

Office Market Report

Washington, D.C.

Q3 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 443.1 million square feet of rentable office space located in the District of Columbia, Northern Virginia, and Suburban Maryland.

The total vacancy rate increased to 18.2% at the end of Q3 2024, while the market recorded negative 1,741,182 square feet of net absorption. Contributing to the negative net absorption this quarter included the U.S. Patent and Trade Office (USPTO) vacating a combined 772,891 square feet in Alexandria, VA.

Leasing activity totaled 5,962,944 square feet for the quarter. The largest lease executed was a 339,000-square-foot renewal by Fannie Mae at 1100 15th Street, NW - Midtown Center, in the East End submarket of D.C.

A total of 555,000 square feet was under construction at the end of Q3 2024, with 48.7% of the space pre-leased. One building completed construction this quarter, 12050 Inspiration Street (74,600 SF, 0% leased) delivered in Reston, VA. No additional buildings delivered, nor broke ground, this quarter.

There were thirteen sales transactions in Q3 2024, totaling \$580,410,000. The largest sale, on a price per square foot basis, was 2000 K Street, NW trading for \$140.2 M (\$601 psf) to Spear Street. The Class A building was 85% leased at the time of sale and traded at an 8.0% Cap Rate.

Average asking rental rates increased \$0.11 to \$40.72 per square foot, Full Service.

The D.C. Metropolitan Statistical Area (MSA) added 12,200 net jobs from August 2023-August 2024, representing 0.4% growth over this 12-month period. The Education & Health Services sector added the most with 10,100 jobs, while the Government sector gained 3,000. The unemployment rate for the D.C. Metro increased to 3.7% in Q3 2024, however.

Direct Vacancy

(Q3 2024)

		(YOY)
DC	17.4%	
VA	16.7%	
MD	17.6%	
Metro Area (YTD)	17.1%	

Total Vacancy

(Q3 2024)

		(YOY)
DC	18.4%	
VA	17.9%	
MD	18.6%	
Metro Area (YTD)	18.2%	

Net Absorption

(SF, YTD Q3 2024)

		(YOY)
DC	-726,212	
VA	-2,433,420	
MD	-763,084	
Metro Area (YTD)	-3,922,716	

Leasing Activity

(SF, YTD Q3 2024)

		(YOY)
DC	7,181,736	
VA	7,169,638	
MD	2,402,344	
Metro Area (YTD)	16,753,718	

Market Outlook

Market fundamentals for the Metropolitan Washington, D.C. office market softened further in Q3 2024. Total vacancy increased to 18.2%, an increase of 0.6 percentage points from the previous quarter, while the market recorded negative 1,741,182 square feet of net absorption (a significant increase from the negative 787,178 square feet absorbed in Q2 2024). Leasing activity remained relatively flat with a 1.0% uptick in leases signed quarter-over-quarter. On a positive note, capital markets heated up in the third quarter with \$580.4 M in total building sales, more than doubling the \$274.1 M in sales in Q2 2024. Lastly, the construction pipeline remained extremely limited with only two buildings, totaling approximately 555,000 SF, currently under construction in the D.C. Metro, an historic low for the region.

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 Peak Day (Tuesday) average RTO for the D.C. Metro in 2024 is approximately 57%. Daily MetroRail ridership continues to improve YTD 2024 as well; current ridership is now at 61% of the 2019 (pre-pandemic) total.

Even though the D.C. MSA unemployment rate increased to 3.7% in Q3 2024, it is still 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 D.C. MSA unemployment rate remains lower than the current national unemployment rate of 4.1% as well.

The D.C. MSA currently ranks 11th nationally 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). With the 2024 Presidential Election looming this fall, we do not anticipate substantial changes to the current policies prior to November.

D.C. Market Summary

The Washington, D.C. office market currently consists of 819 buildings, over 25,000 square feet, totaling approximately 160.1 million square feet of rentable space.

As of August 2024, the unemployment rate for the District of Columbia increased to 5.7%, as unemployment for the Washington, D.C. Metropolitan area also increased to 3.7%. The national unemployment rate increased slightly to 4.1%.

The D.C. Metropolitan Statistical Area (MSA) added 12,200 jobs from August 2023 - August 2024, representing 0.4% growth Y-o-Y. Sectors adding the most jobs were Education & Health Services with 10,100, followed by Other Services with 6,500, and Government gaining 3,000.

The largest private sector lease executed this quarter was a renewal/contraction signed by Fannie Mae for 339,000 square feet at 1100 15th Street, NW (Midtown Center).

The GSA - Court Services & Offender Supervision Agency (CSOSA) signed the largest public sector lease this quarter with a 198,561-square-foot new lease at 501 3rd Street, NW.

There were five sale transactions, totaling \$230,950,000 in Q3 2024. The largest sale this quarter was for 2000 K Street, NW sold to Spear Street for \$140,200,000 (\$601 psf) with a 8% Cap Rate. This Class A property was 85% leased at the time of the sale.



	Q3 2024	Q2 2024	Q3 2023
Direct Vacancy	17.4%	17.1%	16.3%
Total Vacancy	18.4%	18.1%	17.4%
Net Absorption (SF)	-133K	-446K	-324K
Leasing Activity (SF)	2.4 M	2.5 M	2.5 M
Under Construction (SF)	-	-	761K
Under Construction % Pre-Leased	-	-	81%
Deliveries (SF)	-	334K	-
Average Asking Rental Rate (PSF, Full Service)	\$53.37	\$53.31	\$53.17
Sales Volume	\$231.0 M	\$135.7 M	\$116.8 M
Unemployment D.C. Metro Area	3.7%	2.7%	2.6%
Sublease Space Available (SF)	3.4 M	3.4 M	3.6 M

Vacancy Rate

The total vacancy rate in D.C. increased to 18.4% at the end of Q3 2024, totaling approximately 29.2 million square feet of vacant space. Class A total vacancy in D.C. increased to 19.0% (approx. 22.1 M SF vacant) while Class B total vacancy decreased to 18.2% (approx. 7.0 M SF vacant) in the third quarter.

Sublease vacancy remained flat at 1.0% at the end of Q3 2024, with approximately 1.6 million square feet of vacant space available. A total of 3.4 million square feet of sublease is being marketed as available (2.1% of the total availability rate), the amount of sublease space available has increased approximately 37,000 square feet since Q2 2024.

Net Absorption & Leasing

The Washington, D.C. market recorded negative 132,690 square feet of net absorption in Q3 2024, an improvement from the negative 445,736 square feet absorbed in Q2 2024.

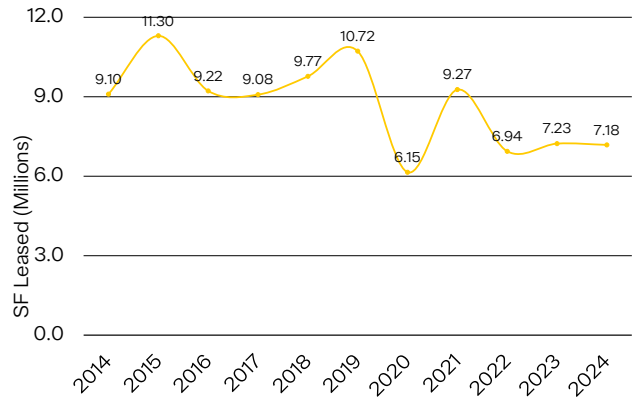
Tenants contributing to the negative net absorption included Wiley Rein vacating 163,113 square feet at 1750 K Street, NW and Caplin & Drysdale vacating 64,300 square feet at 1 Thomas Circle, NW.

The Central Business District (CBD) market recorded 21,537 square feet of net absorption in Q3 2024, while the East End recorded negative 87,321 square feet of net absorption in Q3 2024.

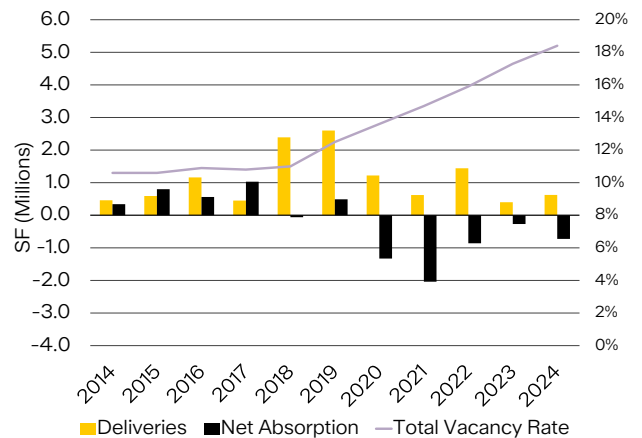
The Top Ten leases of the quarter ranged in size from 339,000 square feet to 28,897 square feet. Six of the ten leases signed were new leases. The largest lease executed this quarter was a renewal/contraction signed by Fannie Mae for 339,000 square feet at 1100 15th Street, NW (Midtown Center).

The Washington, D.C. market totaled 2,372,744 square feet of leasing in Q3 2024, representing a 4.2% decrease compared to the 2,477,290 square feet leased in Q2 2024.

Leasing Activity



Deliveries | Net Absorption | Vacancy Rate



Sales Volume

There were five sales transactions, totaling \$230,950,000 in Q3 2024. 2000 K Street, NW sold to Spear Street for \$140,200,000 (\$601 psf), 701 8th Street, NW (Portrait Building) sold as an REO Sale to Douglas Development for \$34,250,000 (\$255 psf), 1201 Connecticut Avenue, NW sold to Duball for \$21,500,000 (\$127 psf), 1200 18th Street, NW (Ring Building) sold to Davis Companies for \$18,500,000 (\$89 psf), and 1000 Potomac Street NW (the Flour Mill) sold to Network Realty Partners & Related Fund for \$16,500,000 (\$133 psf).

Vacant Space Available & Vacancy By Class

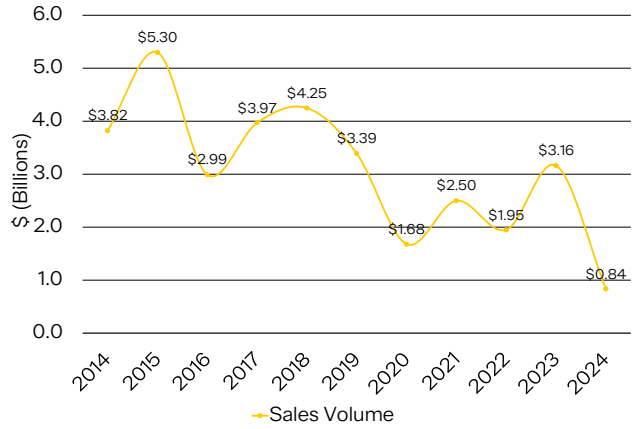
In Q3 2024, Class A total vacancy in D.C. increased to 19.0% (approx. 22.1 M SF vacant) while Class B total vacancy decreased to 18.2% (approx. 7.0 M SF vacant) in the third quarter. Class C vacancy decreased to 3.6% with approximately 181,000 square feet vacant.

Sublease Space Available

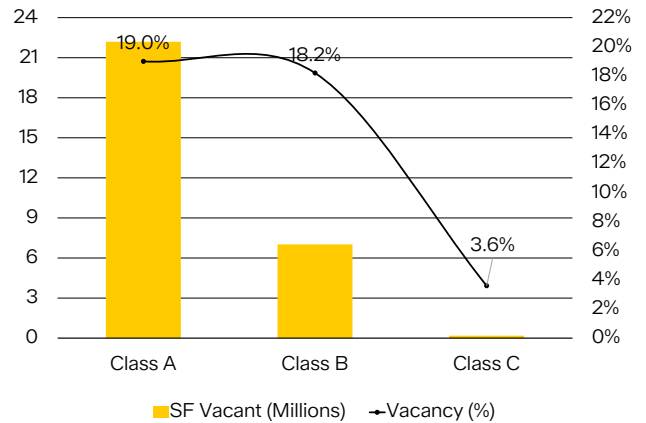
Approximately 3,393,000 square feet of sublease space was available at the end of Q3 2024. The amount of sublease space available has increased approximately 37,000 square feet since Q2 2024.



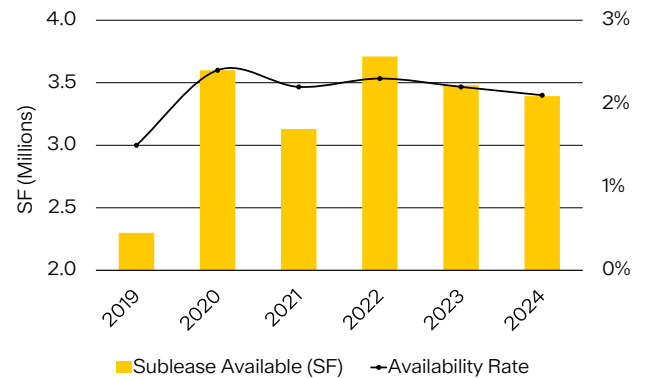
Sales Volume



Vacant Space Available & Vacancy By Class



Sublease Space Available



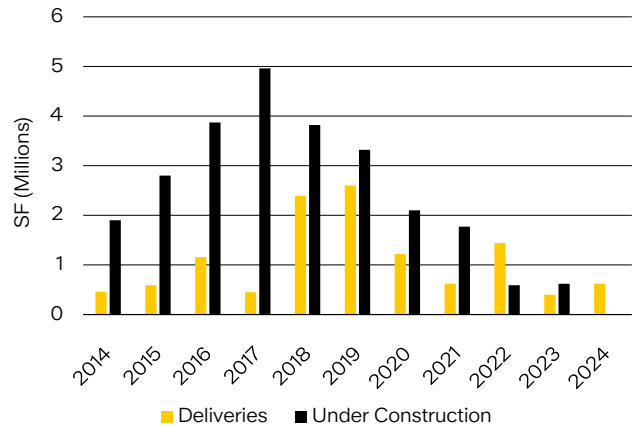


Construction

Although no new construction broke ground nor delivered in Q3 2024, 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.

The proposed 1.2 M SF 60 New York Avenue, NE project has been put on hold due to the lack of financing. Due to this complication, the SEC has terminated its pre-lease of 60 New York and will remain at 100 F Street, NE (Station Place) until 2028.

Deliveries | Under Construction



Address	RBA (SF)	CLASS	DELIVERING	PRE-LEASED
Financial Plaza* 60 New York Avenue, NE	1.2 M SF	A	TBD	SEC terminated its pre-lease
*Proposed, on hold				

Top Ten Leases

In Q3 2024, there were six new leases, three renewals, and one sublease in the Top Ten. Five of the leases executed were over 100,000 square feet this quarter.

The largest private sector lease executed this quarter was a renewal/contraction signed by Fannie Mae for 339,000 square feet at 1100 15th Street, NW (Midtown Center).










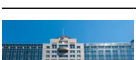
The GSA - Court Services & Offender Supervision Agency (CSOSA) signed the largest public sector lease this quarter with a 198,561-square-foot new lease at 501 3rd Street, NW.

Government Services and GSA were well represented in the Top Ten this quarter. Along with the GSA - CSOSA, the USAGM Voice of America signed for 290,000 square feet at 1875 Pennsylvania Avenue, NW, D.C. Department of General Services signed for 169,336 square feet at 899 N Capitol Street, NW, and






GSA - Department of Treasury signed for 65,000 square feet at 1575 Eye Street, NW.

Law firms and Associations were also represented this quarter. ArentFox Schiff signed for 120,000 square feet at 1100 15th Street, NW (Midtown Center), Brownstein Hyatt subleased 63,000 square feet at 600 Massachusetts Avenue, NW, and American Association of Justice renewed 36,795 square feet at 777 6th Street, NW. Healthcare and Education were also represented. MedStar Washington Hospital signed a 45,475-square-foot renewal at 106A Irving Street, NW and The Chicago School signed for 28,897 square feet at 1101 K Street, NW.

The Washington, D.C. market totaled 2,372,744 square feet of leasing in Q3 2024, representing a 4.2% decrease compared to the 2,477,290 square feet leased in Q2 2024.

			Tenant	Size (SF)	Type
	01	Midtown Center 1100 15th Street, NW	Fannie Mae	339,000	Renewal / Contraction
	02	1875 Penn 1875 Pennsylvania Avenue, NW	U.S., Agency for Global Media (USAGM) Voice of America	290,000	New
	03	Communications Workers of America 501 3rd Street, NW	GSA - Court Services & Offender Supervision Agency (CSOSA)	198,561	New
	04	Union Center Plaza South 899 N Capitol Street, NE	D.C. Department of General Services	169,336	New
	05	Midtown Center 1100 15th Street, NW	ArentFox Schiff	120,000	New
	06	ASAE Center 1575 Eye Street, NW	GSA - U.S. Department of Treasury	65,000	New
	07	600 Mass 600 Massachusetts Avenue, NW	Brownstein Hyatt Farber Schreck LLP	63,000	Sublease
	08	POB North 106A Irving Street, NW	Medstar Washington Hospital	45,475	Renewal
	09	777 Sixth 777 6th Street, NW	American Association of Justice	36,796	Renewal / Contraction
	10	1101 K 1101 K Street, NW	The Chicago School	28,897	New

Top D.C. Sales Transactions

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Comment
 2000 K 2000 K St, NW	CBD	July 2024	\$140.2 M	\$601	Spear Street	Tishman Speyer	232,292	A	85%	8% Cap Rate
 Portrait Building 701 8th St, NW	East End	Aug 2024	\$34.2 M	\$255	Douglas Development	Voya Investment	134,448	A	59%	REO Sale
 1201 Conn 1201 Connecticut Ave, NW	CBD	Aug 2024	\$21.5 M	\$127	Duball	BrightSpire	169,549	B	68%	Residential Conversion
 Ring Building 1200 18th St, NW	CBD	July 2024	\$18.5 M	\$89	Davis Companies	Principal Real Estate	185,754	A	90%	Potential Residential Conversion
 The Flour Mill 1000 Potomac St, NW	Georgetown	Sep 2024	\$16.5 M	\$133	Network Realty & Related Fund	Equus Capital	124,132	C	51%	Residential Conversion



Outlook

Market fundamentals remained moderately weak in Washington, D.C. in Q3 2024. Vacancy increased to 18.4%, while the market recorded negative 132,690 square feet of absorption in the quarter. In addition, leasing activity totaled approximately 2.4 million square feet in Q3 2024, representing a 4.2% decrease in leasing quarter-over-quarter. Sales transactions, however, totaled \$230.9 million in Q3 2024, representing a \$95.0 M increase from the previous quarter. Kastle Systems “return-to-office” tracker has averaged approximately 47% for the D.C. Metro YTD Q3 2024, a sustained uptick from the 45% RTO average in 2023. Employment growth remained positive at 0.4% Y-o-Y, while the unemployment rate increased slightly to 3.7%. 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.



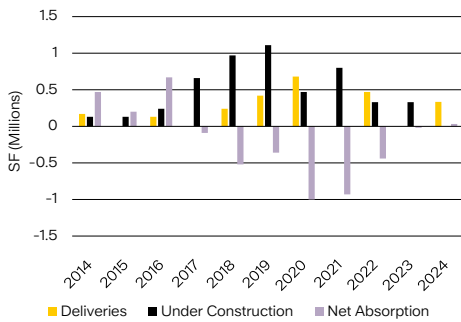
Market Spotlights

Washington, D.C.

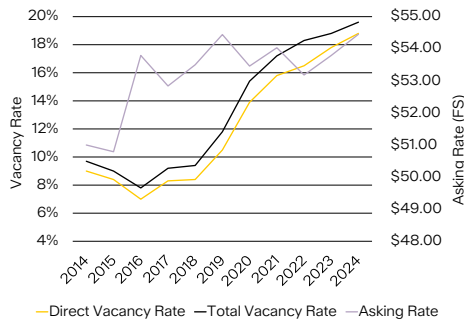
Q3 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	48.0 M
Direct Vacancy	18.8%
Total Vacancy	19.6%
YTD 2024 Absorption (SF)	32 K
YTD 2024 Leasing Activity (SF)	1.7 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD increased to 18.8% at the end of Q3 2024, up from 18.5% at the end of Q2 2024.

Total vacancy in the CBD market increased to 19.6% at the end of Q3 2024, up from 19.5% at the end of Q2 2024.

The CBD recorded 21,537 square feet of net absorption in Q3 2024, a significant increase from the negative 229,433 square feet absorbed in Q2 2024. Tenants contributing to the positive net absorption this quarter included Gibson Dunn moving into 163,750 square feet at 1700 M Street, NW and Davis Polk moving into 81,632 square feet at 1050 17th Street, NW.

A total of 752,389 square feet was leased in Q3 2024, a significant increase from the 493,082 square feet leased in Q2 2024. Tenants executing leases this quarter included Voice of America signing a 290,000-square-foot lease at 1875 Pennsylvania Avenue, NW and Civitas CRE subleasing 23,494 square feet at 1111 19th Street, NW.

No new construction delivered or broke ground this quarter.

There were three sale transactions in the CBD this quarter. 2000 K Street, NW sold to Spear Street for \$140,200,000 (\$601 psf), 1201 Connecticut Avenue, NW sold to Duball for \$21,500,000 (\$127 psf), and 1200 18th Street, NW (Ring Building) sold to Davis Companies for \$18,500,000 (\$89 psf).

10 Year Averages 2014-2023

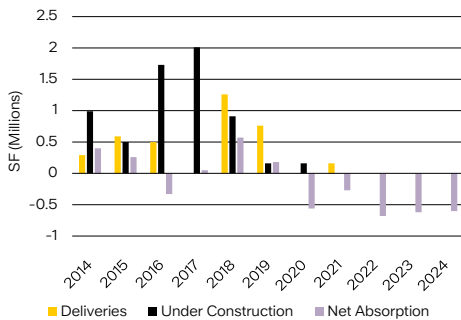
Net Absorption (SF)	-242 K per year
Deliveries (SF)	194 K per year
Leasing Activity (SF)	2.5 M per year

Asking Rental Rates (Full Service / PSF)

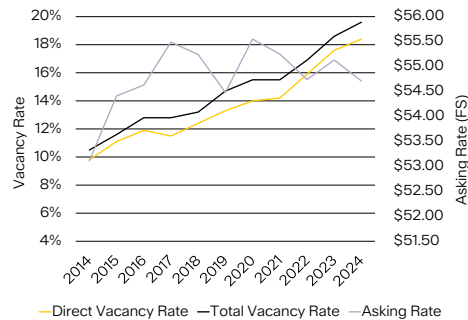
2014	\$51.00
2023	\$53.79
YTD 2024	\$54.45



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	54.6 M
Direct Vacancy	18.3%
Total Vacancy	19.5%
YTD 2024 Absorption (SF)	-601 K
YTD 2024 Leasing Activity (SF)	2.7 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in East End remained flat at 18.3% at the end of Q3 2024.

Total vacancy in the East End also remained flat at 19.5% at the end of Q3 2024.

The East End recorded negative 87,321 square feet of net absorption in Q3 2024, a decrease from the 17,640 square feet absorbed in Q2 2024. Tenants contributing to the negative net absorption included Caplin & Drysdale vacating 64,300 square feet at 1 Thomas Circle, NW.

A total of 895,028 square feet was leased in Q3 2024, an increase from the 769,198 square feet leased in Q2 2024. Tenants executing leases this quarter included Fannie Mae renewing 339,000 square feet at 1100 15th Street, NW (Midtown Center) and GSA - U.S. Department of Treasury signing for 65,000 square feet at 1575 Eye 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 was one sale transactions in the East End this quarter. 701 8th Street, NW (Portrait Building) sold to Douglas Development for \$34,250,000 (\$255 psf). This was an REO sale.

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	\$54.71

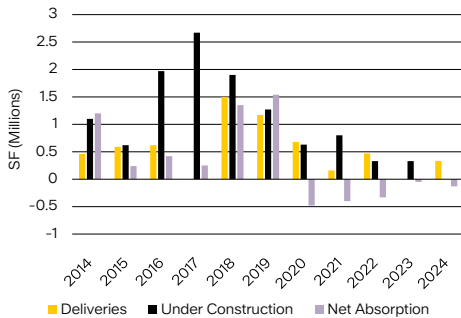
Market Spotlight

CBD / East End Class A

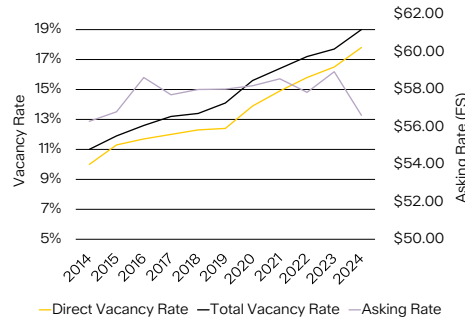
Q3 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	78.2 M
Direct Vacancy	17.8%
Total Vacancy	19.0%
YTD 2024 Absorption (SF)	-130 K
YTD 2024 Leasing Activity (SF)	3.9 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD / East End Class A increased to 17.8% at the end of Q3 2024, up from 17.0% at the end of Q2 2024.

Total vacancy in the CBD / East End Class A market increased to 19.0% at the end of Q3 2024, up from 18.3% at the end of Q2 2024.

A total of 1,865,896 square feet of Class A sublease space was available at the end of Q3 2024, representing a 241,461-square-foot increase of sublease space available quarter-over-quarter.

The Class A market recorded 76,711 square feet of net absorption in Q3 2024, a significant increase from the negative 63,724 square feet of Class A space absorbed in Q2 2024. Tenants contributing to the positive net absorption this quarter included Gibson Dunn moving into 163,750 square feet at 1700 M Street, NW.

Class A leasing activity totaled 1,515,554 square feet in Q3 2024, an increase from the 1,085,690 square feet leased in Q2 2024. Tenants executing leases this quarter included ArentFox signing for 120,000 square feet at 1100 15th Street, NW (Midtown Center), and American Association of Justice renewing 36,796 at 777 6th 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.

Three Class A buildings sold in the CBD / East End in Q3 2024. 2000 K Street, NW sold to Spear Street for \$140,200,000 (\$601 psf), 701 8th Street, NW (Portrait Building) sold to Douglas Development, REO Sale for \$34,250,000 (\$255 psf), and 1200 18th Street, NW (Ring Building) sold to Davis Companies for \$18,500,000 (\$89 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	\$56.62

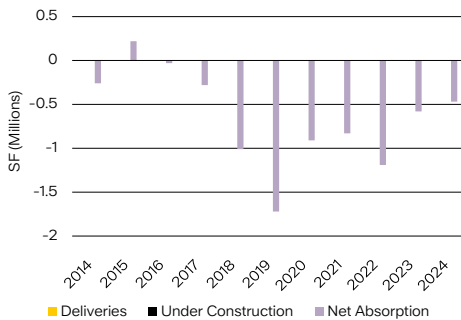
Market Spotlight

CBD / East End Class B

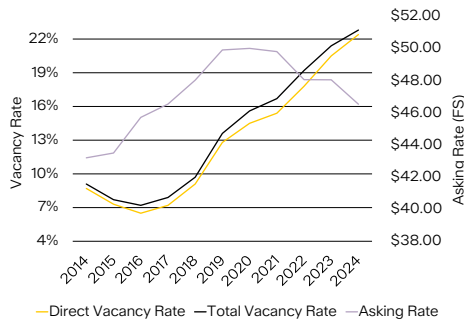
Q3 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	22.8 M
Direct Vacancy	22.4%
Total Vacancy	22.8%
YTD 2024 Absorption (SF)	-469 K
YTD 2024 Leasing Activity (SF)	653 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD / East End Class B increased to 22.4% at the end of Q3 2024, up from 21.8% at the end of Q2 2024.

Total vacancy in the CBD / East End Class B market increased to 22.8% at the end of Q3 2024, up from 22.6% at the end of Q2 2024.

A total of 174,843 square feet of Class B sublease space was available at the end of Q3 2024 representing a 318,893-square-foot decrease of sublease space available quarter-over-quarter.

Class B buildings recorded a total of negative 142,495 square feet of net absorption in Q3 2024, an improvement from the negative 153,137 square feet of Class B absorbed in Q2 2024. Tenants contributing to the negative net absorption this quarter included Wiley Rein vacating 163,113 square feet at 1750 K Street, NW.

Class B leasing activity totaled 102,504 square feet in Q3 2024, a decrease from the 246,117 square feet leased in Q2 2024. Tenants executing leases this quarter included Pallas Advisors signing for 10,269 square feet at 888 17th Street, NW and Washington English Center signing for 10,139 square feet at 1100 G Street, NW.

One Class B building sold in the CBD/ East End in Q3 2024. 1201 Connecticut Avenue, NW sold to Duball for \$21,500,000 (\$127 psf). This property will be a residential conversion with 161 units proposed.

10 Year Averages 2014-2023

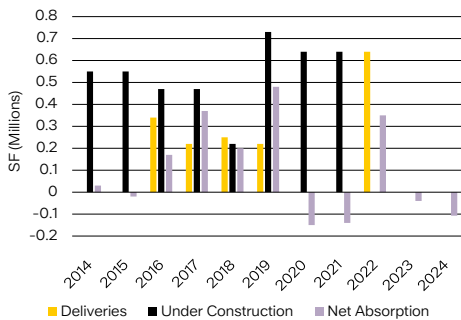
Net Absorption (SF)	-659 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	1.7 M per year

Asking Rental Rates (Full Service / PSF)

2014	\$43.20
2023	\$48.06
YTD 2024	\$46.54



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	13.6 M
Direct Vacancy	14.8%
Total Vacancy	15.2%
YTD 2024 Absorption (SF)	-107 K
YTD 2024 Leasing Activity (SF)	1.2 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Southwest increased to 14.8% at the end of Q3 2024, up from 14.6% at the end of Q2 2024.

Total vacancy in the Southwest market increased to 15.2% at the end of Q3 2024, up from 15.0% at the end of Q2 2024.

The Southwest recorded negative 16,029 square feet of net absorption in Q3 2024, an improvement from the negative 39,633 square feet absorbed in Q2 2024. Tenants contributing to the negative net absorption included Apprio vacating 7,738 square feet at 425 3rd Street, SW.

A total of 22,896 square feet was leased in Q3 2024, a significant decline from the 618,930 square feet leased in Q2 2024. Tenants executing leases this quarter included Credence Management signing for 13,468 square feet at 425 3rd Street, SW and Cherian LLP signing for 7,366 square feet at 400 Virginia 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	\$49.17

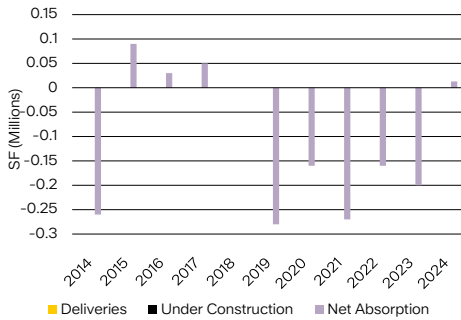
Market Spotlight

West End / Georgetown

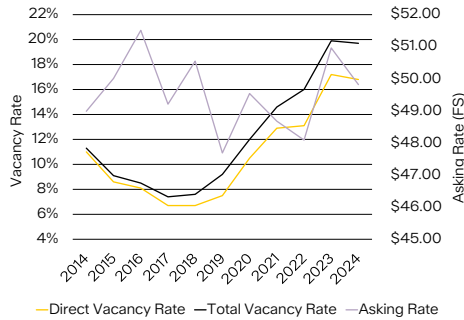
Q3 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	8.0 M
Direct Vacancy	16.8%
Total Vacancy	19.7%
YTD 2024 Absorption (SF)	13 K
YTD 2024 Leasing Activity (SF)	141 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in West End/ Georgetown decreased to 16.8% at the end of Q3 2024, down from 17.2% at the end of Q2 2024.

Total vacancy in the West End / Georgetown market decreased to 19.7% at the end of Q3 2024, down from 20.1% at the end of the Q2 2024.

The West End / Georgetown recorded 27,757 square feet of net absorption in Q3 2024, an increase from the 2,304 square feet absorbed in Q2 2024. Tenants contributing to the positive net absorption included Metrea moving into 14,269 square feet at 1222 22nd Street, NW.

A total of 33,314 square feet was leased in Q3 2024, a decrease from the 72,605 square feet leased in Q2 2024. Tenants executing leases this quarter included TD Securities signing for 7,351 square feet at 3000 K Street, NW.

One building sold in the West End / Georgetown this quarter. 1000 Potomac Street, NW (the Flour Mill) sold to Network Realty Partners & Related Fund for \$16,500,000 (\$133 psf). This property sold as a residential conversion.

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	\$49.82

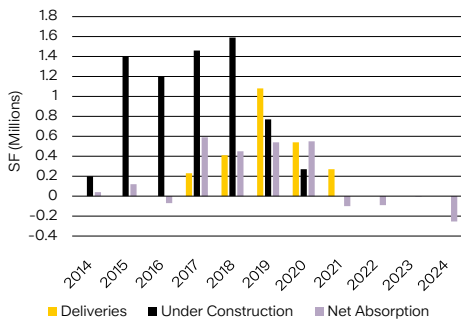
Market Spotlight

Capitol Hill / NoMa

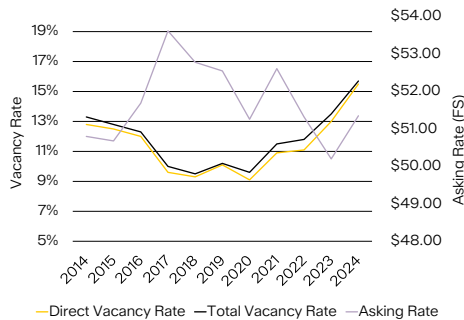
Q3 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in Capitol Hill / NoMa increased to 15.6% at the end of Q3 2024, up from 14.7% at the end of Q2 2024.

Total vacancy in the Capitol Hill / NoMa market increased to 15.8% at the end of Q3 2024, up from 15.1% at the end of Q2 2024.

Capitol Hill / NoMa recorded negative 117,250 square feet of net absorption in Q3 2024, an improvement from the negative 205,390 square feet absorbed in Q2 2024. Tenants contributing to the negative net absorption included NPR vacating 107,636 square feet at 1111 N Capitol Street, NE and the Department of Veterans Affairs vacating 61,017 square feet at 1100 1st Street, NE.

A total of 459,707 square feet was leased in Q3 2024, an increase from the 457,333 square feet leased in Q2 2024. Tenants executing leases this quarter included GSA - Court Services & Offender (CSOSA) signing for 198,561 square feet at 501 3rd Street, NW and D.C. Department of General Services signing for 169,336 square feet at 899 N Capitol Street, NE.

No new construction or sales reported in Capitol Hill/ NoMa this quarter. The proposed 1.2 M SF 60 New York Avenue, NE project has been put on hold due to the lack of financing. Due to this complication, the SEC has terminated its pre-lease of 60 New York and will remain at 100 F Street, NE (Station Place) until 2028.

Market Stats Q3 2024

Inventory (SF)	18.7 M
Direct Vacancy	15.6%
Total Vacancy	15.8%
YTD 2024 Absorption (SF)	-254 K
YTD 2024 Leasing Activity (SF)	1.0 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

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	\$51.35

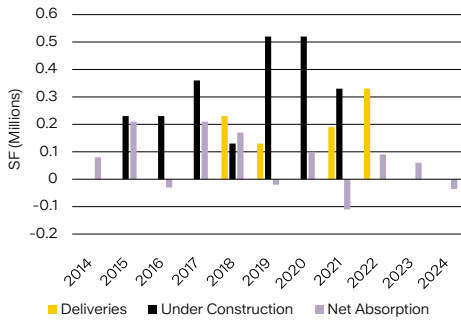
Market Spotlight

Capitol Riverfront

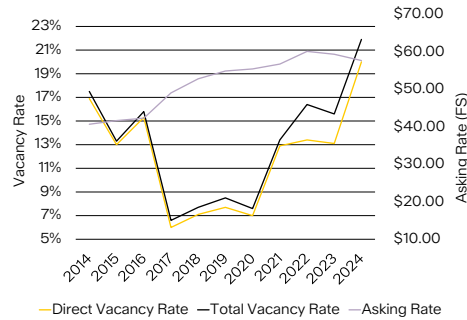
Q3 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q3 2024

Inventory (SF)	3.5 M
Direct Vacancy	20.0%
Total Vacancy	21.9%
YTD 2024 Absorption (SF)	-36 K
YTD 2024 Leasing Activity (SF)	149 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Capitol Riverfront increased to 20.0% at the end of Q3 2024, up from 14.9% at the end of Q2 2024.

Total vacancy in the Capitol Riverfront market increased to 21.9% at the end of Q3 2024, up from 16.3% at the end of Q2 2024.

The Capitol Riverfront recorded 19,148 square feet of net absorption in Q3 2024, an increase from the negative 17,329 square feet absorbed in Q2 2024. Tenants contributing to the positive net absorption included American Bakers Association moving into 6,471 square feet at 55 M Street, SE.

A total of 90,804 square feet was leased in Q3 2024, an increase from the 23,820 square feet leased in Q2 2024. Tenants executing leases this quarter included Amentum signing for 20,861 square feet at 300 M Street, SE and American Bakers Association signing for 6,471 square feet at 55 M Street, SE.

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

Vacancy increased significantly in Capitol Riverfront this quarter due to the removal of 1200 New Jersey Avenue, SE from the inventory. This 1,470,000-square-foot building is fully owned and occupied by the GSA - Department of Transportation and will no longer be tracked in the office stats.

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	\$57.72

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