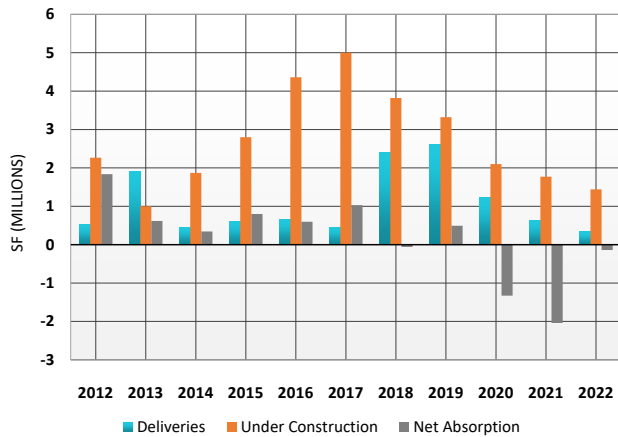


Market Spotlight - Mid 1Q 2022

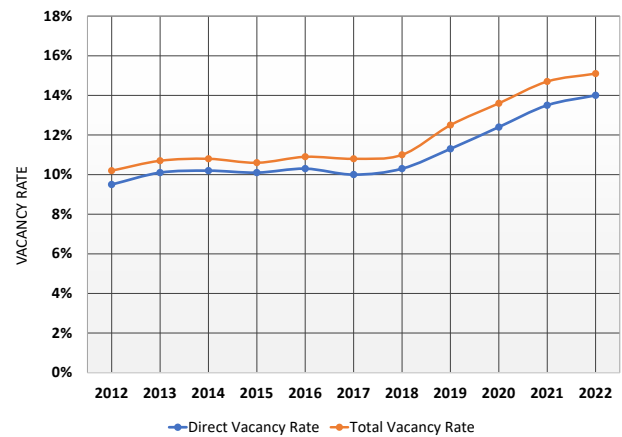
Washington, DC



DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



VACANCY RATE



HIGHLIGHTS

Midway through the first quarter, the total vacancy rate in the Washington, DC Market increased to 15.1%, up from 14.7% at the end of the fourth quarter.

A total of 3,284,000 square feet of sublease space is currently available in The District, representing a 145,000-square-foot reduction in available sublease space since the end of the fourth quarter 2021.

The DC Market has recorded **-137,881** square feet of net absorption through the first half of the first quarter. Contributing to the negative net absorption was the DC Office of the Attorney General vacating 345,776 square feet at 555 4th Street, NW (relocated to 601 D Street, NW) and the International Baccalaureate Organization (IBO) downsizing 57,148 square feet at 3950 Wisconsin Avenue, NW.

A total of 680,899 square feet has leased thus far in the first quarter. Tenants executing leases this quarter include Foley & Lardner renewing 89,039 square feet at 3000 K Street, NW and PhRMA signing a 76,470-square-foot pre-lease at 670 Maine Avenue, SW - *The Wharf* (will relocate from 950 F Street, NW).

1275 New Jersey Avenue, SE (330,000 sf) delivered 88% leased to Chemonics. Five buildings, totaling 1,442,203 square feet, remain under construction. No additional buildings are expected to deliver or break ground during the remainder of the first quarter.

2121 Wisconsin Avenue, NW sold to Marx Realty from The JBG Companies for \$27,700,000 (\$252 psf). The 110,000-square-foot, Class B building was 92.9% leased at time of sale.

10 YEAR AVERAGES 2012 - 2021

TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
466k PER YEAR	1.4 M PER YEAR	9.6 M PER YEAR

MARKET STATS 1Q 2022

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
156.6 M	14.0%	15.1%

YTD 2022 ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	PRE-LEASED	DELIVERIES (SF)
-138k	681k	1.4 M	64%	330k

ASKING RENTAL RATES (FULL SERVICE)

2012	2021	YTD 2022
\$50.78 PSF	\$53.55 PSF	\$53.35 PSF