven-story 399,617-square-foot office building with 14,770 square feet of ground floor retail space. Renovations are expected to be completed by 2026.

There were three sale transactions in the East End this quarter. 701 & 801 Pennsylvania Avenue, NW (Market Square) sold to PRP/Morning Calm for \$323,000,000 (\$457 psf), 1099 New York Avenue, NW sold to Quadrangle Development for \$95,000,000 (\$525 psf), and 1101 Vermont Avenue, NW sold to Zumot for \$15,822,000 (\$90 psf).

10 Year Averages 2014-2023

Net Absorption (SF)	-101 K per year
Deliveries (SF)	355 K per year
Leasing Activity (SF)	3.3 M per year

Asking Rental Rates (Full Service / PSF)

2014	\$53.11
2023	\$55.13
YTD 2024	\$54.73

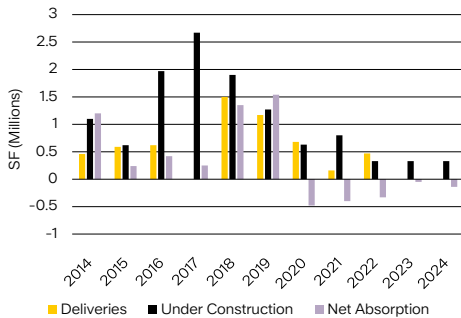
Market Spotlight

CBD / East End Class A

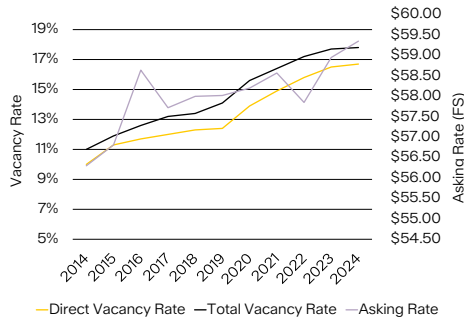
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	66.0 M
Direct Vacancy	16.7%
Total Vacancy	17.8%
YTD 2024 Absorption (SF)	-143 K
YTD 2024 Leasing Activity (SF)	1.2 M
Under Construction (SF)	334 K
Pre-Leased	57%
Deliveries (SF)	-

Direct vacancy in CBD / East End Class A increased to 16.7% at the end of Q1 2024, up from 16.5% at the end of Q4 2023.

Total vacancy in the CBD / East End Class A market increased to 17.8% at the end of Q1 2024, up from 17.7% at the end of Q4 2023.

A total of 1,978,387 square feet of Class A sublease space was available at the end of Q1 2024, representing a 128,684-square-foot increase of sublease space available quarter-over-quarter.

The Class A market recorded negative 142,770 square feet of net absorption in Q1 2024, a decrease from the negative 103,253 square feet of Class A space absorbed in Q4 2023. Tenants contributing to the negative net absorption this quarter included Optoro vacating 26,500 square feet at 1001 G Street, NW.

Class A leasing activity totaled 1,191,788 square feet in Q1 2024, a significant increase from the 652,417 square feet leased in Q4 2023. Tenants executing leases this quarter included Finnegan renewing for 214,408 square feet at 901 New York Avenue, NW.

1700 M Street, NW is the sole office building under construction in the CBD. This 334,000-square-foot, Trophy Class building is expected to deliver in Q2 2024.

There were three Class A sale transactions in the CBD / East End in Q1 2024. 701 & 801 Pennsylvania Avenue, NW (Market Square) sold to PRP/Morning Calm for \$323,000,000 (\$457 psf), 1099 New York Avenue, NW sold to Quadrangle Development for \$95,000,000 (\$525 psf), and 1899 L Street, NW sold to Taicoon for \$26,650,000 (\$175 psf).

10 Year Averages 2014-2023

Net Absorption (SF)	373 K per year
Deliveries (SF)	566 K per year
Leasing Activity (SF)	3.9 M per year

Asking Rental Rates (Full Service / PSF)

2014	\$56.30
2023	\$58.95
YTD 2024	\$59.33

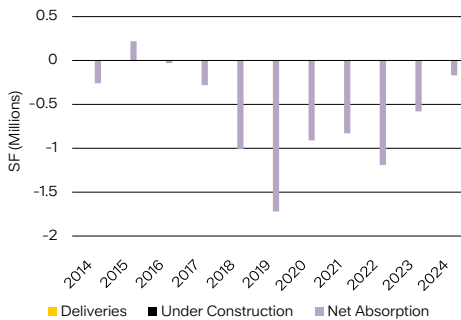
Market Spotlight

CBD / East End Class B

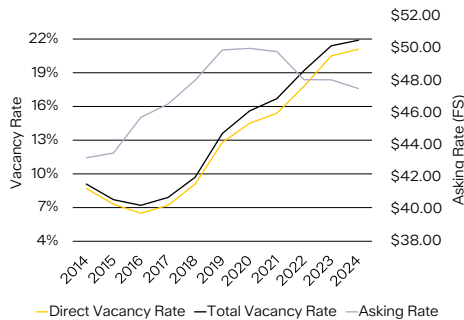
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	34.3 M
Direct Vacancy	21.1%
Total Vacancy	21.9%
YTD 2024 Absorption (SF)	-173 K
YTD 2024 Leasing Activity (SF)	304 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD / East End Class B increased to 21.1% at the end of Q1 2024, up from 20.5% at the end of Q4 2023.

Total vacancy in the CBD / East End Class B market increased to 21.9% at the end of Q1 2024, up from 21.4% at the end of Q4 2023.

A total of 502,736 square feet of Class B sublease space was available at the end of Q1 2024 representing a 21,451-square-foot decrease of sublease space available quarter-over-quarter.

Class B buildings recorded a total of negative 172,958 square feet of net absorption in Q1 2024, a decrease from the negative 41,041 square feet of Class B absorbed in Q4 2023. Tenants contributing to the negative net absorption this quarter included National Fish & Wildlife Services vacating 34,249 square feet at 1133 15th Street, NW.

Class B leasing activity totaled 303,931 square feet in Q1 2024, an increase from the 189,809 square feet leased in Q4 2023. Tenants executing leases this quarter included Caplin & Drysdale renewing for 51,247 square feet at 1 Thomas Circle, NW, and International Republican Institute renewing and expanding 47,416 square feet at 1225 Eye Street, NW.

One Class B building sold in the CBD/ East End. 1101 Vermont Avenue, NW sold to Zumot for \$15,822,000 (\$90 psf), with an 8% Cap Rate.

10 Year Averages 2014-2023

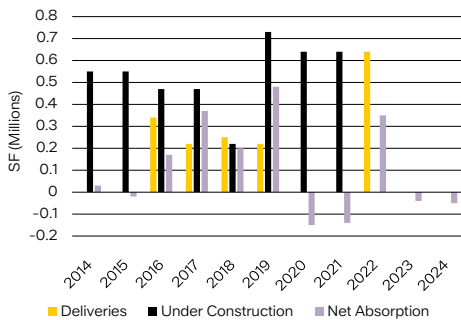
Net Absorption (SF)	-659 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	1.7 M per year

Asking Rental Rates (Full Service / PSF)

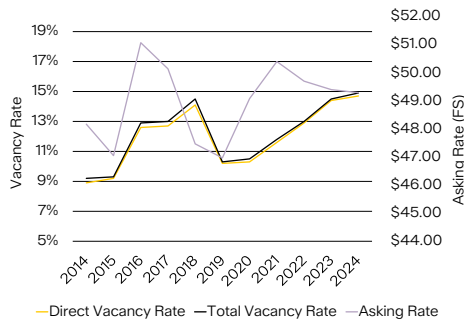
2014	\$43.20
2023	\$48.06
YTD 2024	\$47.52



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	13.5 M
Direct Vacancy	14.7%
Total Vacancy	14.9%
YTD 2024 Absorption (SF)	-52 K
YTD 2024 Leasing Activity (SF)	596 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Southwest increased to 14.7% at the end of Q1 2024, up from 14.4% at the end of Q4 2023.

Total vacancy in the Southwest market increased to 14.9% at the end of Q1 2024, up from 14.5% at the end of Q4 2023.

The Southwest recorded negative 51,580 square feet of net absorption in Q1 2024, a decrease from the negative 27,575 square feet absorbed in Q4 2023. Tenants contributing to the negative net absorption included Kiewit Corporation vacating 31,345 square feet at 470-490 L'Enfant Plaza, SW.

A total of 595,575 square feet was leased in Q1 2024, a significant increase from the 150,475 square-feet leased in Q4 2023. Tenants executing leases this quarter included D.C. Department of General Services signing a 543,845-square-foot renewal at 1100 and 1101 4th Street, SW (Waterfront Station I & II) and Williams & Connolly signing for 25,459 square feet at 670 Maine Avenue, SW.

No new construction or sales reported in Southwest this quarter.

10 Year Averages 2014-2023

Net Absorption (SF)	124 K per year
Deliveries (SF)	167 K per year
Leasing Activity (SF)	879 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$48.17
2023	\$49.40
YTD 2024	\$49.29

Market Spotlight

West End / Georgetown

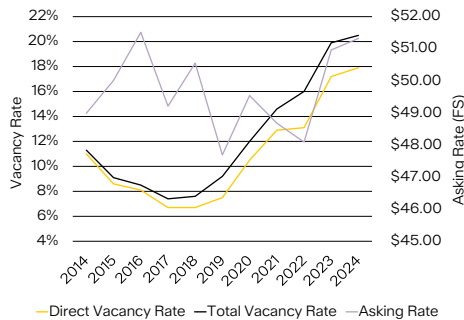
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	8.0 M
Direct Vacancy	17.9%
Total Vacancy	20.5%
YTD 2024 Absorption (SF)	-17 K
YTD 2024 Leasing Activity (SF)	35 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in West End/ Georgetown increased to 17.9% at the end of Q1 2024, up from 17.2% at the end of Q4 2023.

Total vacancy in the West End / Georgetown market increased to 20.5% at the end of Q1 2024, up from 19.9% at the end of the Q4 2023.

The West End / Georgetown recorded negative 17,049 square feet of net absorption in Q1 2024, an improvement from the negative 25,114 square feet absorbed in Q4 2023. Tenants contributing to the negative net absorption included Premise Data vacating 20,204 square feet at 1222 22nd Street, NW and National Housing Trust vacating 14,551 square feet at 1101 30th Street, NW.

A total of 34,860 square feet was leased in Q1 2024, a decrease from the 55,345 square feet leased in Q4 2023. Tenants executing leases this quarter included Eliquent Life Sciences renewing for 19,278 square feet at 1055 Thomas Jefferson Street, NW and Cuneo signing for 6,439 square feet at 2445 M Street, NW.

No new construction or sales reported in West End / Georgetown this quarter.

10 Year Averages 2014-2023

Net Absorption (SF)	-127 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	338 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$48.99
2023	\$50.96
YTD 2024	\$51.32

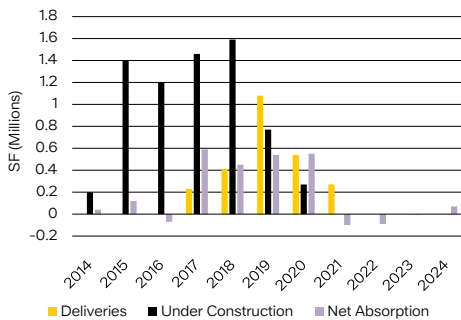
Market Spotlight

Capitol Hill / NoMa

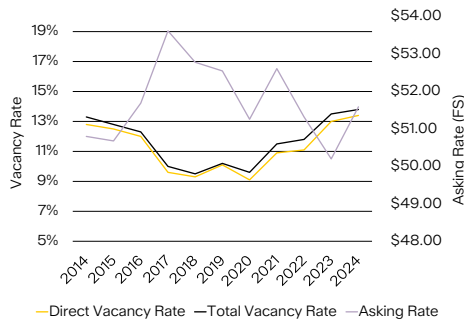
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	19.0 M
Direct Vacancy	13.4%
Total Vacancy	13.8%
YTD 2024 Absorption (SF)	69 K
YTD 2024 Leasing Activity (SF)	99 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Capitol Hill / NoMa increased to 13.4% at the end of Q1 2024, up from 13.0% at the end of Q4 2023.

Total vacancy in the Capitol Hill / NoMa market increased to 13.8% at the end of Q1 2024, up from 13.5% at the end of Q4 2023.

Capitol Hill / NoMa recorded 68,974 square feet of net absorption in Q1 2024, a decrease from the 145,927 square feet absorbed in Q4 2023. Tenants contributing to the positive net absorption included NoMa Improvement Association moving into 6,806 square feet at 1140 3rd Street, NE.

A total of 99,105 square feet was leased in Q1 2024, a decrease from the 234,651 square feet leased in Q4 2023. Tenants executing leases this quarter included American Council of Life Insurers signing for 28,000 square feet and ClearPath Action signing for 12,000 square feet, both at 300 New Jersey Avenue, NW.

No new construction or sales reported in Capitol Hill/ NoMa this quarter.

10 Year Averages 2014-2023

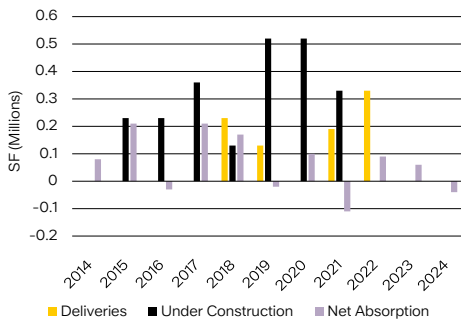
Net Absorption (SF)	207 K per year
Deliveries (SF)	253 K per year
Leasing Activity (SF)	1.4 M per year

Asking Rental Rates (Full Service / PSF)

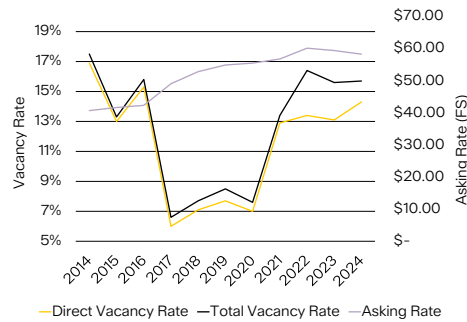
2014	\$50.80
2023	\$50.20
YTD 2024	\$51.59



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	5.0 M
Direct Vacancy	14.3%
Total Vacancy	15.7%
YTD 2024 Absorption (SF)	-37 K
YTD 2024 Leasing Activity (SF)	34 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Capitol Riverfront increased to 14.3% at the end of Q1 2024, up from 13.1% at the end of Q4 2023.

Total vacancy in the Capitol Riverfront market increased to 15.7% at the end of Q1 2024, up from 15.6% at the end of Q4 2023.

The Capitol Riverfront recorded negative 37,339 square feet of net absorption in Q1 2024, a decrease from the 26,146 square feet absorbed in Q4 2023. Tenants contributing to the negative net absorption included CSRA Advanced Marine Center vacating 41,245 square feet at 1201 M Street, SE.

A total of 34,252 square feet was leased in Q1 2024, a significant increase from the 3,406 square feet leased in Q1 2023. Tenants executing leases this quarter included Morgan & Morgan signing for 11,414 square feet at 20 M Street, SE and Jones Walker LLP signing for 8,800 square feet at 1 M Street, SE.

No new construction or sales reported in Capitol Riverfront this quarter.

10 Year Averages 2014-2023

Net Absorption (SF)	76 K per year
Deliveries (SF)	88 K per year
Leasing Activity (SF)	285 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$40.72
2023	\$59.42
YTD 2024	\$58.29

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