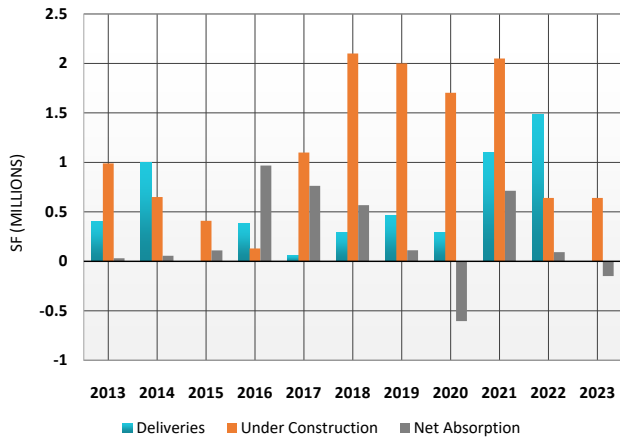


# Market Spotlight - Mid 2Q 2023

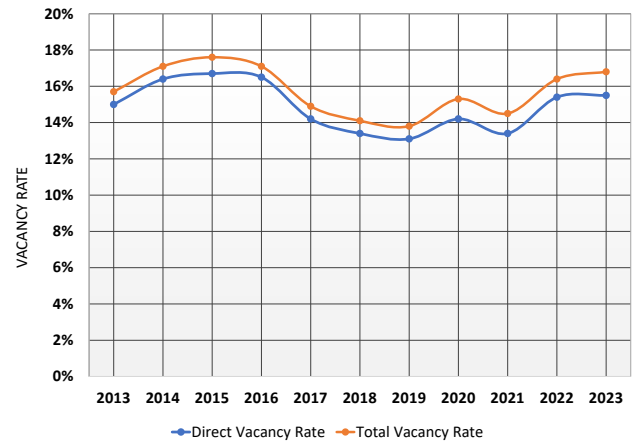
## Suburban Maryland



### DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



### VACANCY RATE



## HIGHLIGHTS

Mid-way through the second quarter, the direct vacancy rate in the Suburban Maryland market remained flat at 15.5%. The total vacancy increased to 16.8% mid-way through the second quarter, up from 16.7% at the end of the first quarter.

The Suburban Maryland market has recorded **-57,989** square feet of net absorption through the first half of the second quarter. Contributing to the negative absorption was Catalent vacating their 53,464-square-foot space at 20 Firstfield Road and Paley Rothman vacating their 29,336-square-foot space at 4800 Hampden Lane.

Suburban Maryland has recorded 250,676 square feet of leasing activity quarter-to-date. Contributing to leasing activity was X-Energy signing a 49,412-square-foot new lease at 530 Gaither Rd.

There are five buildings currently under construction, totaling 641,362 square feet. No buildings have delivered, nor broke ground quarter-to-date.

JBG SMITH Properties sold an 80% stake in the building at 4747 Bethesda Avenue to Divco West Services, LLC for \$196 million (\$815 psf). This 300,508-square-foot Class A office building was 97.9% leased at sale.

700 Professional Drive sold to Baron Investment Services, LLC from The Humane Society of the United States for \$10 million (\$147 psf). This 67,808-square-foot Class B office building was sold as a redevelopment opportunity.

10 YEAR AVERAGES 2013 - 2022		
TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
<b>281,000</b> PER YEAR	<b>547,000</b> PER YEAR	<b>4.3 M</b> PER YEAR

MARKET STATS 2Q 2023		
INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
<b>92.1 M</b>	<b>15.5%</b>	<b>16.8%</b>

YTD 2023 ABSORPTION (SF)	YTD 2023 LEASING ACTIVITY (SF)	UNDER CONSTRUCTION	PRE-LEASED	YTD 2023 DELIVERIES (SF)
<b>-149,000</b>	<b>1.0 M</b>	<b>641,000</b>	<b>32.2%</b>	<b>0</b>

ASKING RENTAL RATES (FULL SERVICE)		
2013	2022	YTD 2023
<b>\$25.86</b> PSF	<b>\$29.57</b> PSF	<b>\$29.81</b> PSF