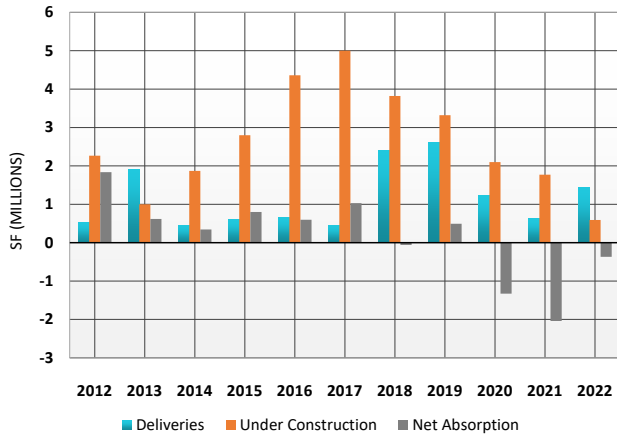


Market Spotlight - Mid 3Q 2022

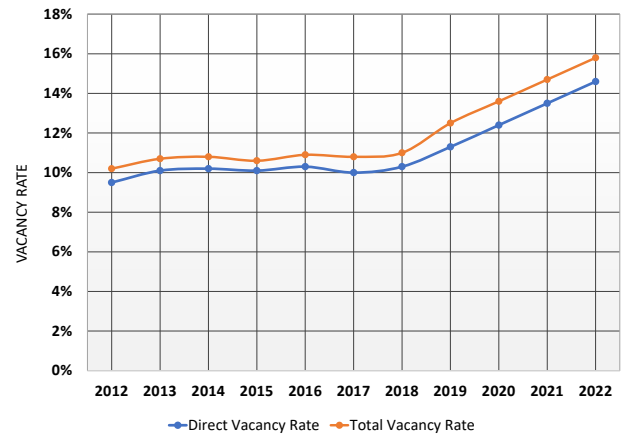
Washington, DC



DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



VACANCY RATE



HIGHLIGHTS

Midway through the third quarter, the total vacancy rate in the Washington, DC Market increased to 15.8%, up from 15.3% at the end of the second quarter.

A total of 3,659,000 square feet of sublease space is currently available in DC, representing a 121,000-square-foot increase in available sublease space since the end of the second quarter.

The DC Market has recorded **-20,899** square feet of net absorption quarter-to-date. Contributing to the negative net absorption included Rothwell Figg vacating 37,645 square feet at 607 14th Street, NW and the North American Electric Reliability Corporation (NERC) vacating 32,141 square feet at 1325 G Street, NW.

A total of 449,362 square feet has leased thus far in the third quarter. Tenants executing leases this quarter include Mortgage Bankers Association renewing 32,986 square feet at 1919 M Street, NW, Stein Mitchell subleasing 27,138 square feet at 2000 K Street, NW, and the Department of Employment Services signing for 23,048 square feet at 1717 H Street, NW.

2100 Pennsylvania Avenue, NW completed construction, delivering 469,000 square feet of trophy class space to the CBD. The building delivered 66% leased to a roster of tenants including WilmarHale, Arnall Golden Gregory, and the Royal Bank of Canada.

1801 L Street, NW sold to Empire Leasing from The Kaplan Family for \$64,750,000 (\$324 psf). The Class A building was 79.5% leased at time of sale, and traded at a 5.35% Cap Rate.

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

3Q 2022

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
158.8 M	14.6%	15.8%

YTD 2022 ABSORPTION (SF)	YTD 2022 LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	PRE-LEASED	YTD 2022 DELIVERIES (SF)
-368k	4.7 M	592k	71%	1.4 M

ASKING RENTAL RATES (FULL SERVICE)

2012	2021	YTD 2022
\$50.78 PSF	\$53.55 PSF	\$53.08 PSF