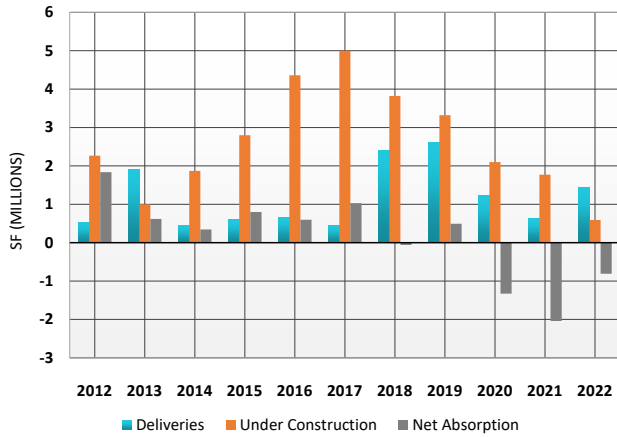


# Market Spotlight - Mid 4Q 2022

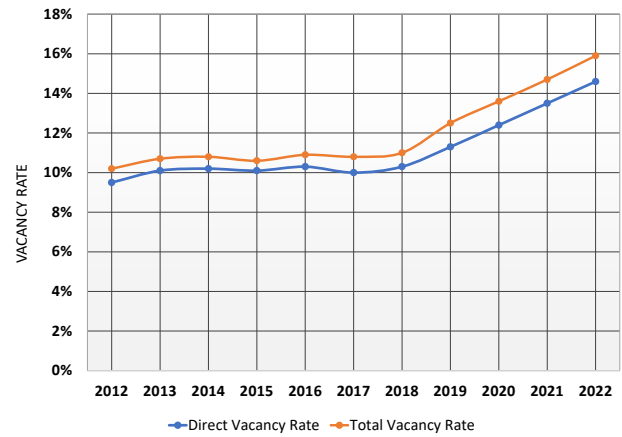
## Washington, DC



### 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 15.9%.

A total of 3,573,354 square feet of sublease space is currently available in DC, representing a 126,600-square-foot decrease in available sublease space since the end of the third quarter.

The DC Market has recorded **-45,159** square feet of net absorption quarter-to-date. Tenants contributing to the negative net absorption include Lewis Baach vacating 22,204 square feet at 1101 New York Avenue, NW.

A total of 667,047 square feet has leased thus far in the fourth quarter. Tenants executing leases this quarter include Orrick signing for 67,504 square feet at 2100 Pennsylvania Avenue, NW, National Fish & Wildlife Foundation signing for 62,039 square feet at 1625 Eye Street, NW, and Gryphon Technologies renewing 24,224 square feet at 80 M Street, SE.

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

1010 Vermont Avenue, NW sold to Altus Realty from Pembroke Real Estate for \$15,940,000 (\$252 psf) and 1735 K Street, NW sold to Bernstein Management Corporation from Beacon Capital Partners for \$15,500,000 (\$160 psf). Both buildings are expected to be converted into residential.

### 10 YEAR AVERAGES

2012 - 2021

TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
<b>466k</b> PER YEAR	<b>1.4 M</b> PER YEAR	<b>9.6 M</b> PER YEAR

### MARKET STATS 4Q 2022

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
<b>158.4 M</b>	<b>14.6%</b>	<b>15.9%</b>

YTD 2022 ABSORPTION (SF)	YTD 2022 LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	PRE-LEASED	YTD 2022 DELIVERIES (SF)
<b>-807k</b>	<b>5.4 M</b>	<b>592k</b>	<b>72%</b>	<b>1.4 M</b>

### ASKING RENTAL RATES (FULL SERVICE)

2012	2021	YTD 2022
<b>\$50.78</b> PSF	<b>\$53.55</b> PSF	<b>\$52.86</b> PSF