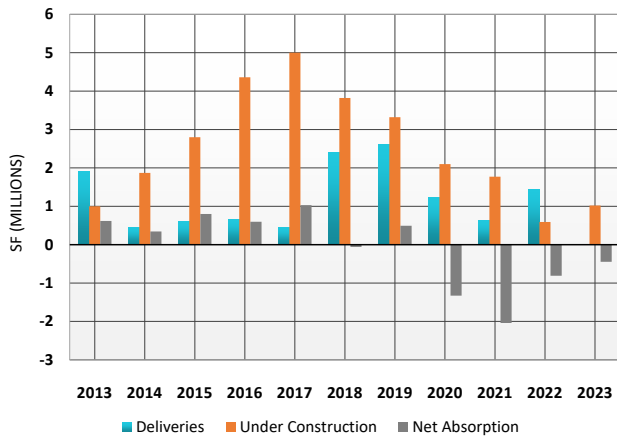


Market Spotlight - Mid 2Q 2023

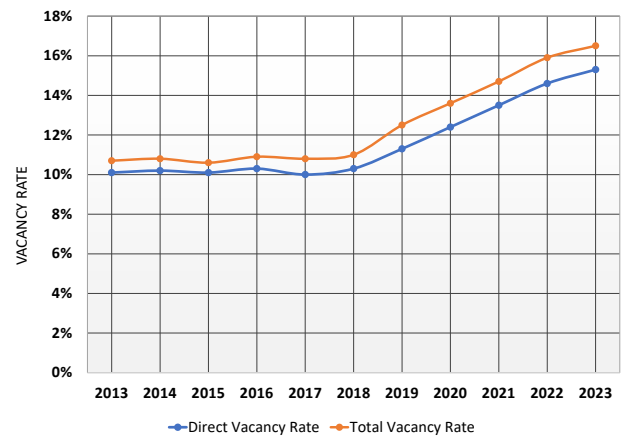
Washington, DC



DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



VACANCY RATE



HIGHLIGHTS

Midway through the second quarter 2023, the total vacancy rate in the Washington, DC Market increased to 16.5%, up from 16.4% at the end of the first quarter.

A total of 3,687,293 square feet of sublease space is currently available in DC, representing a 41,000-square-foot increase in available sublease space since the end of the first quarter 2023.

The DC Market has recorded **-186,047** square feet of net absorption quarter-to-date. Tenants contributing to the negative net absorption include U.S. Equal Employment Opportunity Commission vacating 171,824 square feet at 131 M Street, NE and law firm Dentons giving back 56,401 square feet at 1900 K Street, NW.

A total of 400,957 square feet has leased thus far in the second quarter. Tenants executing leases this quarter include Environmental Defense Fund signing for 35,000 square feet at 555 12th Street, NW and Regus signing for 33,282 square feet at 609 H Street, NE.

There are four buildings currently under construction, totaling 1,019,200 square feet. 3924 Minnesota Avenue, NE (258,500 SF, 100% pre-leased) and 1201 Sycamore Drive, SE (139,000 sf, 100% pre-leased) are expected to deliver in 2023. While 2201 Shannon Place, SE (288,000 sf, 100% pre-leased) and 1700 M Street, NW (334,000 SF, 57% pre-leased) are expected to deliver in 2024.

2100 M Street, NW sold to Post Brothers from Meadow Partners/Network Realty Partners for \$66,765,868 (\$222 psf). 2100 M is expected to be converted into residential apartments.

10 YEAR AVERAGES 2013 - 2022

TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
-36,000 PER YEAR	1.2 M PER YEAR	9.1 M PER YEAR

MARKET STATS 2Q 2023

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
160.1 M	15.3%	16.5%

YTD 2023 ABSORPTION (SF)	YTD 2023 LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	PRE-LEASED	YTD 2023 DELIVERIES (SF)
-447k	2.0 M	1.0 M	86%	0

ASKING RENTAL RATES (FULL SERVICE)

2013	2022	YTD 2023
\$48.97 PSF	\$53.02 PSF	\$52.82 PSF