

# Office Market Report

**Suburban Maryland**

Q2 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 445.9 million square feet of rentable office space located in the District of Columbia, Northern Virginia, and Suburban Maryland.

The total vacancy rate increased to 17.6% at the end of Q2 2024, while the market recorded negative 787,178 square feet of net absorption. Contributing to the negative net absorption was Capital One vacating a total of 279,353 square feet from 8000 & 8020 Towers Crescent Drive, in the Tysons submarket.

Leasing activity totaled 5,903,165 square feet for the quarter. The largest lease executed was a 377,092-square-foot renewal by the GSA - Federal Housing Finance Agency (FHFA) at 400 7th Street, SW in the Southwest submarket of D.C.

A total of 629,600 square feet was under construction at the end of Q2 2024, with 43.0% of the space pre-leased. Four buildings completed construction this quarter, totaling 922,956 square feet. The largest project to deliver was 1700 M Street, NW. This 334,000-square-foot, Trophy Class building delivered 57% leased. No additional buildings broke ground this quarter.

There were fifteen sales transactions in Q2 2024, totaling \$274,100,000. The largest sale, on a price per square foot basis, was 21 Dupont Circle, NW trading for \$13,800,000 (\$276 psf) to Amalgamated Transit Union. This was an owner / user sale for the buyer.

Average asking rental rates increased \$0.15 to \$40.61 per square foot, Full Service.

The D.C. Metropolitan Statistical Area (MSA) added 28,900 net jobs from May 2023-May 2024, representing 0.9% growth over this 12-month period. Sectors adding the most jobs were the Government with 15,200, followed by Education & Health Services with 13,800. The unemployment rate for the D.C. Metro decreased to 2.7% in Q2 2024.

## Direct Vacancy

(Q2 2024)

		(YOY)
DC	17.1%	
VA	15.7%	
MD	17.3%	
<b>Metro Area (YTD)</b>	<b>16.5%</b>	

## Total Vacancy

(Q2 2024)

		(YOY)
DC	18.1%	
VA	16.8%	
MD	18.2%	
<b>Metro Area (YTD)</b>	<b>17.6%</b>	

## Net Absorption

(SF, YTD Q2 2024)

		(YOY)
DC	-593,522	
VA	-1,170,590	
MD	-417,422	
<b>Metro Area (YTD)</b>	<b>-2,181,534</b>	

## Leasing Activity

(SF, YTD Q2 2024)

		(YOY)
DC	4,808,992	
VA	4,453,349	
MD	1,528,433	
<b>Metro Area (YTD)</b>	<b>8,459,072</b>	

# Market Outlook

Market fundamentals for the Metropolitan Washington, D.C. office market softened further in Q2 2024. Total vacancy increased to 17.6%, an increase of 0.3 percentage points from the previous quarter, while the market recorded negative 787,178 square feet of net absorption (albeit an improvement from the negative 1,394,356 square feet absorbed in Q1 2024). Capital markets cooled in the second quarter with only \$274.1 M in sales; a fair amount of these sales were foreclosures in Washington, D.C. On a more positive note, leasing activity increased 20.8% quarter-over-quarter with approximately 5.9 M SF leased in Q2 2024. Lastly, the construction pipeline continues to being extremely limited with only three buildings, totaling approximately 630,000 SF, currently under construction in the D.C. Metro, an historic low for the region.

Kastle Systems "return-to-office" tracker has averaged approximately 48% for the D.C. Metro YTD 2024, an increase of 3.0 percentage points from the 45% RTO averaged in 2023. The Peak Day (Tuesday) average RTO for the D.C. Metro in 2024 is approximately 58%. Daily MetroRail ridership continues to improve YTD 2024 as well; current ridership is now at 61% of the 2019 (pre-pandemic) total.

The current D.C. MSA unemployment rate of 2.7% 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 4.0%.

The D.C. MSA currently ranks 6th 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.

## Suburban Maryland Market Summary

The Suburban Maryland office market currently consists of 898 buildings, over 25,000 square feet, totaling approximately 93.2 million square feet of rentable space.

From May 2023 to May 2024, the unemployment rate for the Suburban Maryland increased to 2.1%, up from 2.0%. The national unemployment rate increased slightly to 4.0%.

The Suburban Maryland market saw a net decrease of 1,700 jobs from May 2023 to May 2024. The sector losing the most jobs was Professional & Business Services with 2,600 jobs. However, the sectors gaining the most jobs were Educational & Health Services with 3,100 jobs, followed by Government with 1,600 jobs, and Manufacturing gaining 600 jobs.

The largest lease executed this quarter was a new lease signed by Westat for 182,040 square feet at 7501 Wisconsin Avenue in the Bethesda / Chevy Chase submarket.

Seven properties were sold in Q2 2024, totaling \$83,600,000. The largest transaction was BECO Management, Inc.'s sale of Forbes Center, a 17-building portfolio of office and flex space in the Lanham submarket, to DSC Partners LLC and Harbert Management Corporation for \$86,400,000 (\$110 psf). The 9 office buildings in the portfolio sold for \$33,640,000 (\$122 psf).



	2Q 2024	1Q 2024	2Q 2023
<b>Direct Vacancy</b>	17.3%	17.2%	15.8%
<b>Total Vacancy</b>	18.2%	18.2%	16.9%
<b>Net Absorption (SF)</b>	-32 K	-385 K	-178 K
<b>Leasing Activity (SF)</b>	891 K	637 K	1.4 M
<b>Under Construction (SF)</b>	0	60 K	682 K
<b>Under Construction % Pre-Leased</b>	N/A	83%	30%
<b>Deliveries (SF)</b>	60 K	73 K	0
<b>Average Asking Rental Rate (PSF, Full Service)</b>	\$30.36	\$30.16	\$29.82
<b>Sales Volume</b>	\$83.6 M	\$5.7 M	\$211.6 M
<b>Unemployment Suburban Maryland</b>	2.1%	2.7%	2.0%
<b>Sublease Vacancy</b>	1.0%	1.0%	1.2%

## Vacancy Rate

The total vacancy rate in Suburban Maryland remained flat at 18.2% at the end of Q2 2024, totaling approximately 17.0 million square feet of vacant space. Class A total vacancy increased to 20.1% (approx. 9.7 M SF vacant) while Class B total vacancy decreased to 17.2% (approx. 6.8 M SF vacant) during Q2 2024.

Sublet vacancy remained flat at 1.0% at the end of Q2 2024, with approximately 886,000 square feet of vacant space available. A total of 1.8 M square feet of sublease is being marketed as available, the amount of sublease space available has decreased approximately 38,000 square feet since Q1 2024.

## Net Absorption & Leasing

The Suburban Maryland market recorded negative 32,134 square feet of net absorption in Q2 2024, a further increase from the negative 385,288 square feet absorbed in Q1 2024.

Tenants contributing to the negative net absorption include Enviva vacating 80,028 square feet at 7272 Wisconsin Avenue, Teaching Strategies LLC HQ vacating 28,010 square feet at 4500 East West Highway and NASDAQ downsizing by 19,189 square feet at 805 King Farm Boulevard.

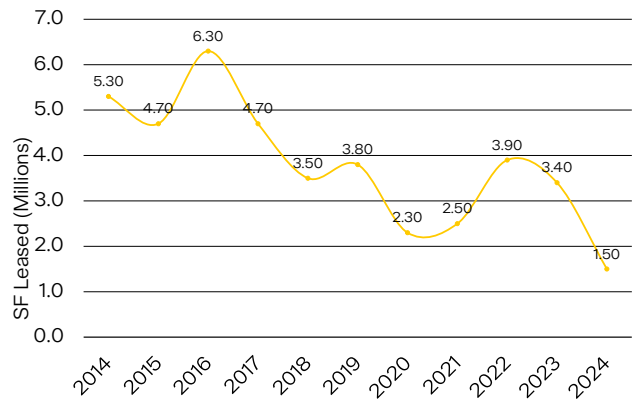
Montgomery County recorded negative 38,726 square feet of net absorption in Q2 2024, while Prince George's County recorded 6,592 square feet of net absorption in Q2 2024.

The Top Ten leases of the quarter ranged in size from 182,040 square feet to 13,853 square feet. Eight of the ten leases signed were private sector transactions.

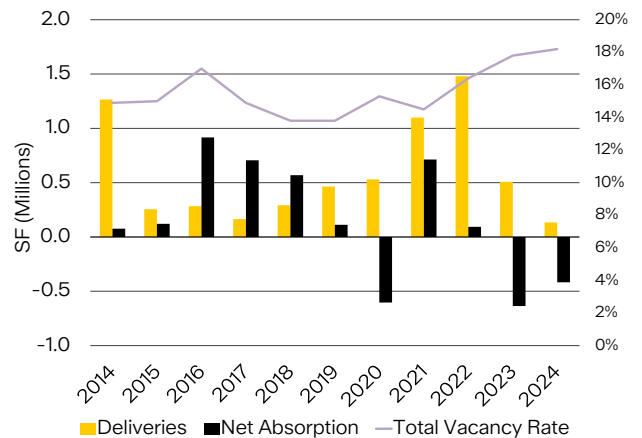
The largest lease of the quarter was a new lease signed by Westat for 182,040 square feet at 7501 Wisconsin Avenue.

The Suburban Maryland market totaled 891,209 square feet of leasing in Q2 2024, representing a 40% increase compared to the 637,224 square feet leased in Q1 2024.

## Leasing Activity



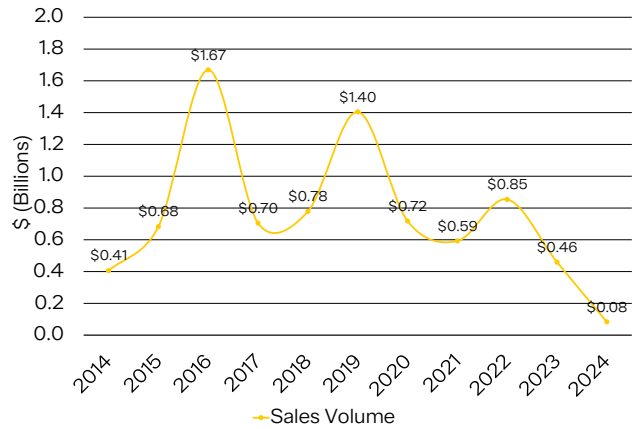
## Deliveries | Net Absorption | Vacancy Rate



## Sales Volume

There were seven sales transactions, totaling \$83,600,000 in Q2 2024. The five largest sales transactions include Forbes Center Portfolio (9 office buildings) sold to DSC Partners LLC/Harbert Management Corp. for \$33,640,000 (\$122 psf), Doctors Medical Park portfolio sold to Blue Arch Capital for \$15,250,000 (\$169 psf), 1801 Rockville Pike sold to Singh Capital Partners / KPI Commercial, LLC for \$14,250,000 (\$71 psf), 4201 Mitchellville Road sold to Beatrice Loving Heart, Inc. for \$6,150,000 (\$126 psf), and Shady Grove Medical Building sold to 9707 Medical Center LLC for \$5,500,000 (\$137 psf).

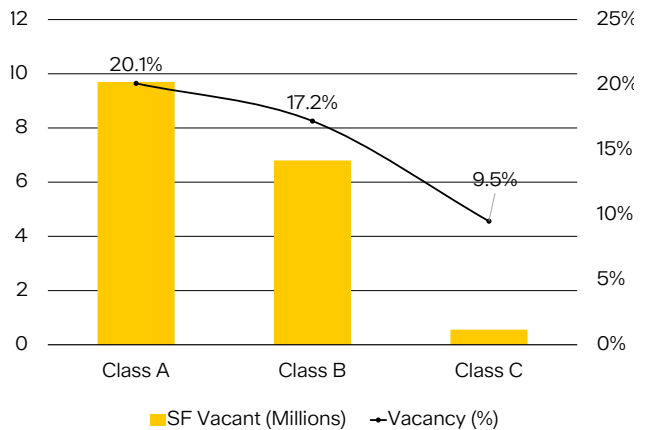
## Sales Volume



## Vacant Space Available & Vacancy By Class

In Q2 2024, Class A total vacancy in Suburban Maryland increased to 20.1% (approx. 9.7 M SF vacant) while Class B total vacancy decreased to 17.2% (approx. 6.8 M SF vacant). Class C vacancy increased to 9.5% with approximately 557,000 square feet vacant.

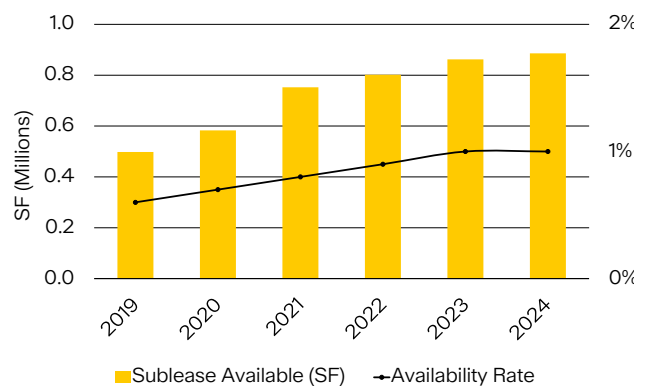
## Vacant Space Available & Vacancy By Class



## Sublease Space Available

Approximately 886,000 square feet of sublease space was vacant at the end of Q2 2024. A total of 1.8 M square feet of sublease is being marketed as available, the amount of sublease space available has decreased approximately 38,000 square feet since Q1 2024.

## Sublease Space Available







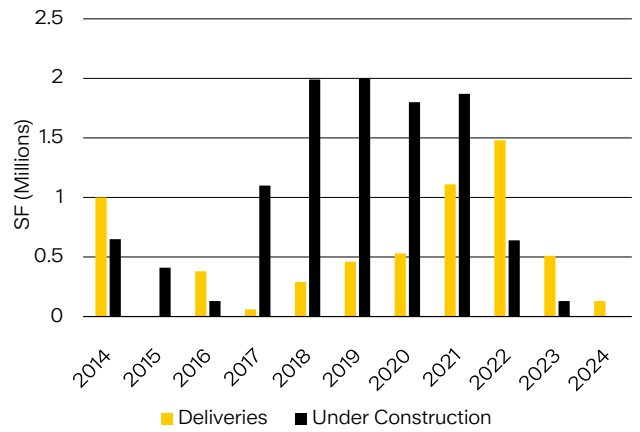
## Construction

One building delivered in Suburban Maryland in Q2 2024. UM Laurel Medical Center at 7140 Contee Road, a 60,000-square-foot Class A medical office building delivered 77% leased in the Laurel submarket.

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

No additional buildings broke ground in Q2 2024.

## Deliveries | Under Construction



	RBA (SF)	CLASS	DELIVERING	PRE-LEASED
No Buildings Under Construction in Suburban Maryland	-	-	-	-



# Suburban Maryland Market Overview

## Montgomery County

	YTD 2024	2Q 2024	1Q 2024	2Q 2023
Inventory (SF)	69.8 M	69.8 M	69.8 M	69.0 M
Direct Vacancy	19.3%	19.3%	19.2%	17.6%
Total Vacancy	21.0%	21.0%	20.9%	19.1%
Net Absorption (SF)	-365K	-39K	-326K	-186K
Leasing Activity (SF)	1.3M	791K	486K	1.3M
Under Construction (SF)	-	-	-	622K
Deliveries	73K	-	73K	-
Asking Rental Rates (PSF, Full Service)	\$31.86	\$31.86	\$31.69	\$31.16

## Prince George's County

	YTD 2024	2Q 2024	1Q 2024	2Q 2023
Inventory (SF)	23.4 M	23.4 M	23.3 M	23.1 M
Direct Vacancy	13.4%	13.4%	13.4%	13.1%
Total Vacancy	14.3%	14.3%	14.3%	13.8%
Net Absorption (SF)	-52K	7K	-59K	7K
Leasing Activity (SF)	252K	100K	151K	150K
Under Construction (SF)	-	-	60K	60K
Deliveries	60K	60K	-	-
Asking Rental Rates (PSF, Full Service)	\$24.19	\$24.19	\$24.19	\$24.82

# 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 Q2 2024.**

Making headlines in Q2 2024 was the completion of the office-to-biotech conversion at Research Square. Altus Realty successfully converted Research Square, located at 1500 and 1550 Research Boulevard, into life sciences spaces totaling nearly 90,000 square feet.

Also of note in Q2 2024, Human Genome Sciences renewed their 289,912-square-foot space at 9911 Belward Campus Drive in the North Rockville submarket. The average asking rent for Flex/R&D properties in Suburban Maryland in Q2 2024 was \$43.00 NNN.

## Top Ten Leases

In Q2 2024, nine of the Top Ten leases were in Montgomery County and private sector transactions again dominated leasing activity. The Westat's 182,040-square-foot new lease at 7501 Wisconsin Avenue was the largest lease for this quarter.











Consulting firms were well-represented, accounting for two of the Top Ten leases. Along with Westat, Abt Associates signed a 107,675-square-foot renewal at 6130 Executive Boulevard.

Representing the public sector was Prince George's County Department of Social Services signing a 73,132-square-foot renewal at 4235 28th Avenue and GSA - IRS signing a 19,146-square-foot renewal at 6010 Executive Boulevard. Healthcare and biotech firms had a strong presence, as indicated by three of the Top Ten leases. Aledade signed a renewal/expansion for 19,480 square feet at 4550 Montgomery





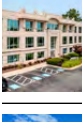
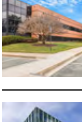

Avenue, Centers For Advanced Orthopaedics, LLC signed a 18,447-square-foot new lease at 7500 Old Georgetown Road, and Amgen signed a 14,536-square-foot expansion at 9605 Medical Center Drive.

Technology and sports equipment firms were also well-represented, accounting for two of the Top Ten leases, as JOOLA secured a 27,722-square-foot new lease at 915 Meeting Street and Employee Navigator signed a 18,909-square-foot new lease at 7700 Wisconsin Avenue.

The Suburban Maryland market totaled 891,209 square feet of leasing in Q2 2024, representing a 40% increase compared to the 637,224 square feet leased in Q1 2024.

			Tenant	Size (SF)	Type
	01	<b>7501 Wisconsin</b> 7501 Wisconsin Avenue	Westat	182,040	New
	02	<b>Executive Plaza North</b> 6130 Executive Boulevard	Abt Associates	107,675	Renewal
	03	<b>Scuderi Building</b> 4235 28th Avenue	Prince George's County Department of Social Services	73,132	Renewal
	04	<b>915 Meeting</b> 915 Meeting Street	JOOLA	27,722	New
	05	<b>Montgomery Tower</b> 4550 Montgomery Avenue	Aledade	19,480	Renewal / Expansion
	06	<b>6010 Executive</b> 6010 Executive Boulevard	GSA - IRS	19,146	Renewal
	07	<b>Bethesda Place I</b> 7700 Wisconsin Avenue	Employee Navigator	18,909	New
	08	<b>7500 Old Georgetown</b> 7500 Old Georgetown Road	Centers For Advanced Orthopaedics, LLC	18,447	New
	09	<b>9605 Medical Center</b> 9605 Medical Center Drive	Amgen	14,536	Expansion
	10	<b>Inventa Towers</b> 1 Inventa Place	Two Birds	13,853	New

## Top Suburban Maryland Sales Transactions

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Comment
 <b>Forbes Center Portfolio</b> 9 office buildings	Lanham	May 2024	\$33.64 M	\$122.49	DSC Partners LLC / Harbert Management Corp.	BECO Management, INC.	275,119	B	89%	Part of 17 office and flex buildings portfolio
 <b>Doctors Medical Park</b> 10301 Georgia Avenue, 2121 Medical Park Drive & 2101 Medical Park Drive	Kensington / Wheaton	May 2024	\$15.25 M	\$169.30	Blue Arch Capital	Promark Partners	90,076	B	80%	9.6% Cap Rate
 1801 Rockville Pike	Rockville	Apr 2024	\$14.25 M	\$71.34	Singh Capital Partners / KPI Commercial, LLC	PRIM	199,740	B	65%	N/A
 4201 Mitchellville Road	Bowie	Jun 2024	\$6.15 M	\$125.59	Beatrice Loving Heart, Inc.	WesBanco	48,970	B	100%	N/A
 <b>Shady Grove Medical Building</b> 9707 Medical Center Drive	North Rockville	Jun 2024	\$5.50 M	\$136.69	9707 Medical Center LLC	Harrison Street Capital	40,236	C	50%	N/A
 <b>Weschler's Building</b> 40 W Gude Drive	Rockville	Apr 2024	\$4.41 M	\$91.82	Michael G Wilson	Adam Weschler & Son	48,000	C	64%	Auction Sale
 <b>Beltway Plaza South</b> 4710 Auth Place	Branch Avenue Corridor	Apr 2024	\$4.40 M	\$67.68	Passport Auto	Gebhardt & Smith LLP	65,010	C	100%	N/A





# Market Spotlights

**Suburban Maryland**

Q2 2024

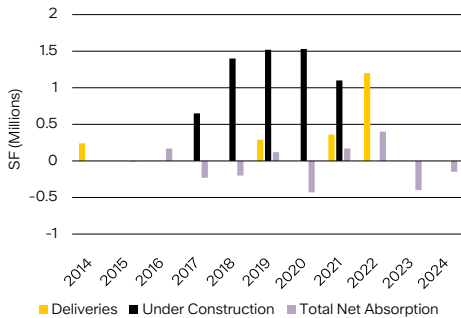
## Market Spotlight

Bethesda / Chevy Chase

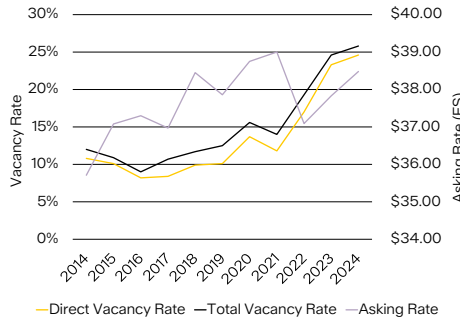
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	13.8 M
Direct Vacancy	24.6%
Total Vacancy	25.8%
YTD 2024 Absorption (SF)	-149 K
YTD 2024 Leasing Activity (SF)	475 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Bethesda increased to 24.6% at the end of Q2 2024, up from 23.8% at the end of Q1 2024.

Total vacancy increased to 25.8% in Q2 2024, up from 25.0% in Q1 2024. Class A total vacancy increased to 31.2% in Q2 2024, up from 28.1% in Q1 2024, while the asking rental rate average increased to \$42.68 Full Service in Q2 2024, up \$2.01 from the previous quarter.

Bethesda submarket recorded negative 89,856 square feet of net absorption in Q2 2024, down from negative 58,686 square feet of net absorption in Q1 2024. Contributing to negative net absorption was Enviva vacating 80,028 square feet at 7272 Wisconsin Avenue and Teaching Strategies LLC HQ vacating 28,010 square feet at 4500 East West Highway.

A total of 364,236 square feet leased in Q2 2024, up from 110,908 square feet leased in the previous quarter. Tenants executing leases this quarter include Westat signing a 182,040-square-foot lease at 7501 Wisconsin Avenue and Aledade signing a 19,480-square-foot renewal / expansion at 4550 Montgomery 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	\$38.48

## Major Leases

	Tenant	Size (SF)	Type
 <b>7501 Wisconsin</b> 7501 Wisconsin Avenue	Westat	182,040	New
 <b>Montgomery Tower</b> 4550 Montgomery Avenue	Aledade	19,480	Renewal/ Expansion
 <b>Bethesda Place I</b> 7700 Wisconsin Avenue	Employee Navigator	18,909	New
 <b>7500 Old Georgetown</b> 7500 Old Georgetown Road	Centers For Advanced Orthopaedics, LLC	18,447	New
 <b>7250 Woodmont</b> 7250 Woodmont Avenue	GTM Architects	11,978	New

## Sales

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

## Under Construction

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

## Deliveries

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



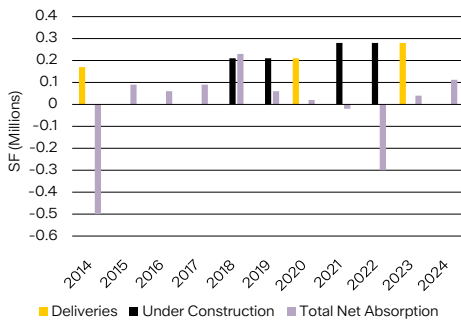
## Market Spotlight

North Bethesda / Potomac

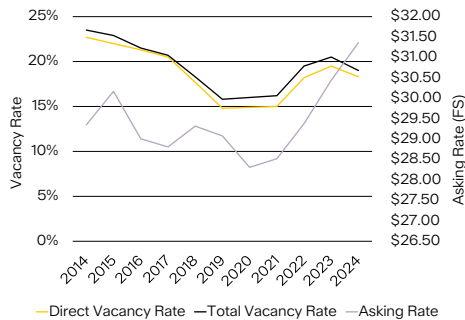
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	10.7 M
Direct Vacancy	18.3%
Total Vacancy	19.0%
YTD 2024 Absorption (SF)	112 K
YTD 2024 Leasing Activity (SF)	249 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in North Bethesda / Potomac remained flat at 18.3% at the end of Q2 2024.

Total vacancy remained flat at 19.0% in Q2 2024. Class A total vacancy stayed flat at 18.8% in Q2 2024, while the asking rental rate average increased to \$32.19 Full Service in Q2 2024, up \$1.11 from the previous quarter.

North Bethesda / Potomac submarket recorded 5,220 square feet of net absorption in Q2 2024, down from 106,983 square feet of net absorption in Q1 2024.

A total of 187,836 square feet leased in Q2 2024, up from 60,933 square feet leased in the previous quarter. Tenants executing leases this quarter include Abt Associates signing a 107,675-square-foot renewal at 6130 Executive Boulevard, JOOLA signing a 27,722-square-foot lease at 915 Meeting Street, and GSA - IRS signing a 19,146-square-foot renewal at 6010 Executive Boulevard.






### 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	\$31.36

Major Leases

	Tenant	Size (SF)	Type
 <b>Executive Plaza North</b> 6130 Executive Boulevard	Abt Associates	107,675	Renewal
 <b>915 Meeting</b> 915 Meeting Street	JOOLA	27,722	New
 <b>6010 Executive</b> 6010 Executive Boulevard	GSA - IRS	19,146	Renewal
 <b>909 Rose</b> 909 Rose Avenue	Chargebee	8,739	Sublease
 <b>Executive Plaza South</b> 6120 Executive Boulevard	Mid-Atlantic Builders	8,015	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

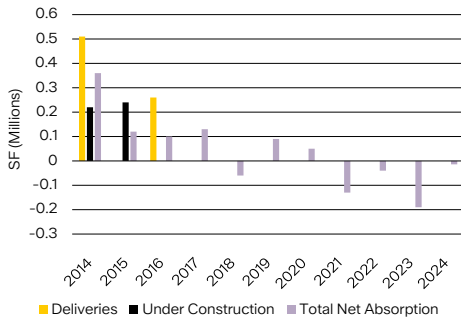
Property	Submarket	RBA (SF)	Available	Pre-Leased	Delivery Date	Owner	Major Tenants
No Buildings Under Construction	North Bethesda / Potomac	-	-	-	-	-	-

Deliveries

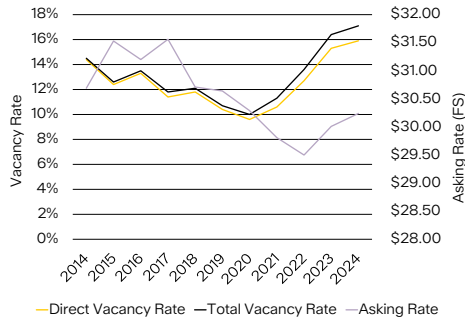
Property	Submarket	RBA (SF)	Available	Leased	Delivery Date	Owner	Major Tenants
No Buildings Delivered	North Bethesda / Potomac	-	-	-	-	-	-



#### Deliveries / Under Construction / Net Absorption



#### Vacancy Rate



#### Market Stats Q2 2024

Inventory (SF)	9.5 M
Direct Vacancy	15.9%
Total Vacancy	17.1%
YTD 2024 Absorption (SF)	-14 K
YTD 2024 Leasing Activity (SF)	94 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Rockville remained flat at 15.9% at the end of Q2 2024.

Total vacancy remained flat at 17.1% in Q2 2024. Class A total vacancy stayed flat at 20.5% in Q2 2024, while the asking rental rate average increased to \$32.05 Full Service in Q2 2024, up \$0.48 from the previous quarter.

Rockville submarket recorded 3,877 square feet of net absorption in Q2 2024, up from negative 17,637 square feet of net absorption in Q1 2024. Contributing to positive net absorption was Podville Media Holdings occupying 13,730 square feet at 1201 Seven Locks Road.

A total of 29,765 square feet leased in Q2 2024, down from 63,900 square feet leased in the previous quarter. Tenants executing leases this quarter include Armstrong, Donohue, Ceppos, Vaughan & Rhoades, Chtd. signing a 10,692-square-foot lease at 21 Church Street.


#### 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	\$30.24

Major Leases

	Tenant	Size (SF)	Type
 <b>21 Church</b> 21 Church Street	Armstrong, Donohue, Ceppos, Vaughan & Rhoades, Chtd.	10,692	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
1801 Rockville Pike	Rockville	Apr 2024	\$14.25 M	\$71.34	Singh Capital Partners / KPI Commercial, LLC	PRIM	199,740	B	65%	N/A
<b>Weschler's Building</b> 40 W Gude Drive	Rockville	Apr 2024	\$4.41 M	\$91.82	Michael G Wilson	Adam Weschler & Son	48,000	C	64%	Auction Sale

Under Construction

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

Deliveries

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

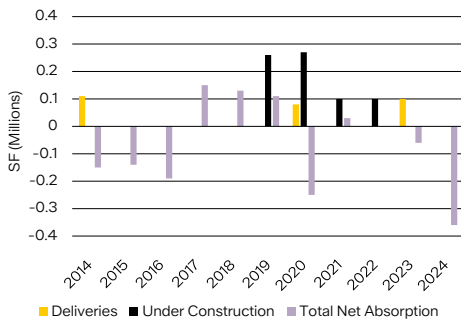
## Market Spotlight

North Rockville

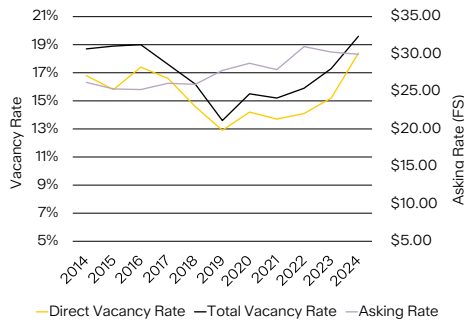
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	13.7 M
Direct Vacancy	18.4%
Total Vacancy	19.6%
YTD 2024 Absorption (SF)	-360 K
YTD 2024 Leasing Activity (SF)	212 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in North Rockville increased to 18.4% at the end of Q2 2024, up from 18.1% at the end of Q1 2024.

Total vacancy increased to 19.6% in Q2 2024, up from 19.3% in Q1 2024. Class A total vacancy increased to 24.4% in Q2 2024, up from 23.5% in Q1 2024, while the asking rental rate average increased to \$31.61 Full Service in Q2 2024, up \$0.04 from the previous quarter.

North Rockville submarket recorded negative 26,201 square feet of net absorption in Q2 2024, up from negative 333,558 square feet of net absorption in Q1 2024. Contributing to negative net absorption was NASDAQ downsizing by 19,189 square feet at 805 King Farm Boulevard.

A total of 95,215 square feet leased in Q2 2024, down from 116,769 square feet leased in the previous quarter. Tenants executing leases this quarter include Amgen signing a 14,536-square-foot expansion lease at 9605 Medical Center Drive and Technology Council of Maryland signing a 8,214-square-foot lease at 9808 Medical Center 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	\$29.96

Major Leases

	Tenant	Size (SF)	Type
 <b>9605 Medical Center</b> 9605 Medical Center Drive	Amgen	14,536	Expansion
 <b>9808 Medical Center</b> 9808 Medical Center Drive	Technology Council of Maryland	8,214	New

Sales

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Cap Rate
<b>Shady Grove Medical Building</b> 9707 Medical Center Drive	North Rockville	Jun 2024	\$5.50 M	\$136.69	9707 Medical Center LLC	Harrison Street Capital	40,236	C	50%	N/A

Under Construction

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

Deliveries

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

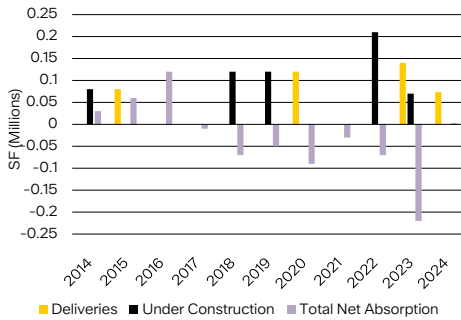
## Market Spotlight

Gaithersburg / Germantown

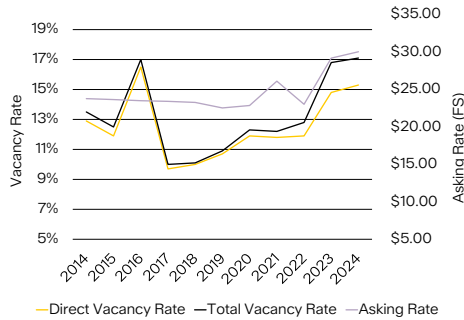
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	8.7 M
Direct Vacancy	15.3%
Total Vacancy	17.1%
YTD 2024 Absorption (SF)	3 K
YTD 2024 Leasing Activity (SF)	131 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	73 K

Direct vacancy in Gaithersburg / Germantown decreased to 15.3% at the end of Q2 2024, down from 15.4% at the end of Q1 2024.

Total vacancy decreased to 17.1% in Q2 2024, down from 17.3% in Q1 2024. Class A total vacancy decreased to 15.6% in Q2 2024, down from 16.2% in Q1 2024, while the asking rental rate average decreased to \$38.01 Full Service in Q2 2024, down \$0.15 from the previous quarter.

Gaithersburg / Germantown submarket recorded 16,452 square feet of net absorption in Q2 2024, up from negative 13,389 square feet of net absorption in Q1 2024. Contributing to positive net absorption was Certify Global occupying 14,906 square feet at 656 Quince Orchard Road.

A total of 39,223 square feet leased in Q2 2024, down from 92,083 square feet leased in the previous quarter. The largest lease executed in the submarket this quarter was by uBriGene Biosciences International Co. for a 10,309-square-foot new lease at 20400 Century Boulevard.

### 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	\$30.04



Major Leases

		Tenant	Size (SF)	Type
	<b>Cloverleaf Center</b> 20400 Century Boulevard	uBriGene Biosciences International Co.	10,309	New
	<b>Kentlands Place</b> 189 Kentlands Boulevard	Long & Foster	10,000	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
No Buildings Delivered	Gaithersburg / Germantown	-	-	-	-	-	-

## Market Spotlight

Silver Spring

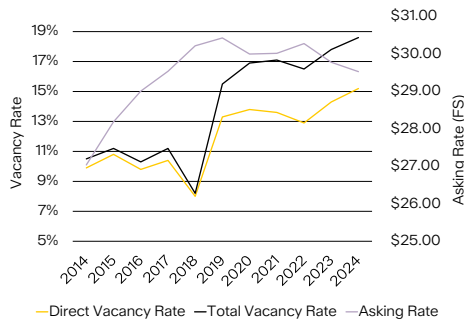
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	6.7 M
Direct Vacancy	15.2%
Total Vacancy	18.6%
YTD 2024 Absorption (SF)	-15 K
YTD 2024 Leasing Activity (SF)	77 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Silver Spring increased to 15.2% at the end of Q2 2024, up from 15.0% at the end of Q1 2024.

Total vacancy remained flat at 18.6% in Q2 2024. Class A total vacancy decreased to 20.3% in Q2 2024, down from 20.7% in Q1 2024, while the asking rental rate average increased to \$31.05 Full Service in Q2 2024, up \$0.34 from the previous quarter.

Silver Spring submarket recorded 1,760 square feet of net absorption in Q2 2024, up from negative 16,723 square feet of net absorption in Q1 2024. Contributing to positive net absorption was GHT Limited occupying their 8,309-square-foot sublease space at 8401 Colesville Road.

A total of 52,350 square feet leased in Q2 2024, up from 24,688 square feet leased in the previous quarter. Tenants executing leases this quarter include Two Birds signing a 13,853-square-foot new lease at 1 Inventa Place and GT Independence signing a 8,309-square-foot new lease at 8401 Colesville Road.




### 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	\$29.53

## Major Leases

	Tenant	Size (SF)	Type
 <b>Inventa Towers</b> 1 Inventa Place	Two Birds	13,853	New
 <b>Silver Spring Metro Plaza I</b> 8401 Colesville Road	GT Independence	8,309	New
 <b>Argent Spring</b> 8455 Colesville Road	Northeast Health Services	6,505	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	-	-	-	-	-	-

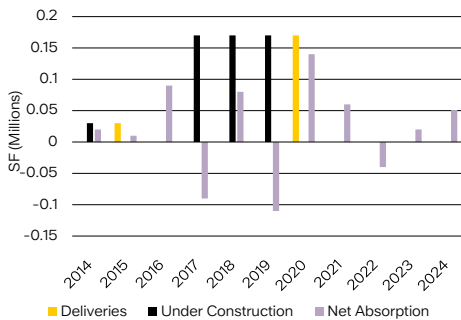
## Market Spotlight

North Silver Spring

Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	4.0 M
Direct Vacancy	10.2%
Total Vacancy	10.4%
YTD 2024 Absorption (SF)	51 K
YTD 2024 Leasing Activity (SF)	30 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in North Silver Spring decreased to 10.2% at the end of Q2 2024, down from 11.4% at the end of Q1 2024.

Total vacancy decreased to 10.4% in Q2 2024, down from 11.5% in Q1 2024. Class A total vacancy remained flat at 0.7% in Q2 2024, while the asking rental rate average increased to \$34.70 Full Service in Q2 2024, up \$2.70 from the previous quarter.

North Silver Spring submarket recorded 45,810 square feet of net absorption in Q2 2024, up from 5,629 square feet of net absorption in Q1 2024. Contributing to positive net absorption was Montgomery College occupying their 55,665-square-foot space at 2221 Broadbirch Drive.

A total of 16,772 square feet leased in Q2 2024, up from 13,549 square feet leased in the previous quarter. Tenants executing leases this quarter include GSA - SSA signing a 12,241-square-foot renewal at 10230 New Hampshire Avenue.


### 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	\$27.61

Major Leases

	Tenant	Size (SF)	Type
 <b>One Beltway North</b> 10230 New Hampshire Avenue	GSA - SSA	12,241	Renewal

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	-	-	-	-	-	-

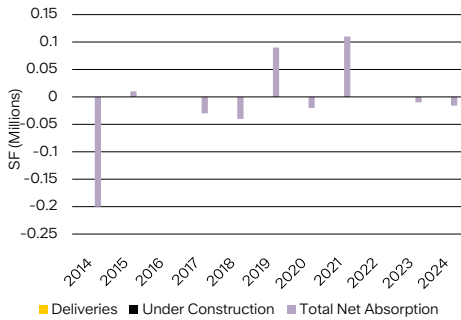
## Market Spotlight

Beltsville / Calverton

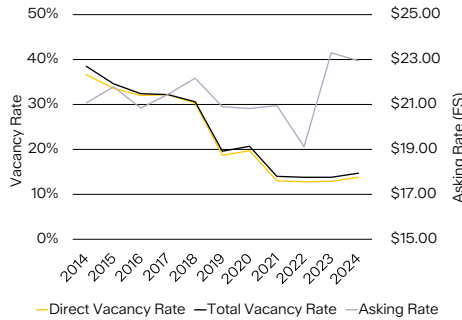
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 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)	13 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Beltsville / Calverton remained flat at 13.8% at the end of Q2 2024.

Total vacancy remained flat at 14.7% in Q2 2024. Class A total vacancy stayed flat at 15.0% in Q2 2024, while the asking rental rate average decreased to \$23.45 Full Service in Q2 2024, down \$0.94 from the previous quarter.

Beltsville / Calverton submarket recorded 0 square feet of net absorption in Q2 2024, up from negative 16,380 square feet of net absorption in Q1 2024.

A total of 3,751 square feet leased in Q2 2024, down from 9,499 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	\$22.95

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	-	-	-	-	-	-



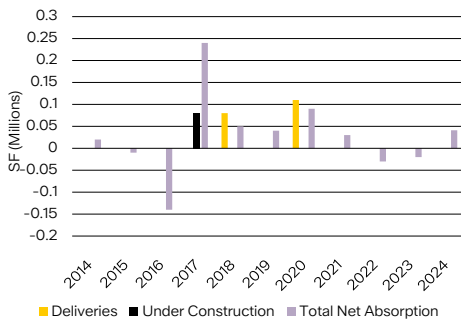
## Market Spotlight

Greenbelt / College Park

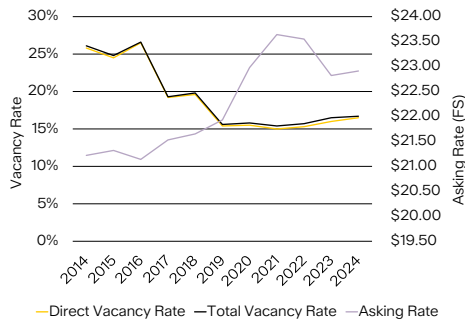
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	7.2 M
Direct Vacancy	16.5%
Total Vacancy	16.7%
YTD 2024 Absorption (SF)	41 K
YTD 2024 Leasing Activity (SF)	110 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Greenbelt / College Park decreased to 16.5% at the end of Q2 2024, down from 16.8% at the end of Q1 2024.

Total vacancy decreased to 16.7% in Q2 2024, down from 17.0% in Q1 2024. Class A total vacancy decreased to 21.7% in Q2 2024, down from 22.7% in Q1 2024, while the asking rental rate average decreased to \$23.62 Full Service in Q2 2024, down \$0.07 from the previous quarter.

Greenbelt / College Park submarket recorded 45,105 square feet of net absorption in Q2 2024, up from negative 3,987 square feet of net absorption in Q1 2024. Contributing to positive net absorption was Luminis Health occupying their 16,368 square feet at 7501-7503 Greenway Center Drive.

A total of 18,147 square feet leased in Q2 2024, down from 91,420 square feet leased in the previous quarter. Tenants executing leases this quarter include Largo Financial signing a 3,900-square-foot new lease at 6401 Golden Triangle 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	\$22.91

## Major Leases

	Tenant	Size (SF)	Type
 <b>Triangle Centre</b> 6401 Golden Triangle Drive	Largo Financial	3,900	New

## Sales

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

## Under Construction

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

## Deliveries

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

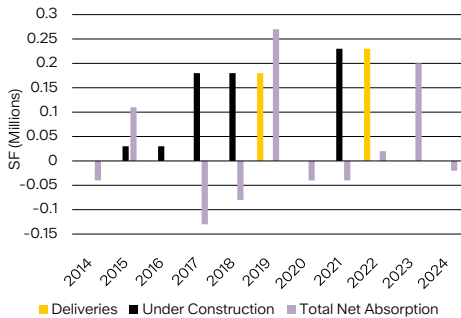
## Market Spotlight

Landover / Largo / Capitol Heights

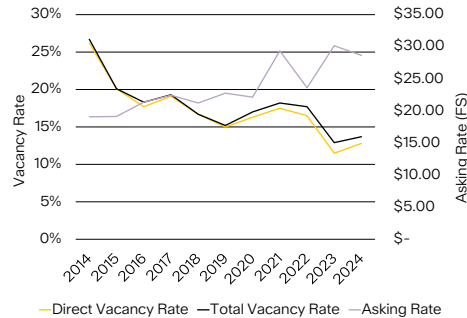
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	4.5 M
Direct Vacancy	12.8%
Total Vacancy	13.7%
YTD 2024 Absorption (SF)	-20 K
YTD 2024 Leasing Activity (SF)	21 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Landover / Largo / Capitol Heights increased to 12.8% at the end of Q2 2024, up from 12.6% at the end of Q1 2024.

Total vacancy increased to 13.7% in Q2 2024, up from 13.5% in Q1 2024. Class A total vacancy increased to 20.6% in Q2 2024, up from 18.2% in Q1 2024, while the asking rental rate average decreased to \$37.00 Full Service in Q2 2024, down \$0.88 from the previous quarter.

Landover / Largo / Capitol Heights submarket recorded negative 11,070 square feet of net absorption in Q2 2024, down from negative 8,993 square feet of net absorption in Q1 2024. Contributing to negative net absorption was I.C.Care vacating 7,023 square feet and Luminis Health vacating 5,732 square feet at 1100 Mercantile Lane.

A total of 8,205 square feet leased in Q2 2024, down from 12,951 square feet leased in the previous quarter.

### 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	\$28.65

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	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	-	-	-	-	-	-

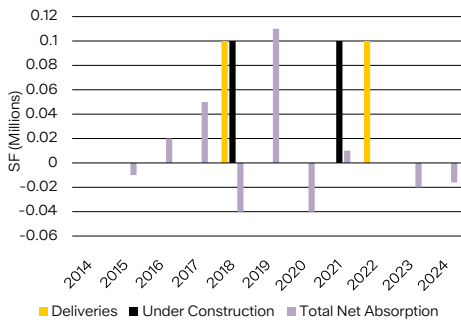
## Market Spotlight

National Harbor / Oxon Hill

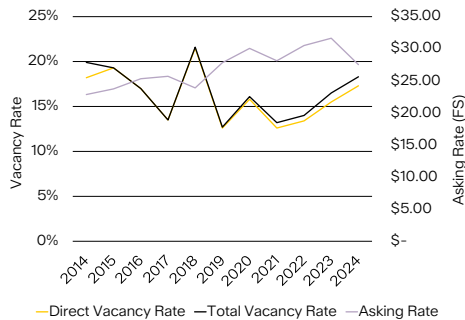
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	1.0 M
Direct Vacancy	17.3%
Total Vacancy	18.3%
YTD 2024 Absorption (SF)	-16 K
YTD 2024 Leasing Activity (SF)	21 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in National Harbor / Oxon Hill increased to 17.3% at the end of Q2 2024, up from 16.2% at the end of Q1 2024.

Total vacancy increased to 18.3% in Q2 2024, up from 17.2% in Q1 2024. Class A total vacancy increased to 22.6% in Q2 2024, up from 20.2% in Q1 2024, while the asking rental rate average increased to \$38.60 Full Service in Q2 2024, up from \$38.02 Full Service in Q1 2024.

National Harbor / Oxon Hill submarket recorded negative 9,891 square feet of net absorption in Q2 2024, down from negative 5,833 square feet of net absorption in Q1 2024.

A total of 14,587 square feet leased in Q2 2024, up from 5,938 square feet leased in the previous quarter. Tenants executing leases this quarter include Pain Management Solutions, LLC signing a 7,953-square-foot sublease at 251 National Harbor Boulevard.


### 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	\$27.52

## Major Leases

	Tenant	Size (SF)	Type
 <b>The Medical Pavilion at National Harbor</b> 251 National Harbor Blvd	Pain Management Solutions, LLC	7,953	Sublease

## Sales

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

## Under Construction

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

## Deliveries

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

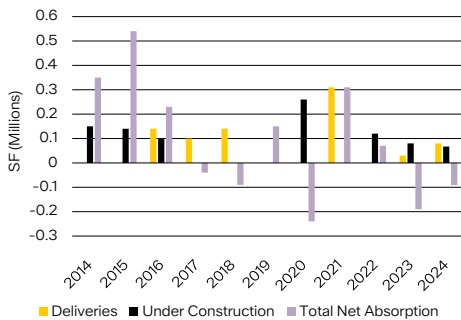
## Market Spotlight

Columbia South

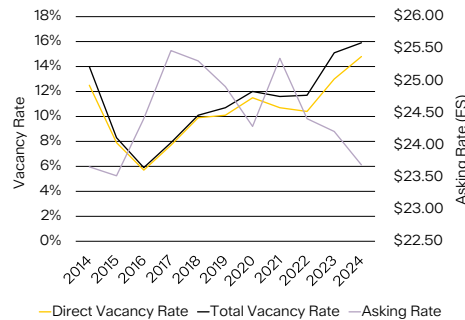
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	10.1 M
Direct Vacancy	14.8%
Total Vacancy	15.9%
YTD 2024 Absorption (SF)	-91 K
YTD 2024 Leasing Activity (SF)	244 K
Under Construction (SF)	67 K
Pre-Leased	0%
Deliveries (SF)	82 K

Direct vacancy in Columbia South increased to 14.8% at the end of Q2 2024, up from 14.5% at the end of Q1 2024.

Total vacancy increased to 15.9% in Q2 2024, up from 15.7% in Q1 2024. Class A total vacancy increased to 16.3% in Q2 2024, up from 14.8% in Q1 2024, while the asking rental rate average decreased to \$27.08 Full Service in Q2 2024, down from \$27.85 Full Service in Q1 2024.

Columbia South submarket recorded 19,745 square feet of net absorption in Q2 2024, up from negative 110,705 square feet of net absorption in Q1 2024. Tenants contributing to the positive net absorption include KasCon, Inc. occupying their 8,061-square-foot space at 8955 Guilford Road.

A total of 120,310 square feet leased in Q2 2024, down from 123,260 square feet leased in the previous quarter. Tenants executing leases this quarter include Columbia Business Suites Lakeview, Inc. signing a 12,667-square-foot new lease at 9861 Broken Land Parkway.

There are currently two buildings under construction in the Columbia South submarket: 7575 Maple Lawn Blvd (Class A, 28,000 SF, 0% pre-leased) and 7585 Maple Lawn Blvd (Class A, 39,000 SF, 0% pre-leased). Both of these buildings, which broke ground this quarter, are set to deliver in September 2025.

One building delivered in Q2 2024. 8150 Maple Lawn Boulevard (Class A, 81,586 SF, 0% pre-leased) delivered 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	\$23.69



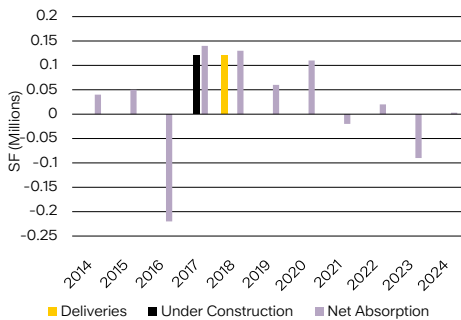
## Market Spotlight

BWI North / Linthicum

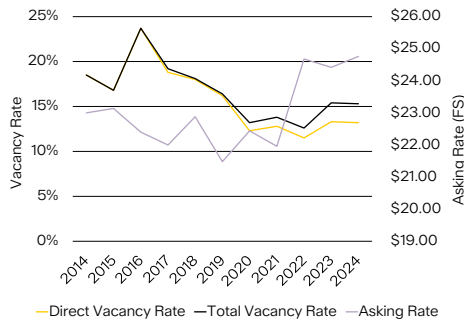
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	3.5 M
Direct Vacancy	13.2%
Total Vacancy	15.3%
YTD 2024 Absorption (SF)	3 K
YTD 2024 Leasing Activity (SF)	39 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in BWI North / Linthicum increased to 13.2% at the end of Q2 2024, up from 13.0% at the end of Q1 2024.

Total vacancy increased to 15.3% in Q2 2024, up from 15.1% in Q1 2024. Class A total vacancy increased to 9.3% in Q2 2024, up from 9.2% in Q1 2024, while the asking rental rate average increased to \$25.75 Full Service in Q2 2024, up from \$25.54 Full Service in Q1 2024.

BWI North / Linthicum submarket recorded negative 8,110 square feet of net absorption in Q2 2024, down from 10,850 square feet of net absorption in Q1 2024.

A total of 10,345 square feet leased in Q2 2024, down from 28,753 square feet leased in the previous quarter. Tenants executing leases this quarter include Contech signing a 5,148-square-foot new lease at 901 Elkridge Landing Road.

### 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	\$24.76

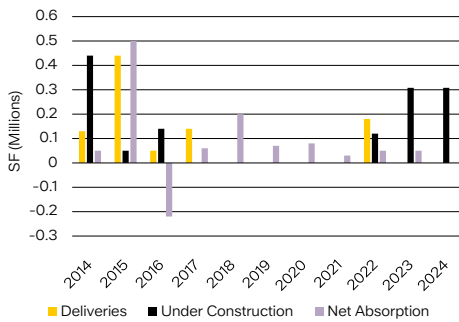
## Market Spotlight

BWI / Anne Arundel

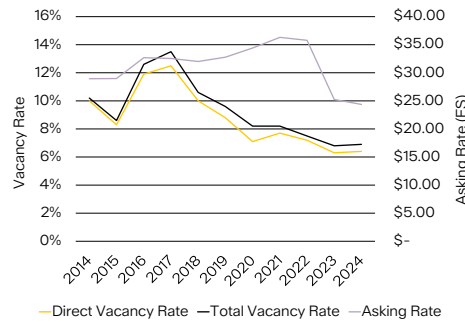
Q2 2024



### Deliveries / Under Construction / Net Absorption



### Vacancy Rate



### Market Stats Q2 2024

Inventory (SF)	7.0 M
Direct Vacancy	6.4%
Total Vacancy	6.9%
YTD 2024 Absorption (SF)	612
YTD 2024 Leasing Activity (SF)	54 K
Under Construction (SF)	308 K
Pre-Leased	55%
Deliveries (SF)	-

Direct vacancy in BWI / Anne Arundel decreased to 6.4% at the end of Q2 2024, down from 6.5% at the end of Q1 2024.

Total vacancy decreased to 6.9% in Q2 2024, down from 7.0% in Q1 2024. Class A total vacancy decreased to 5.7% in Q2 2024, down from 5.8% in Q1 2024, while the asking rental rate average decreased to \$30.39 Full Service in Q2 2024, down from \$30.95 Full Service in Q1 2024.

BWI / Anne Arundel submarket recorded 8,480 square feet of net absorption in Q2 2024, up from negative 7,868 square feet of net absorption in Q1 2024.

A total of 2,795 square feet leased in Q2 2024, down from 51,526 square feet leased in the previous quarter.

There are currently two buildings under construction in the BWI/Anne Arundel submarket. 550 National Business Parkway (Class A, 170,297 SF, 100% pre-leased to Microsoft Corporation and Amazon) is set to deliver in July 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	\$24.36



#### Deliveries / Under Construction / Net Absorption



#### Vacancy Rate



#### Market Stats Q2 2024

Inventory (SF)	5.3 M
Direct Vacancy	16.8%
Total Vacancy	18.1%
YTD 2024 Absorption (SF)	-10 K
YTD 2024 Leasing Activity (SF)	52 K
Under Construction (SF)	88 K
Pre-Leased	0%
Deliveries (SF)	25 K

Direct vacancy in Frederick increased to 16.8% at the end of Q2 2024, up from 16.6% at the end of Q1 2024.

Total vacancy remained flat at 18.1% in Q2 2024. Class A total vacancy decreased to 16.8% in Q2 2024, down from 17.7% in Q1 2024, while the asking rental rate average increased to \$25.56 Full Service in Q2 2024, up from \$24.65 Full Service in Q1 2024.

Frederick submarket recorded negative 15,716 square feet of net absorption in Q2 2024, down from 5,974 square feet of net absorption in Q1 2024. Tenants contributing to the negative net absorption include PharmaLex vacating 11,656 square feet at 5280 Corporate Drive.

A total of 33,345 square feet leased in Q2 2024, up from 19,089 square feet leased in the previous quarter. Tenants executing leases this quarter include Allied Technologies and Consulting signing a 6,490-square-foot renewal at 5202 Presidents Court and Concerted Care Group signing a 6,167-square-foot new lease at 92 Thomas Johnson Drive.

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

#### 10 Year Averages 2014-2023

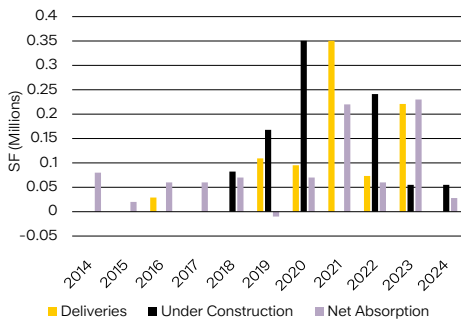
Net Absorption (SF)	23 K per year
Deliveries (SF)	28 K per year
Leasing Activity (SF)	230 K per year

#### Asking Rental Rates (Full Service / PSF)

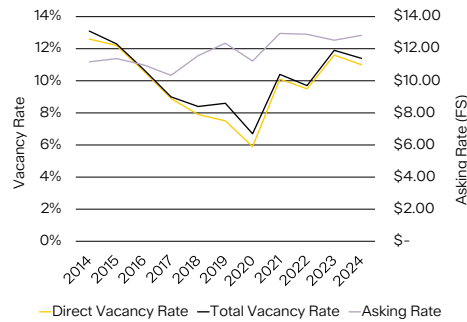
2014	\$21.23
2023	\$24.50
YTD 2024	\$23.84



#### Deliveries / Under Construction / Net Absorption



#### Vacancy Rate



#### Market Stats Q2 2024

Inventory (SF)	4.7 M
Direct Vacancy	11.0%
Total Vacancy	11.4%
YTD 2024 Absorption (SF)	28 K
YTD 2024 Leasing Activity (SF)	261 K
Under Construction (SF)	55 K
Pre-Leased	28%
Deliveries (SF)	-

Direct vacancy in Frederick Flex decreased to 11.0% at the end of Q2 2024, down from 12.6% at the end of Q1 2024.

Total vacancy decreased to 11.4% in Q2 2024, down from 13.0% in Q1 2024.

Frederick Flex submarket recorded 77,156 square feet of net absorption in Q2 2024, up from negative 49,189 square feet of net absorption in Q1 2024. Tenants contributing to the positive net absorption include Goodwill occupying 66,000 square feet at 4910 Executive Court South.

A total of 78,634 square feet leased in Q2 2024, down from 182,460 square feet leased in the previous quarter. Tenants executing leases this quarter include Precision For Medicine signing a 75,240-square-foot renewal at 8425 Precision Way.

One building is currently under construction. 331 Aviation Way (55,002 SF, 27.9% pre-leased) is expected to deliver in July 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	\$12.83

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