

Office Market Report

Suburban Maryland

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).

Suburban Maryland Market Summary

The Suburban Maryland office market currently consists of 897 buildings, over 25,000 square feet, totaling approximately 92.7 million square feet of rentable space.

From February 2023 to February 2024, the unemployment rate for the Suburban Maryland remained flat at 2.7%. The national unemployment rate slightly increased to 3.8%.

The Suburban Maryland market saw a net decrease of 2,300 jobs from February 2023 to February 2024. The sector losing the most jobs was Professional & Business Services with 1,800 jobs. However, the sectors gaining the most jobs were Educational & Health Services with 3,600 jobs, followed by Government with 800 jobs, and Other Services gaining 400 jobs.

The largest lease executed this quarter was a new lease signed by Blue Halo for 57,108 square feet at 20521 Seneca Meadows Parkway (Seneca Meadows Corporate Center) in the Gaithersburg / Germantown submarket.

One building sold in Q1 2024. LNR Partners sold 255 Rockville Pike (Rockville Metro Center I) to Lantian Development, LLC for \$5,720,000 (\$39 psf). This 145,491-square-foot building, located in the Rockville submarket, was 0% leased at the time of sale.



	1Q 2024	4Q 2023	1Q 2023
Direct Vacancy	17.2%	16.8%	15.5%
Total Vacancy	18.2%	17.8%	16.7%
Net Absorption (SF)	-385 K	-146 K	-91 K
Leasing Activity (SF)	637 K	537 K	788 K
Under Construction (SF)	60 K	133 K	641 K
Under Construction % Pre-Leased	83%	26%	32%
Deliveries (SF)	73 K	411 K	0
Average Asking Rental Rate (PSF, Full Service)	\$30.16	\$30.23	\$29.58
Sales Volume	\$5.7 M	\$102.7 M	\$109.6 M
Unemployment Suburban Maryland	2.7%	1.5%	2.7%
Sublease Vacancy	1.0%	1.0%	1.2%

Vacancy Rate

The total vacancy rate in Suburban Maryland increased to 18.2% at the end of Q1 2024, totaling approximately 16.9 million square feet of vacant space. Class A total vacancy increased to 19.4% (approx. 9.3 M SF vacant) while Class B total vacancy increased to 18.3% (approx. 7.1 M SF vacant) during Q1 2024.

Sublet vacancy remained flat at 1.0% at the end of Q1 2024, with approximately 933,000 square feet of vacant space available. A total of 1.9 M square feet of sublease is being marketed as available (vacant sublease space, plus occupied sublease space).

Net Absorption & Leasing

The Suburban Maryland market recorded negative 385,288 square feet of net absorption in Q1 2024, a further decrease from the negative 146,030 square feet absorbed in Q4 2023.

Tenants contributing to the negative net absorption include Sodexo vacating 190,698 square feet at 9801 Washingtonian Boulevard, Leidos vacating 123,809 square feet at 9231 Corporate Boulevard, and ARES Management vacating 66,506 square feet at 2 Bethesda Metro Center.

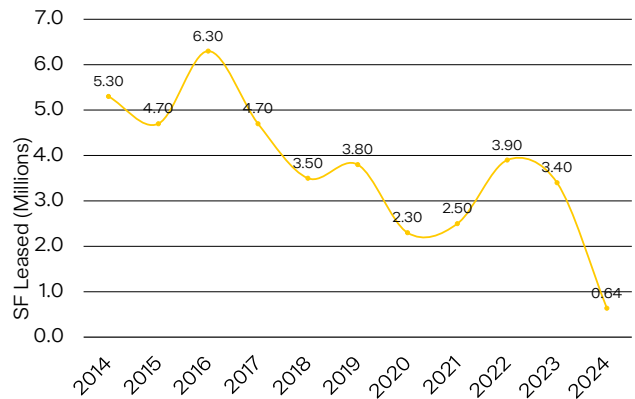
Montgomery County recorded negative 326,406 square feet of net absorption in Q1 2024, while Prince George's County recorded negative 58,882 square feet of net absorption in Q1 2024.

The Top Ten leases of the quarter ranged in size from 57,108 square feet to 10,323 square feet. Nine of the ten leases signed were private sector transactions.

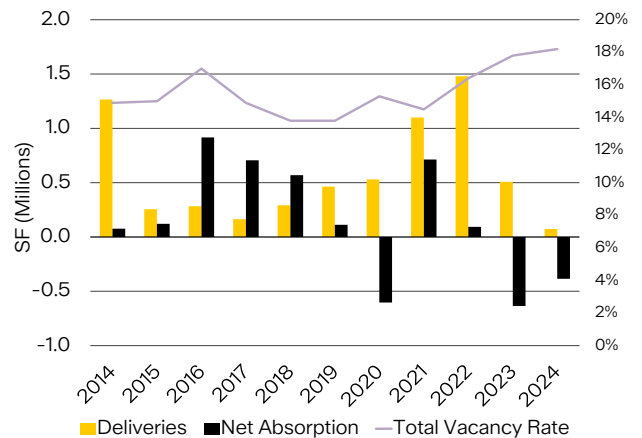
The largest lease of the quarter was a new lease signed by Blue Halo for 57,108 square feet at 20521 Seneca Meadows Parkway (Seneca Meadows Corporate Center).

The Suburban Maryland market totaled 637,224 square feet of leasing in Q1 2024, representing a 19% increase compared to the 537,158 square feet leased in Q4 2023.

Leasing Activity



Deliveries | Net Absorption | Vacancy Rate



Sales Volume

One building sold in Q1 2024. LNR Partners sold 255 Rockville Pike (Rockville Metro Center I) to Lantian Development, LLC for \$5,720,000 (\$39 psf). This 145,491-square-foot building, located in the Rockville submarket, was 0% leased at the time of sale.

Vacant Space Available & Vacancy By Class

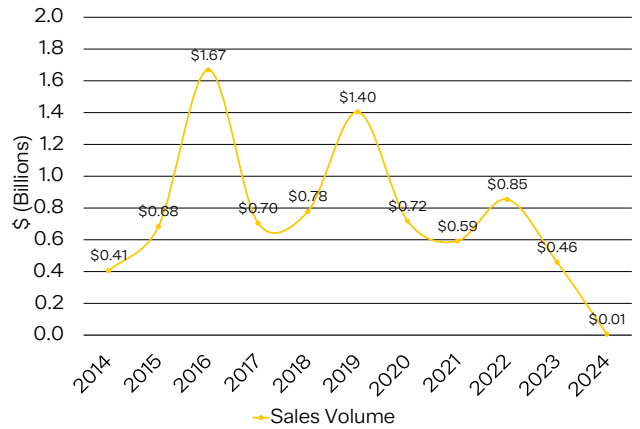
In Q1 2024, Class A total vacancy in Suburban Maryland increased to 19.4% (approx. 9.3 M SF vacant) while Class B total vacancy increased to 18.3% (approx. 7.1 M SF vacant). Class C vacancy decreased to 7.3% with approximately 410,000 square feet vacant.

Sublease Space Available

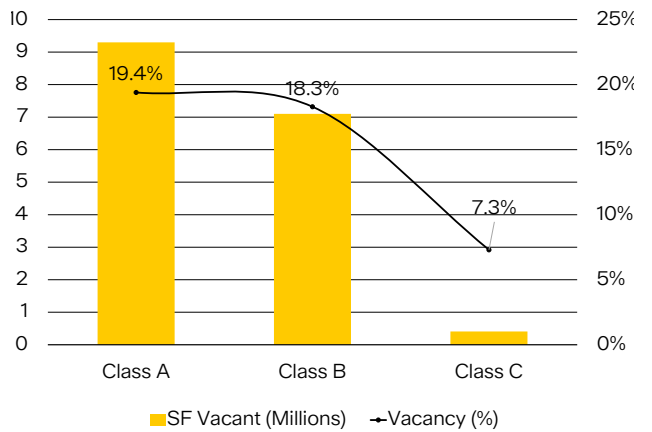
Approximately 933,000 square feet of sublease space was vacant at the end of Q1 2024. A total of 1.9 M square feet of sublease is being marketed as available, the amount of sublease space available has decreased approximately 13,000 square feet since Q4 2023.



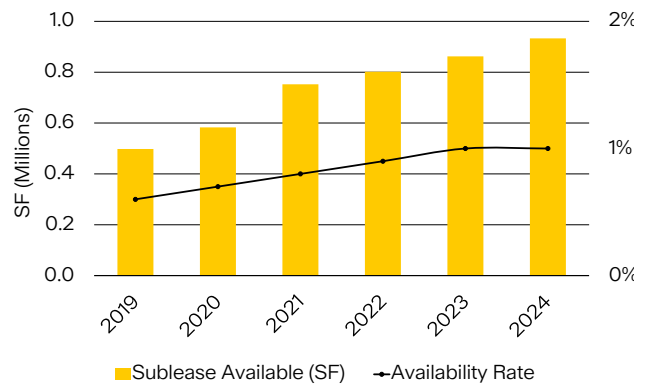
Sales Volume



Vacant Space Available & Vacancy By Class



Sublease Space Available





Construction

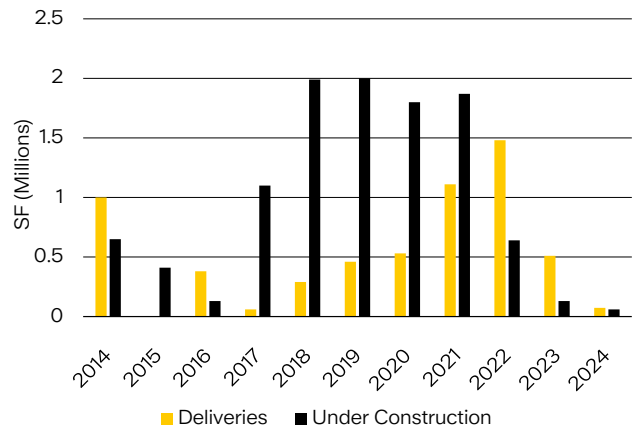
7140 Contee Road was the sole building under construction in Suburban Maryland at the end of Q1 2024. This 60,000-square-foot, Class A building is currently 83.3% pre-leased.

No additional buildings broke ground in Q1 2024.

One building delivered in Suburban Maryland in Q1 2024. 20521 Seneca Meadows Parkway, a 73,166-square-foot, Class A life science building delivered in the Gaithersburg / Germantown submarket. The building is 78.1% leased to Blue Halo.

1600 Rockville Pike, a build-to-suit office building in the Rockville submarket, is currently on hold.

Deliveries | Under Construction



	RBA (SF)	CLASS	DELIVERING	PRE-LEASED
UM Laurel Medical Center 7140 Contee Road	60,000	A	Q2 2024	83.3% Pre-Leased

Suburban Maryland Market Overview

Montgomery County

	YTD 2024	1Q 2024	4Q 2023	1Q 2023
Inventory (SF)	69.7 M	69.7 M	69.6 M	68.8 M
Direct Vacancy	19.2%	19.2%	18.7%	17.3%
Total Vacancy	20.9%	20.9%	20.3%	18.8%
Net Absorption (SF)	-326K	-326K	-223K	-307K
Leasing Activity (SF)	486K	486K	425K	563K
Under Construction (SF)	-	-	73K	581K
Deliveries	73K	73K	411K	-
Asking Rental Rates (PSF, Full Service)	\$31.69	\$31.69	\$31.66	\$31.00

Prince George's County

	YTD 2024	1Q 2024	4Q 2023	1Q 2023
Inventory (SF)	23.0 M	23.0 M	23.0 M	23.1 M
Direct Vacancy	13.4%	13.4%	13.3%	13.1%
Total Vacancy	14.3%	14.3%	14.1%	13.8%
Net Absorption (SF)	-59K	-59K	77K	216K
Leasing Activity (SF)	151K	151K	112K	225K
Under Construction (SF)	60K	60K	60K	60K
Deliveries	-	-	-	-
Asking Rental Rates (PSF, Full Service)	\$24.19	\$24.19	\$24.74	\$24.38

Biotech / Life Sciences

The Suburban Maryland market has been a popular location for life sciences and biotech tenants for years, but that trend has slowed in Q1 2024.

Making headlines in Q1 2024 was the commencement of construction on a new Propel Labs facility at 20501 Seneca Meadows Parkway in Germantown submarket. The project involves converting approximately 16,000 square feet of the third floor into nine office and lab spaces which are slated for completion and delivery in Q3 2024.

Also of note in Q1 2024, 20521 Seneca Meadows Parkway delivered 78.1% leased to Blue Halo. The average asking rent for Flex/R&D properties in Suburban Maryland in Q1 2024 was \$43.00 NNN.

Top Ten Leases

In Q1 2024, eight of the Top Ten leases were in Montgomery County and private sector transactions again dominated leasing activity. The Blue Halo's 57,108-square-foot new lease at 20521 Seneca Meadows Parkway was the largest lease for this quarter.




Technology and healthcare firms were well-represented, accounting for three of the Top Ten leases. Along with Blue Halo, Arthritis & Rheumatism Associates, P.C. signed a 18,395-square-foot new lease at 14995 Shady Grove Road and Luminis Health signed a 16,368-square-foot new lease at 7501-7503 Greenway Center Drive.

Law and consulting firms had a strong presence, as indicated by two of the Top Ten leases. Chasen & Boscolo signed a renewal for 19,407 square feet at 7852 Walker Drive and Democracy International Inc.

signed a 15,303-square-foot new lease at 7200 Wisconsin Avenue. Representing the public sector was GSA - Social Security Administration signing a 12,680-square-foot renewal at 401 N Washington Street.

Housing and construction sectors were also well-represented, accounting for two of the Top Ten leases, as Rockville Housing Enterprises secured a 11,628-square-foot new lease at 1300 Piccard Drive and MCRT Mid-Atlantic signed a 10,323-square-foot renewal lease at 6701 Democracy Boulevard.

The Suburban Maryland market totaled 637,224 square feet of leasing in Q1 2024, representing a 19% increase compared to the 537,158 square feet leased in Q4 2023.

			Tenant	Size (SF)	Type
	01	Seneca Meadows Corporate Center 20521 Seneca Meadows Parkway	Blue Halo	57,108	New
	02	Patriot Business Park East 7852 Walker Drive	Chasen & Boscolo	19,407	Renewal
	03	14995 Shady Grove 14995 Shady Grove Road	Arthritis & Rheumatism Associates, P.C.	18,395	New
	04	Maryland Trade Center III 7501-7503 Greenway Center Drive	Luminis Health	16,368	New
	05	Bethesda Bradley Building 6900 Wisconsin Avenue	LocalWorks	16,192	New
	06	7200 Wisconsin 7200 Wisconsin Avenue	Democracy International Inc.	15,303	New
	07	Montrose West 1201 Seven Locks Road	Podville Media Holdings	13,730	New
	08	401 N Washington 401 N Washington Street	GSA - Social Security Administration	12,680	Renewal
	09	1300 Piccard 1300 Piccard Drive	Rockville Housing Enterprises	11,628	New
	10	One Democracy Plaza 6701 Democracy Boulevard	MCRT Mid-Atlantic	10,323	Renewal

Top Suburban Maryland Sales Transactions

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Comment
 Rockville Metro Center I 255 Rockville Pike	Rockville	Mar 2024	\$5.72 M	\$39.33	Lantian Development, LLC	LNR Partners	145,491	B	0%	REO Sale





Market Spotlights

Suburban Maryland

Q1 2024

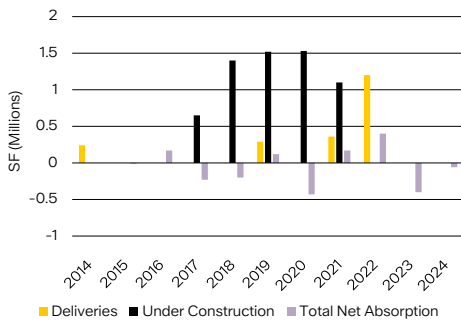
Market Spotlight

Bethesda / Chevy Chase

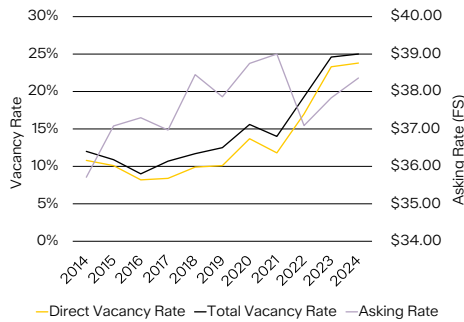
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	13.7 M
Direct Vacancy	23.8%
Total Vacancy	25.0%
YTD 2024 Absorption (SF)	-59 K
YTD 2024 Leasing Activity (SF)	111 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Bethesda increased to 23.8% at the end of Q1 2024, up from 23.3% at the end of Q4 2023.

Total vacancy increased to 25.0% in Q1 2024, up from 24.6% in Q4 2023. Class A total vacancy remained flat at 28.1% in Q1 2024, while the asking rental rate average increased to \$40.67 Full Service in Q1 2024, up \$0.13 from the previous quarter.

Bethesda submarket recorded negative 58,686 square feet of net absorption in Q1 2024, up from negative 74,619 square feet of net absorption in Q4 2023. Contributing to negative net absorption was ARES management vacating 66,506 square feet at 2 Bethesda Metro Center.

A total of 110,908 square feet leased in Q1 2024, down from 159,932 square feet leased in the previous quarter. Tenants executing leases this quarter include LocalWorks signing a 16,192-square-foot lease at 6900 Wisconsin Avenue and Democracy International Inc. signing a 15,303-square-foot lease at 7200 Wisconsin Avenue.



10 Year Averages 2014-2023

Net Absorption (SF)	-41 K per year
Deliveries (SF)	209 K per year
Leasing Activity (SF)	726 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$35.71
2023	\$37.86
YTD 2024	\$38.36

Major Leases

	Tenant	Size (SF)	Type
 Bethesda Bradley Building 6900 Wisconsin Avenue	LocalWorks	16,192	New
 7200 Wisconsin 7200 Wisconsin Avenue	Democracy International Inc.	15,303	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	Bethesda / Chevy Chase	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Bethesda / Chevy Chase	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	Bethesda / Chevy Chase	-	-	-	-	-	-

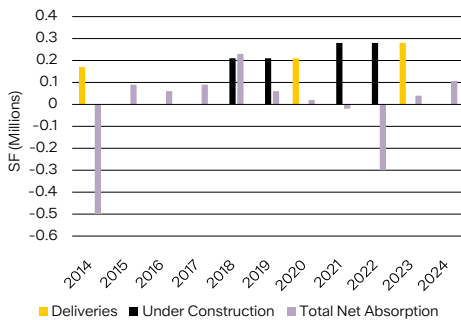
Market Spotlight

North Bethesda / Potomac

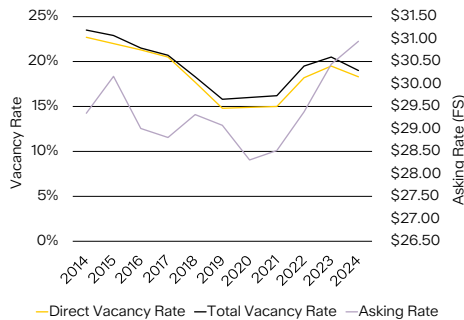
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	10.6 M
Direct Vacancy	18.3%
Total Vacancy	19.0%
YTD 2024 Absorption (SF)	107 K
YTD 2024 Leasing Activity (SF)	61 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in North Bethesda / Potomac decreased to 18.3% at the end of Q1 2024, down from 19.5% at the end of Q4 2023.

Total vacancy decreased to 19.0% in Q1 2024, down from 20.5% in Q4 2023. Class A total vacancy decreased to 18.8% in Q1 2024, down from 20.5% in Q4 2023, while the asking rental rate average increased to \$31.08 Full Service in Q1 2024, up \$1.28 from the previous quarter.

North Bethesda / Potomac submarket recorded 106,983 square feet of net absorption in Q1 2024, up from 80,790 square feet of net absorption in Q4 2023. Contributing to positive net absorption was Sodexo occupying 51,907 square feet at 915 Meeting Street.

A total of 60,933 square feet leased in Q1 2024, up from 24,146 square feet leased in the previous quarter. Tenants executing leases this quarter include MCRT Mid-Atlantic signing a 10,323-square-foot renewal at 6701 Democracy Boulevard and Potomac Legal Group signing a 6,100-square-foot sublease at 11200 Rockville Pike.




10 Year Averages 2014-2023

Net Absorption (SF)	-22 K per year
Deliveries (SF)	66 K per year
Leasing Activity (SF)	751 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$29.35
2023	\$30.44
YTD 2024	\$30.95

Major Leases

	Tenant	Size (SF)	Type
 One Democracy Plaza 6701 Democracy Boulevard	MCRT Mid-Atlantic	10,323	Renewal
 11200 Rockville 11200 Rockville Pike	Potomac Legal Group	6,100	Sublease
 Parklawn Plaza 11821 Parklawn Drive	Brady LLC	3,878	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	North Bethesda / Potomac	-	-	-	-	-	-	-	-	-

Under Construction

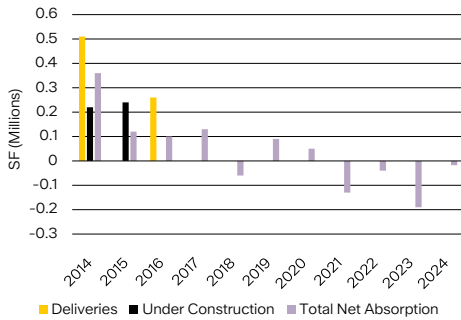
Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	North Bethesda / Potomac	-	-	-	-	-	-

Deliveries

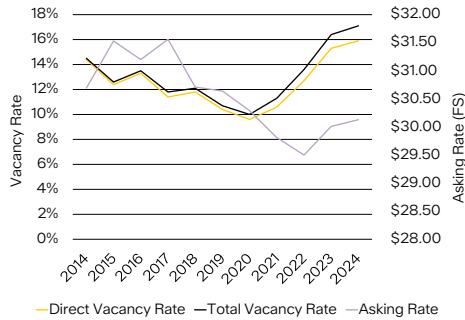
Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	North Bethesda / Potomac	-	-	-	-	-	-



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in Rockville increased to 15.9% at the end of Q1 2024, up from 15.3% at the end of Q4 2023.

Total vacancy increased to 17.1% in Q1 2024, up from 16.4% in Q4 2023. Class A total vacancy increased to 20.5% in Q1 2024, up from 19.4% in Q4 2023, while the asking rental rate average decreased to \$31.57 Full Service in Q1 2024, down \$0.24 from the previous quarter.

Rockville submarket recorded negative 17,637 square feet of net absorption in Q1 2024, up from negative 204,680 square feet of net absorption in Q4 2023. Contributing to negative net absorption was ATA Aerospace vacating 13,180 square feet at 801 Thompson Avenue.

A total of 63,900 square feet leased in Q1 2024, up from 10,891 square feet leased in the previous quarter. Tenants executing leases this quarter include Podville Media Holdings signing a 13,730-square-foot lease at 1201 Seven Locks Road and GSA - Social Security Administration signing a 12,680-square-foot renewal at 401 N Washington Street.

Market Stats Q1 2024

Inventory (SF)	9.6 M
Direct Vacancy	15.9%
Total Vacancy	17.1%
YTD 2024 Absorption (SF)	-18 K
YTD 2024 Leasing Activity (SF)	64 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-




10 Year Averages 2014-2023

Net Absorption (SF)	43 K per year
Deliveries (SF)	77 K per year
Leasing Activity (SF)	378 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$30.69
2023	\$30.01
YTD 2024	\$30.13

Major Leases

	Tenant	Size (SF)	Type
 Montrose West 1201 Seven Locks Road	Podville Media Holdings	13,730	New
 401 N Washington 401 N Washington Street	GSA - Social Security Administration	12,680	Renewal
 The Tower Building 1101 Wootton Parkway	Wagner, Kaplan, Duys & Wood LLP	8,000	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
Rockville Metro Center I 255 Rockville Pike	Rockville	Mar 2024	\$5.7 M	\$39	Lantian Development, LLC	LNR Partners	145,491	B	0%	REO Sale

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Rockville	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	Rockville	-	-	-	-	-	-

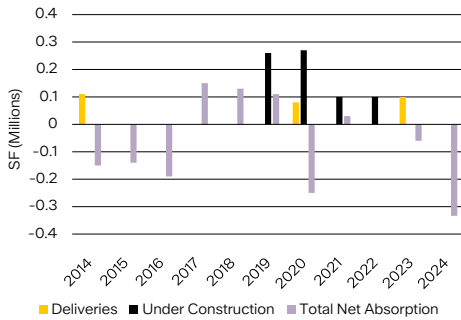
Market Spotlight

North Rockville

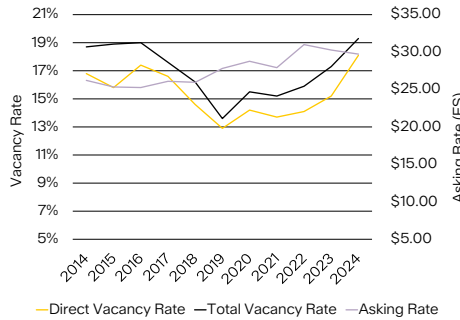
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	13.6 M
Direct Vacancy	18.1%
Total Vacancy	19.3%
YTD 2024 Absorption (SF)	-334 K
YTD 2024 Leasing Activity (SF)	117 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in North Rockville increased to 18.1% at the end of Q1 2024, up from 15.2% at the end of Q4 2023.

Total vacancy increased to 19.3% in Q1 2024, up from 17.3% in Q4 2023. Class A total vacancy increased to 23.5% in Q1 2024, up from 18.3% in Q4 2023, while the asking rental rate average decreased to \$31.57 Full Service in Q1 2024, down \$0.24 from the previous quarter.

North Rockville submarket recorded negative 333,558 square feet of net absorption in Q1 2024, down from 40,665 square feet of net absorption in Q4 2023. Contributing to negative net absorption were Sodexo vacating 190,698 square feet at 9801 Washingtonian Boulevard and Leidos vacating 123,809 square feet at 9231 Corporate Boulevard.

A total of 116,769 square feet leased in Q1 2024, down from 118,784 square feet leased in the previous quarter. Tenants executing leases this quarter include Arthritis & Rheumatism Associates, P.C. signing a 18,395-square-foot lease at 14995 Shady Grove Road and Rockville Housing Enterprises signing a 11,628-square-foot lease at 1300 Piccard Drive.





10 Year Averages 2014-2023

Net Absorption (SF)	-37 K per year
Deliveries (SF)	29 K per year
Leasing Activity (SF)	963 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$26.22
2023	\$30.27
YTD 2024	\$29.72

Major Leases

	Tenant	Size (SF)	Type
 14995 Shady Grove 14995 Shady Grove Road	Arthritis & Rheumatism Associates, P.C.	18,395	New
 Ward Building 1300 Piccard Drive	Rockville Housing Enterprises	11,628	New
 The Grove 270 9200 Corporate Boulevard	East West Resources Corporation	5,477	Renewal
 Research Center 1803 Research Boulevard	Visar Corporation	5,078	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	North Rockville	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	North Rockville	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	North Rockville	-	-	-	-	-	-

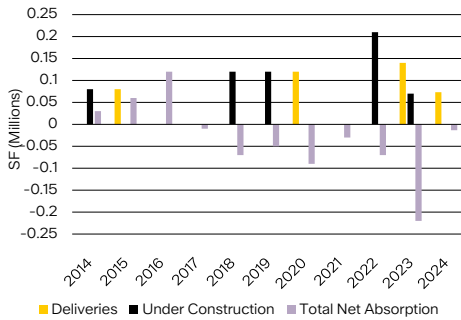
Market Spotlight

Gaithersburg / Germantown

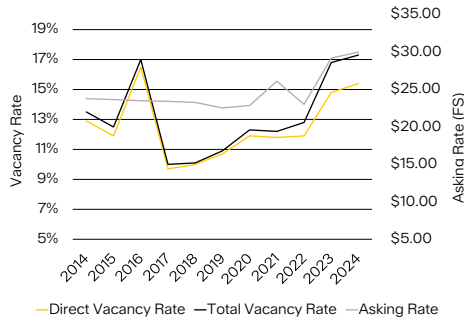
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	8.6 M
Direct Vacancy	15.4%
Total Vacancy	17.3%
YTD 2024 Absorption (SF)	-13 K
YTD 2024 Leasing Activity (SF)	92 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	73 K

Direct vacancy in Gaithersburg / Germantown increased to 15.4% at the end of Q1 2024, up from 14.8% at the end of Q4 2023.

Total vacancy increased to 17.3% in Q1 2024, up from 16.8% in Q4 2023. Class A total vacancy increased to 16.2% in Q1 2024, up from 15.7% in Q4 2023, while the asking rental rate average increased to \$38.16 Full Service in Q1 2024, up \$1.05 from the previous quarter.

Gaithersburg / Germantown submarket recorded negative 13,389 square feet of net absorption in Q1 2024, up from negative 26,753 square feet of net absorption in Q4 2023. Contributing to negative net absorption was Teraimmune vacating 8,236 square feet at 20400 Century Boulevard.

A total of 92,083 square feet leased in Q1 2024, up from 30,060 square feet leased in the previous quarter. The largest lease executed in the submarket this quarter was by Blue Halo for a 57,108-square-foot lease at 20521 Seneca Meadows Parkway.

One building delivered in Q1 2024. 20521 Seneca Meadows Parkway (Class A, 73,166 SF, 78.1% leased by Blue Halo) delivered in February 2024.




10 Year Averages 2014-2023

Net Absorption (SF)	-32 K per year
Deliveries (SF)	34 K per year
Leasing Activity (SF)	216 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$23.78
2023	\$29.19
YTD 2024	\$29.99

Major Leases

	Tenant	Size (SF)	Type
 Seneca Meadows Corporate Center 20521 Seneca Meadows Parkway	Blue Halo	57,108	New
 Christopher Avenue Business Park 350A Christopher Avenue	BAYADA Home Healthcare	4,089	New
 20410 Century 20410 Century Boulevard	Infinia Dental	3,864	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	Gaithersburg / Germantown	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Gaithersburg / Germantown	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
Seneca Meadows Corporate Center 20521 Seneca Meadows Parkway	Gaithersburg / Germantown	73,166	16,058	78.1%	Q1 2024	Minkoff Development Corporation	Blue Halo

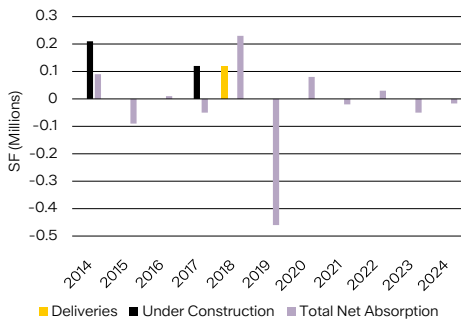
Market Spotlight

Silver Spring

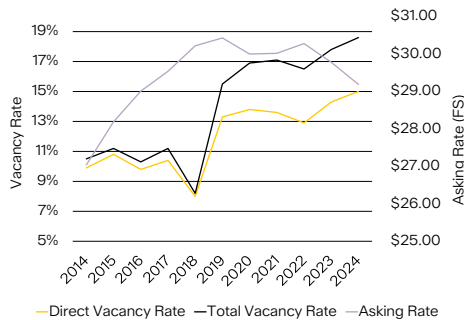
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	6.6 M
Direct Vacancy	15.0%
Total Vacancy	18.6%
YTD 2024 Absorption (SF)	-17 K
YTD 2024 Leasing Activity (SF)	25 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Silver Spring increased to 15.0% at the end of Q1 2024, up from 14.3% at the end of Q4 2023.

Total vacancy increased to 18.6% in Q1 2024, up from 17.8% in Q4 2023. Class A total vacancy increased to 20.7% in Q1 2024, up from 20.2% in Q4 2023, while the asking rental rate average decreased to \$30.71 Full Service in Q1 2024, down \$1.23 from the previous quarter.

Silver Spring submarket recorded negative 16,723 square feet of net absorption in Q1 2024, down from negative 14,563 square feet of net absorption in Q4 2023. Contributing to negative net absorption was Ashcraft & Gerel, LLP vacating 12,551 square feet at 8403 Colesville Road.

A total of 24,688 square feet leased in Q1 2024, down from 44,795 square feet leased in the previous quarter. Tenants executing leases this quarter include National Medical Association signing a 6,081-square-foot lease at 1010 Wayne Avenue and Behavioral & Educational Solutions signing a 5,019-square-foot lease at 1400 Spring Street.



10 Year Averages 2014-2023

Net Absorption (SF)	-21 K per year
Deliveries (SF)	12 K per year
Leasing Activity (SF)	278 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$27.04
2023	\$29.78
YTD 2024	\$29.19

Major Leases

		Tenant	Size (SF)	Type
	Station Square 1010 Wayne Avenue	National Medical Association	6,081	New
	1400 Spring 1400 Spring Street	Behavioral & Educational Solutions	5,019	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	Silver Spring	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Silver Spring	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	Silver Spring	-	-	-	-	-	-

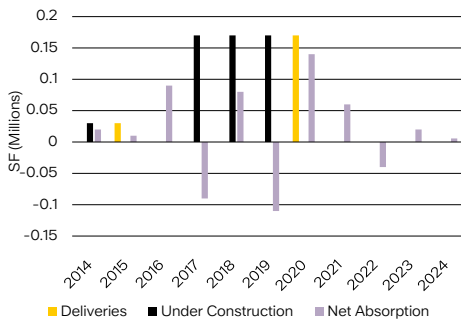
Market Spotlight

North Silver Spring

Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	4.0 M
Direct Vacancy	11.4%
Total Vacancy	11.5%
YTD 2024 Absorption (SF)	6 K
YTD 2024 Leasing Activity (SF)	14 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in North Silver Spring remained flat at 11.4% at the end of Q1 2024.

Total vacancy decreased to 11.5% in Q1 2024, down from 11.6% in Q4 2023. Class A total vacancy decreased to 0.7% in Q1 2024, down from 1.0% in Q4 2023, while the asking rental rate average remained flat at \$32.00 Full Service in Q1 2024.

North Silver Spring submarket recorded 5,629 square feet of net absorption in Q1 2024, up from 2,780 square feet of net absorption in Q4 2023.

A total of 13,549 square feet leased in Q1 2024, down from 33,385 square feet leased in the previous quarter. Tenants executing leases this quarter include Oliver Street Dermatology Management LLC signing a 8,261-square-foot expansion lease at 1734 Elton Road and Limbach signing a 7,500-square-foot sublease at 3915 National Drive.



10 Year Averages 2014-2023

Net Absorption (SF)	18 K per year
Deliveries (SF)	20 K per year
Leasing Activity (SF)	122 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$23.39
2023	\$27.71
YTD 2024	\$27.72

Major Leases

	Tenant	Size (SF)	Type
 Executive Court Ctr 2 1734 Elton Rd	Oliver Street Dermatology Management LLC	8,261	Expansion
 Burtonsville Office Park 5 3915 National Drive	Limbach	7,500	Sublease

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	North Silver Spring	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	North Silver Spring	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	North Silver Spring	-	-	-	-	-	-

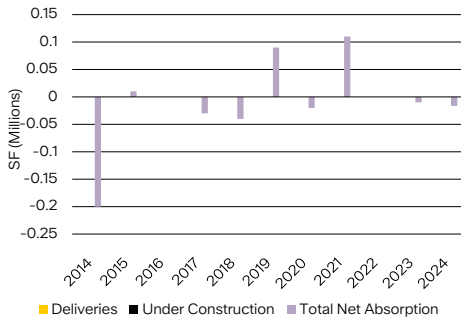
Market Spotlight

Beltsville / Calverton

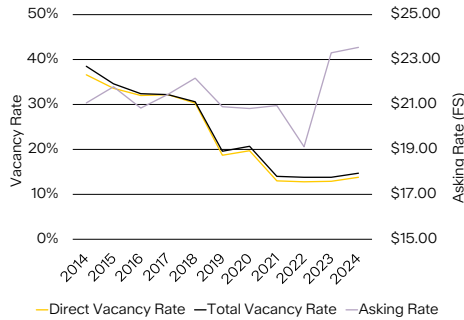
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	1.5 M
Direct Vacancy	13.8%
Total Vacancy	14.7%
YTD 2024 Absorption (SF)	-16 K
YTD 2024 Leasing Activity (SF)	9 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Beltsville / Calverton increased to 13.8% at the end of Q1 2024, up from 12.9% at the end of Q4 2023.

Total vacancy increased to 14.7% in Q1 2024, up from 13.8% in Q4 2023. Class A total vacancy increased to 15.0% in Q1 2024, up from 13.0% in Q4 2023, while the asking rental rate average increased to \$24.39 Full Service in Q1 2024, up \$0.41 from the previous quarter.

Beltsville / Calverton submarket recorded negative 16,380 square feet of net absorption in Q1 2024, down from negative 324 square feet of net absorption in Q4 2023.

A total of 9,499 square feet leased in Q1 2024, up from 0 square feet leased in the previous quarter.

10 Year Averages 2014-2023

Net Absorption (SF)	-9 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	76 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$21.07
2023	\$23.30
YTD 2024	\$23.54

Major Leases

	Tenant	Size (SF)	Type
No Major Leases This Quarter	-	-	-

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	Beltsville / Calverton	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Beltsville / Calverton	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	Beltsville / Calverton	-	-	-	-	-	-

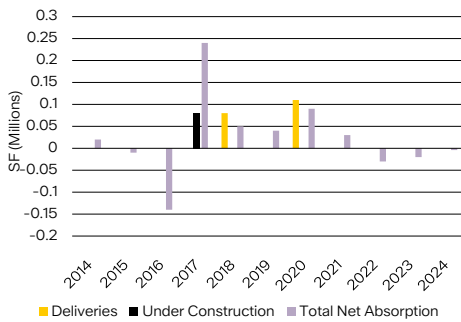
Market Spotlight

Greenbelt / College Park

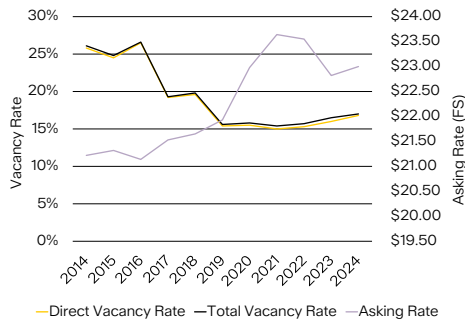
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	7.2 M
Direct Vacancy	16.8%
Total Vacancy	17.0%
YTD 2024 Absorption (SF)	-4 K
YTD 2024 Leasing Activity (SF)	91 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Greenbelt / College Park increased to 16.8% at the end of Q1 2024, up from 16.0% at the end of Q4 2023.

Total vacancy increased to 17.0% in Q1 2024, up from 16.5% in Q4 2023. Class A total vacancy increased to 22.7% in Q1 2024, up from 19.0% in Q4 2023, while the asking rental rate average decreased to \$23.69 Full Service in Q1 2024, down \$0.16 from the previous quarter.

Greenbelt / College Park submarket recorded negative 3,987 square feet of net absorption in Q1 2024, down from 49,442 square feet of net absorption in Q4 2023.

A total of 91,420 square feet leased in Q1 2024, up from 54,349 square feet leased in the previous quarter. Tenants executing leases this quarter include Chasen & Boscolo signing a 19,407-square-foot renewal at 7852 Walker Drive and Luminis Health signing a 16,368-square-foot new lease at 7501-7503 Greenway Center Drive.




10 Year Averages 2014-2023

Net Absorption (SF)	27 K per year
Deliveries (SF)	19 K per year
Leasing Activity (SF)	361 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$21.22
2023	\$22.82
YTD 2024	\$23.00

Major Leases

	Tenant	Size (SF)	Type
 Patriot Business Park East 7852 Walker Drive	Chasen & Boscolo	19,407	Renewal
 Maryland Trade Center III 7501-7503 Greenway Center Drive	Luminis Health	16,368	New
 Triangle Centre 6401 Golden Triangle Drive	Janus Contractors	8,000	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	Greenbelt / College Park	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Greenbelt / College Park	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	Greenbelt / College Park	-	-	-	-	-	-

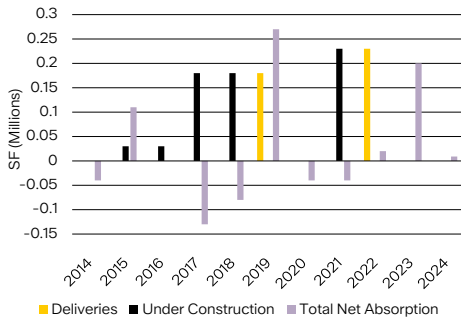
Market Spotlight

Landover / Largo / Capitol Heights

Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	4.2 M
Direct Vacancy	12.6%
Total Vacancy	13.5%
YTD 2024 Absorption (SF)	-9 K
YTD 2024 Leasing Activity (SF)	13 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Landover / Largo / Capitol Heights increased to 12.6% at the end of Q1 2024, up from 11.5% at the end of Q4 2023.

Total vacancy increased to 13.5% in Q1 2024, up from 12.9% in Q4 2023. Class A total vacancy decreased to 18.2% in Q1 2024, down from 18.5% in Q4 2023, while the asking rental rate average decreased to \$37.88 Full Service in Q1 2024, down \$0.90 from the previous quarter.

Landover / Largo / Capitol Heights submarket recorded negative 8,993 square feet of net absorption in Q1 2024, down from negative 7,186 square feet of net absorption in Q4 2023.

A total of 12,951 square feet leased in Q1 2024, down from 13,191 square feet leased in the previous quarter. The largest lease executed in the submarket this quarter was by Us Helping Us for a 4,153-square-foot expansion lease at 8240 Professional Place.


10 Year Averages 2014-2023

Net Absorption (SF)	27 K per year
Deliveries (SF)	40 K per year
Leasing Activity (SF)	215 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$19.08
2023	\$30.15
YTD 2024	\$28.98

Major Leases

	Tenant	Size (SF)	Type
 Two Metro Plaza East 8240 Professional Place	Us Helping Us	4,153	Expansion

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	Landover / Largo / Capitol Heights	-	-	-	-	-	-	-	-	-

Under Construction

Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	Landover / Largo / Capitol Heights	-	-	-	-	-	-

Deliveries

Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	Landover / Largo / Capitol Heights	-	-	-	-	-	-

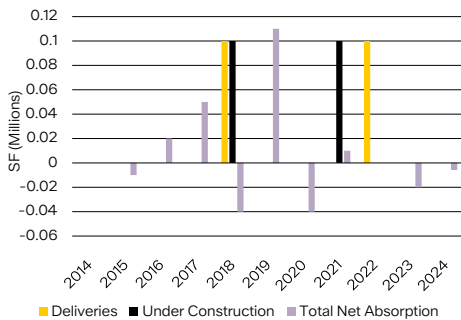
Market Spotlight

National Harbor / Oxon Hill

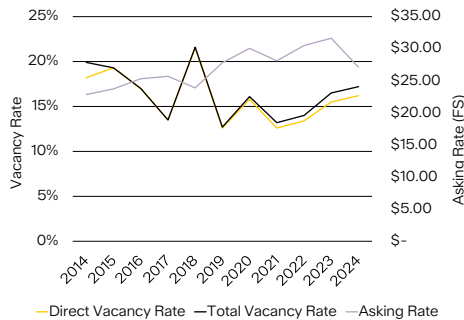
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	1.0 M
Direct Vacancy	16.2%
Total Vacancy	17.2%
YTD 2024 Absorption (SF)	-6 K
YTD 2024 Leasing Activity (SF)	6 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in National Harbor / Oxon Hill increased to 16.2% at the end of Q1 2024, up from 15.5% at the end of Q4 2023.

Total vacancy increased to 17.2% in Q1 2024, up from 16.5% in Q4 2023. Class A total vacancy decreased to 20.2% in Q1 2024, down from 20.7% in Q4 2023, while the asking rental rate average decreased to \$38.02 Full Service in Q1 2024, down \$3.02 from the previous quarter.

National Harbor / Oxon Hill submarket recorded negative 5,833 square feet of net absorption in Q1 2024, down from 3,387 square feet of net absorption in Q4 2023. Contributing to the negative net absorption was DMV Financial Center vacating 2,783 square feet at 8507 Oxon Hill Road.

A total of 5,938 square feet leased in Q1 2024, up from 2,273 square feet leased in the previous quarter.

10 Year Averages 2014-2023

Net Absorption (SF)	7 K per year
Deliveries (SF)	19 K per year
Leasing Activity (SF)	66 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$22.86
2023	\$31.63
YTD 2024	\$27.12

Major Leases

	Tenant	Size (SF)	Type
No Major Leases This Quarter	-	-	-

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
No Buildings Sold	National Harbor / Oxon Hill	-	-	-	-	-	-	-	-	-

Under Construction

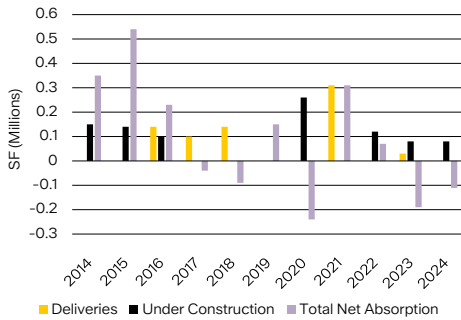
Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	National Harbor / Oxon Hill	-	-	-	-	-	-

Deliveries

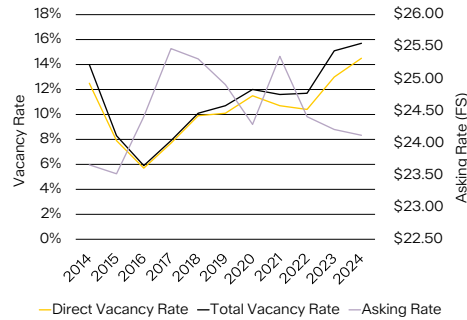
Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	National Harbor / Oxon Hill	-	-	-	-	-	-



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	10.0 M
Direct Vacancy	14.5%
Total Vacancy	15.7%
YTD 2024 Absorption (SF)	-111 K
YTD 2024 Leasing Activity (SF)	123 K
Under Construction (SF)	82 K
Pre-Leased	0%
Deliveries (SF)	-

Direct vacancy in Columbia South increased to 14.5% at the end of Q1 2024, up from 13.0% at the end of Q4 2023.

Total vacancy increased to 15.7% in Q1 2024, up from 15.1% in Q4 2023. Class A total vacancy increased to 14.8% in Q1 2024, up from 14.4% in Q4 2023, while the asking rental rate average remained flat at \$27.85 Full Service in Q1 2024.

Columbia South submarket recorded negative 110,705 square feet of net absorption in Q1 2024, down from 16,965 square feet of net absorption in Q4 2023. Tenants contributing to the negative net absorption were NewDay USA downsizing by 51,825 square feet at 8160 Maple Lawn Boulevard and BigBear.ai vacating 14,968 square feet and marketing it as sublease at 6811 Benjamin Franklin Drive.

A total of 123,260 square feet leased in Q1 2024, up from 79,557 square feet leased in the previous quarter. Tenants executing leases this quarter include Window Nation signing a 50,698-square-foot new lease at 8110 Maple Lawn Boulevard.

There is currently one building under construction in the Columbia South submarket. 8150 Maple Lawn Boulevard (Class A, 81,586 SF, 0% pre-leased) is set to deliver in April 2024.

10 Year Averages 2014-2023

Net Absorption (SF)	109 K per year
Deliveries (SF)	72 K per year
Leasing Activity (SF)	672 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$23.66
2023	\$24.21
YTD 2024	\$24.12

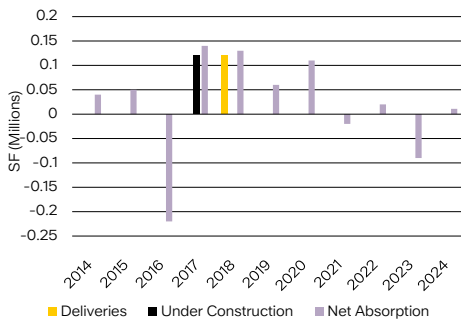
Market Spotlight

BWI North / Linthicum

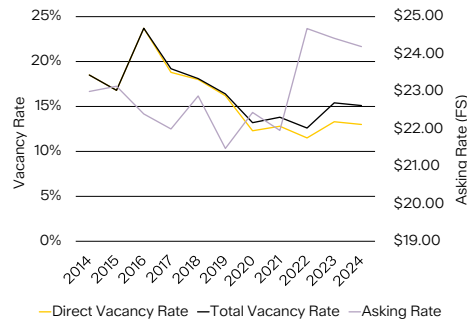
Q1 2024



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	3.5 M
Direct Vacancy	13.0%
Total Vacancy	15.1%
YTD 2024 Absorption (SF)	11 K
YTD 2024 Leasing Activity (SF)	29 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in BWI North / Linthicum decreased to 13.0% at the end of Q1 2024, down from 13.3% at the end of Q4 2023.

Total vacancy decreased to 15.1% in Q1 2024, down from 15.4% in Q4 2023. Class A total vacancy decreased to 9.2% in Q1 2024, down from 9.6% in Q4 2023, while the asking rental rate average remained flat at \$25.54 Full Service in Q1 2024.

BWI North / Linthicum submarket recorded 10,850 square feet of net absorption in Q1 2024, up from negative 5,724 square feet of net absorption in Q4 2023. Tenants contributing to the positive net absorption include The Goddard School occupying 12,000 square feet at 505 Progress Drive.

A total of 28,753 square feet leased in Q1 2024, up from 16,004 square feet leased in the previous quarter. Tenants executing leases this quarter include Skyline Technology Solutions signing a renewal of 28,753 square feet at 6956 Aviation Boulevard.

10 Year Averages 2014-2023

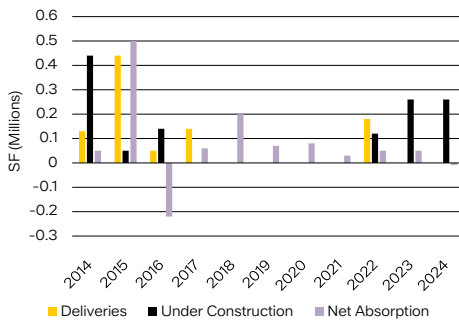
Net Absorption (SF)	23 K per year
Deliveries (SF)	12 K per year
Leasing Activity (SF)	196 K per year

Asking Rental Rates (Full Service / PSF)

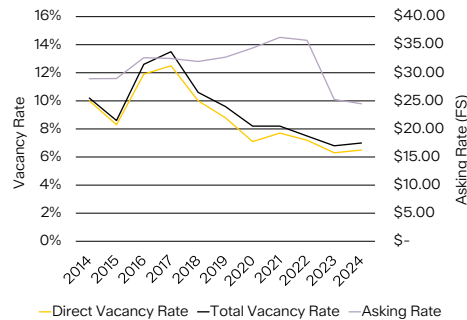
2014	\$23.00
2023	\$24.42
YTD 2024	\$24.20



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	7.0 M
Direct Vacancy	6.5%
Total Vacancy	7.0%
YTD 2024 Absorption (SF)	-8 K
YTD 2024 Leasing Activity (SF)	52 K
Under Construction (SF)	260 K
Pre-Leased	47%
Deliveries (SF)	-

Direct vacancy in BWI / Anne Arundel increased to 6.5% at the end of Q1 2024, up from 6.3% at the end of Q4 2023.

Total vacancy increased to 7.0% in Q1 2024, up from 6.8% in Q4 2023. Class A total vacancy remained flat at 5.8% in Q1 2024, while the asking rental rate average decreased to \$30.95 Full Service in Q1 2024, down from \$33.05 Full Service in Q4 2023.

BWI / Anne Arundel submarket recorded negative 7,868 square feet of net absorption in Q1 2024, up from negative 50,608 square feet of net absorption in Q4 2023.

A total of 51,526 square feet leased in Q1 2024, up from 9,901 square feet leased in the previous quarter. Tenants executing leases this quarter include WellPoint signing a 30,000-square-foot renewal at 7550 Teague Road.

There are currently two buildings under construction in the BWI/Anne Arundel submarket. 550 National Business Parkway (Class A, 122,195 SF, 100% pre-leased to Microsoft Corporation and Amazon) is set to deliver in June 2024. 400 National Business Parkway (Class A, 137,985 SF, 0% pre-leased) is expected to deliver in January 2025.

10 Year Averages 2014-2023

Net Absorption (SF)	87 K per year
Deliveries (SF)	94 K per year
Leasing Activity (SF)	256 K per year

Asking Rental Rates (Full Service / PSF)

2014	\$28.94
2023	\$25.24
YTD 2024	\$24.48



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	5.3 M
Direct Vacancy	16.6%
Total Vacancy	18.1%
YTD 2024 Absorption (SF)	6 K
YTD 2024 Leasing Activity (SF)	19 K
Under Construction (SF)	88 K
Pre-Leased	0%
Deliveries (SF)	25 K

Direct vacancy in Frederick increased to 16.6% at the end of Q1 2024, up from 11.1% at the end of Q4 2023.

Total vacancy increased to 18.1% in Q1 2024, up from 12.6% in Q4 2023. Class A total vacancy decreased to 17.7% in Q1 2024, down from 18.7% in Q4 2023, while the asking rental rate average decreased to \$24.65 Full Service in Q1 2024, down from \$26.22 Full Service in Q4 2023. The vacancy rate increased due to 4992 International Boulevard - Westview South Building 4 (Class B, 25,462 SF) delivering vacant this quarter.

Frederick submarket recorded 5,974 square feet of net absorption in Q1 2024, up from negative 8,945 square feet of net absorption in Q4 2023.

A total of 19,089 square feet leased in Q1 2024, down from 22,902 square feet leased in the previous quarter. Tenants executing leases this quarter include Progressive Casualty Insurance Company signing a 9,812-square-foot renewal at 5295 Westview Drive.

Two buildings are currently under construction. 112 Thomas Johnson Drive (Class A, 53,138 SF, 0% pre-leased) and New Design Road - Westview South Building 3 (Class A, 34,500 SF, 0% pre-leased) are both set to deliver in May 2024.

One building delivered in Q1 2024. 4992 International Boulevard - Westview South Building 4 (Class B, 25,462 SF, 0% leased) delivered in March 2024.

10 Year Averages 2014-2023

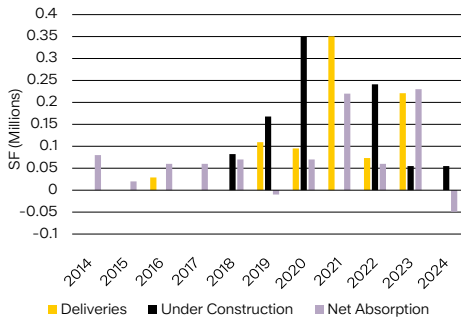
Net Absorption (SF)	23 K per year
Deliveries (SF)	28 K per year
Leasing Activity (SF)	230 K per year

Asking Rental Rates (Full Service / PSF)

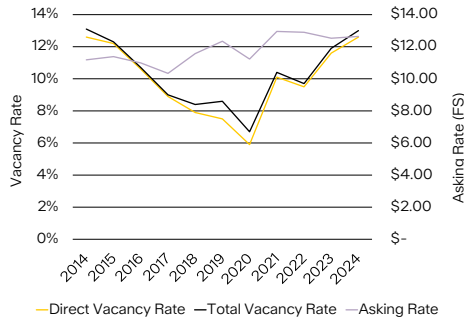
2014	\$21.23
2023	\$24.50
YTD 2024	\$24.04



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2024

Inventory (SF)	4.7 M
Direct Vacancy	12.6%
Total Vacancy	13.0%
YTD 2024 Absorption (SF)	-49 K
YTD 2024 Leasing Activity (SF)	182 K
Under Construction (SF)	55 K
Pre-Leased	28%
Deliveries (SF)	-

Direct vacancy in Frederick Flex increased to 12.6% at the end of Q1 2024, up from 11.6% at the end of Q4 2023.

Total vacancy increased to 13.0% in Q1 2024, up from 11.9% in Q4 2023.

Frederick Flex submarket recorded negative 49,189 square feet of net absorption in Q1 2024, down from 179,386 square feet of net absorption in Q4 2023. Tenants contributing to the negative net absorption include Ellume vacating 116,800 square feet at 4931 Executive Court South and 86,000 square feet at 4930 Executive Court South.

A total of 182,460 square feet leased in Q1 2024, up from 74,438 square feet leased in the previous quarter. Tenants executing leases this quarter include Orcana Biotech signing a 88,867-square-foot new lease at 5971 Jefferson Station Court and XpressBio signing a 33,150-square-foot new lease at 4635 Wedgewood Boulevard.

One building is currently under construction. 331 Aviation Way (55,002 SF, 27.9% pre-leased) is expected to deliver in June 2024.

10 Year Averages 2014-2023

Net Absorption (SF)	85 K per year
Deliveries (SF)	88 K per year
Leasing Activity (SF)	237 K per year

Asking Rental Rates (Triple Net / PSF)

2014	\$11.22
2023	\$12.53
YTD 2024	\$12.64

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