

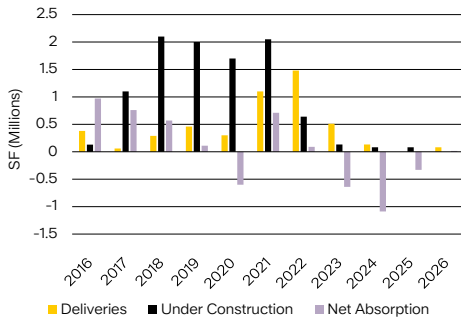
Office Market Spotlight

Suburban Maryland

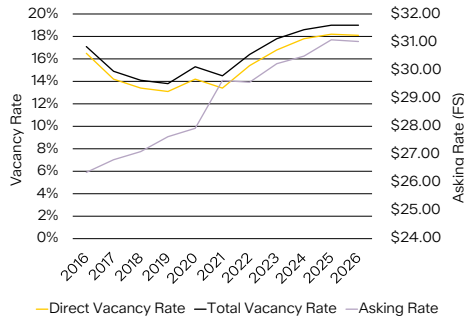
Mid-Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats YTD Q1 2026

Inventory (SF)	90.5 M
Direct Vacancy	18.1%
Total Vacancy	19.0%
YTD 2026 Absorption (SF)	16 K
YTD 2026 Leasing Activity (SF)	272 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	82 K

Midway through Q1 2026, the direct vacancy rate in the Suburban Maryland market decreased to 18.1%, down from 18.2% at the end of Q4 2025, while the total vacancy rate remained unchanged at 19.0%.

Suburban Maryland has recorded 15,664 square feet of net absorption quarter-to-date. Tenants contributing to the positive net absorption included Arlington Capital Partners occupying 30,333 square feet at Avocet Tower and MD2 occupying 15,567 square feet at 5425 Wisconsin Avenue.

A total of 272,337 square feet has leased in Q1 2026, so far. Tenants executing leases this quarter included DMI signing a 22,597-square-foot new lease at 6550 Rock Spring Drive and de Beaumont Foundation signing a 12,627-square-foot new lease at 7700 Wisconsin Avenue.

Three sales transactions, of \$5.0 million or greater, were recorded in Suburban Maryland through the first half of Q1 2026. 1201 Seven Locks Road was sold by The Brick Companies to KPI Commercial / Singh Capital Partners for \$20,250,000 (\$156 psf), 20400 Century Boulevard was sold by Alexandria Real Estate Equities to Lightstone Group for \$17,100,000 (\$207 psf), and 12120 Plum Orchard Drive was sold by ESJ Capital Partners to Creative Equities for \$8,600,000 (\$226 psf).

One building has delivered in Suburban Maryland in Q1 2026. 1328 Fenwick Lane, an 82,000-square-foot Class A building (Housing Opportunities Commission of Montgomery County's new HQ), delivered in February 2026.

10 Year Averages 2016-2025

Net Absorption (SF)	55 K per year
Deliveries (SF)	471 K per year
Leasing Activity (SF)	3.7 M per year

Asking Rental Rates (Full Service / PSF)

2016	\$26.36
2025	\$31.08
YTD 2026	\$31.02