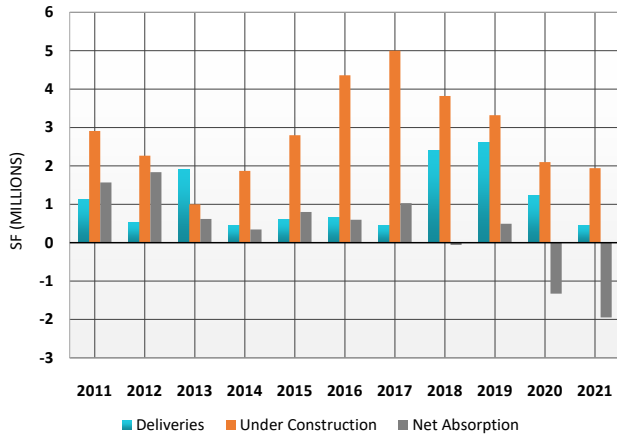


Market Spotlight - Mid 4Q 2021

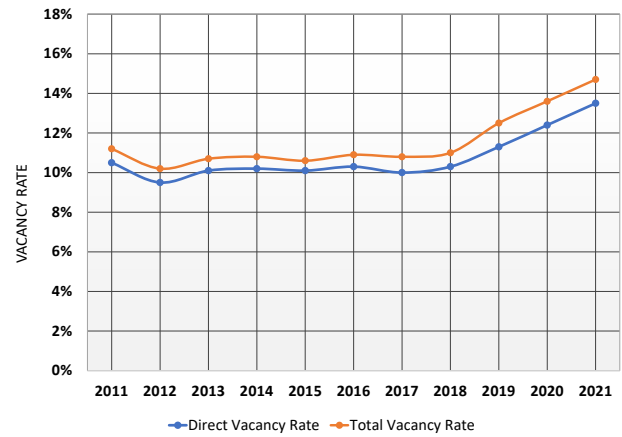
Washington, DC



DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



VACANCY RATE



HIGHLIGHTS

Midway through the fourth quarter, the total vacancy rate in the Washington, DC Market has remained flat at 14.7%.

The amount of sublease space available has increased approximately 122,000 square feet since the start of the fourth quarter. Approximately 3,534,000 square feet of sublease space is currently available in The District.

The DC Market has recorded **-11,219** square feet of net absorption through the first half of the fourth quarter. While absorption is slightly negative for the quarter, tenants taking occupancy of space include Children's National moving into 24,023 square feet at 641 S Street, NW and the American Council of Engineering Companies moving into 15,948 square feet at 1400 L Street, NW.

A total of 488,446 square feet has leased thus far in the fourth quarter. Tenants executing leases this quarter include newly established Elias Law Group signing for 54,122 square feet at 250 Massachusetts Avenue, NW (the building's first tenant).

1700 M Street, NW (334,000 sf) broke ground this quarter having recently signed a 163,750-square-foot pre-lease with law firm Gibson Dunn.

Two buildings have sold in the fourth quarter. 1530 P Street, NW sold to the Embassy of Qatar from the Carnegie Institution for Science for \$65,000,000 (\$1,256 psf). This was an owner/user purchase for Qatar, their embassy will be the building's sole occupant. Rockwood Capital purchased a 49% interest in 655 New York Avenue, NW from Douglas Development Corporation and Brookfield for \$388.6 million (\$946 psf).

10 YEAR AVERAGES 2011 - 2020

TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
811,000 PER YEAR	1.4 M PER YEAR	9.9 M PER YEAR

MARKET STATS 4Q 2021

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
156.7 M	13.5%	14.7%

YTD 2021 ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	PRE-LEASED	DELIVERIES (SF)
-1.9 M	6.9 M	1.9 M	58%	454k

ASKING RENTAL RATES (FULL SERVICE)

2011	2020	YTD 2021
\$49.57 PSF	\$53.24 PSF	\$53.43 PSF