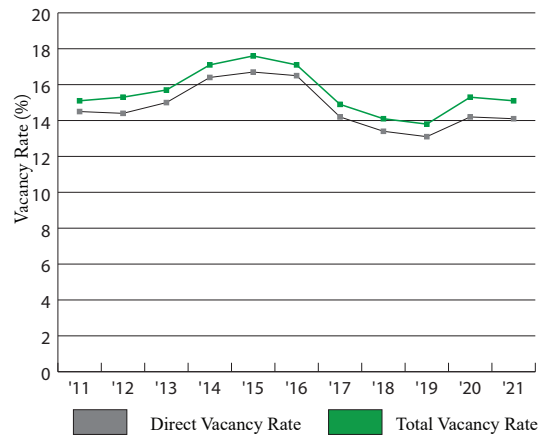
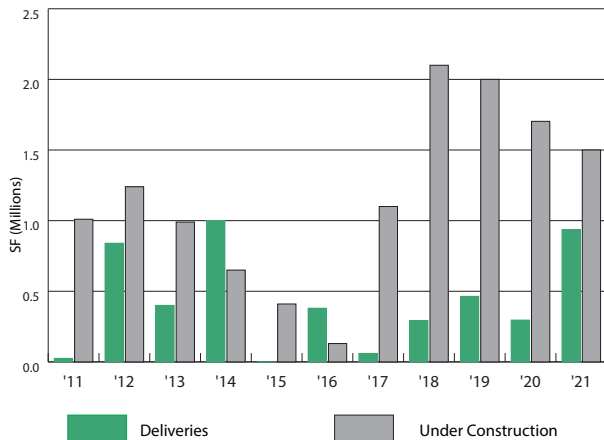


Market Spotlight

Suburban Maryland

Mid-1st Quarter 2021



Highlights

Midway through the first quarter of 2021, the direct vacancy rate in the Suburban Maryland market ticked down to 14.1%, while total vacancy decreased to 15.1%.

The Suburban Maryland market has recorded 510,711 square feet of net absorption through the first half of the first quarter. Contributing to the positive absorption was DHS taking occupancy of its recently delivered 574,767-square-foot headquarters at 1 Capital Gateway Drive, in Camp Springs.

Suburban Maryland has recorded 185,511 square feet of leasing activity quarter-to-date. This is a decrease from the 230,412 square feet leased mid-way through the fourth quarter 2020. Contributing to leasing activity was Perfect Office Solutions signing a 16,000-square-foot lease at 18310 Montgomery Village Avenue.

Five buildings, totaling 1,534,747 square feet, are currently under construction. The buildings include; 7373 Wisconsin Avenue (379,911 sf, 0% pre-leased), 9800 Medical Center Drive (97,196 sf, 0% pre-leased), 9800 Medical Center Drive - Building F (175,640 sf, 100% pre-leased), and Marriott's headquarters, 7750 Wisconsin Avenue (785,000 sf, 100% pre-leased), and 201 National Harbor Boulevard (97,000 sf, 61% pre-leased).

Two buildings have delivered in the first quarter. 7272 Wisconsin Avenue (362,643 sf) delivered 100% leased to tenants including; Walker & Dunlop, WeWork, Fox 5/WTTG-DC, ProShares, UBS, and Federal National Commercial Credit. The Department of Homeland Security's headquarters at 1 Capital Gateway Drive (574,767 sf) delivered as well; DHS is the sole occupant.

10 Year Averages (2011 - 2020)

Net Absorption	401,826 SF / Year
Deliveries	552,208 SF / Year
Leasing Activity	4.9 M SF / Year

Market Stats

Inventory	90.6 M SF
Direct Vacancy	14.1%
Total Vacancy	15.1%
YTD 2021 Absorption	510,711 SF
YTD 2021 Leasing Activity	185,511 SF
Under Construction	1,534,747 SF
Percent Pre-Leased	69%
YTD 2021 Deliveries	937,410 SF

Asking Rental Rates (PSF, Full Service)	2011: \$25.90	2020: \$27.93	YTD 2021: \$28.45
---	---------------	---------------	-------------------