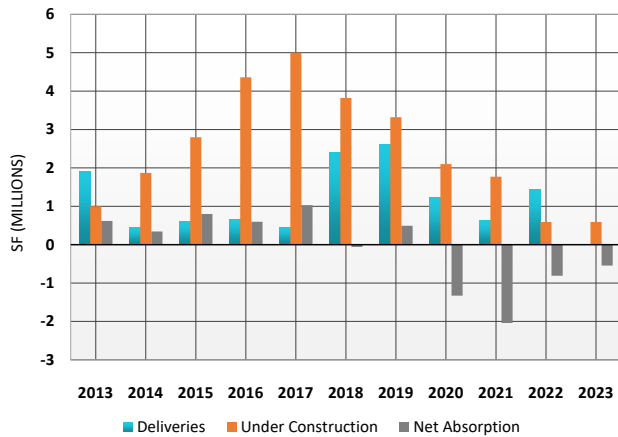


# Market Spotlight - Mid 1Q 2023

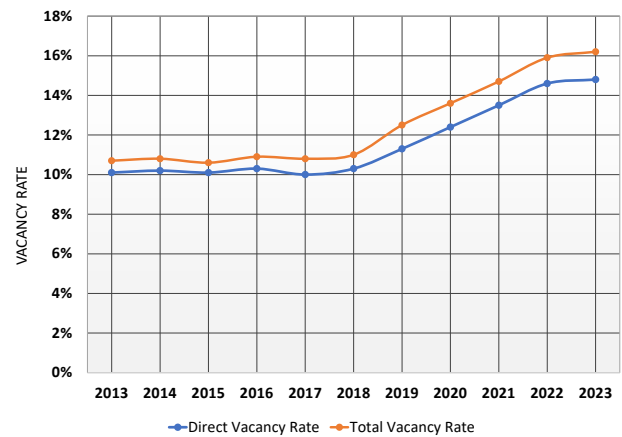
## Washington, DC



### DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



### VACANCY RATE



### HIGHLIGHTS

Midway through the first quarter 2023, the total vacancy rate in the Washington, DC Market increased to 16.2%, up from 15.9% at the end of the fourth quarter 2022.

A total of 3,716,503 square feet of sublease space is currently available in DC, representing a 2,800-square-foot increase in available sublease space since the end of the fourth quarter 2022.

The DC Market has recorded **-546,551** square feet of net absorption quarter-to-date. Tenants contributing to the negative net absorption include the FBI vacating 114,012 square feet at 616 H Street, NW and law firm Foley & Lardner giving back 63,633 square feet at 3000 K Street, NW.

A total of 635,999 square feet has leased thus far in the first quarter. Tenants executing leases this quarter include the Atlantic Council signing for 79,663 square feet at 1400 L Street, NW and Cadwalader signing for 42,481 square feet at 1919 Pennsylvania Avenue, NW.

There are two buildings currently under construction, totaling 592,000 square feet. 3924 Minnesota Avenue, NE (258,500 SF, 100% pre-leased) is expected to deliver at the end of the first quarter 2023, while 1700 M Street, NW (334,000 SF, 49% pre-leased) is expected to deliver in the second quarter 2024.

2021 K Street, NW sold to Welltower from TF Cornerstone for \$78,250,000 (\$483 psf) and 2626 Pennsylvania Avenue, NW sold to Velocity Property Management from The Salvation Army for \$17,000,000. 2626 Pennsylvania is expected to be converted into residential condos.

### 10 YEAR AVERAGES

2013 - 2022

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

### MARKET STATS 1Q 2023

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
<b>159.0 M</b>	<b>14.8%</b>	<b>16.2%</b>

YTD 2023 ABSORPTION (SF)	YTD 2023 LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	PRE-LEASED	YTD 2023 DELIVERIES (SF)
<b>-547k</b>	<b>636k</b>	<b>592k</b>	<b>72%</b>	<b>0</b>

### ASKING RENTAL RATES (FULL SERVICE)

2013	2022	YTD 2023
<b>\$48.97</b> PSF	<b>\$53.02</b> PSF	<b>\$53.06</b> PSF