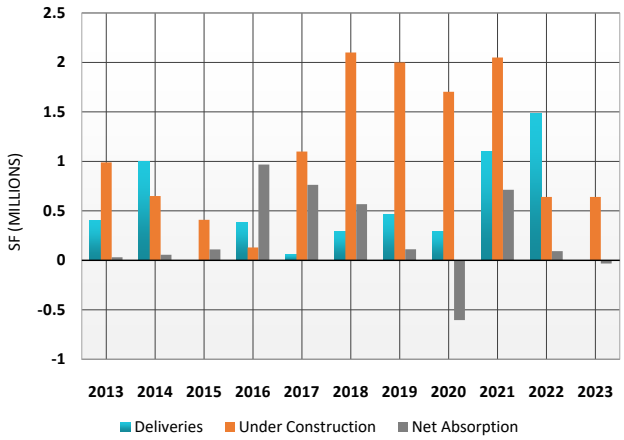
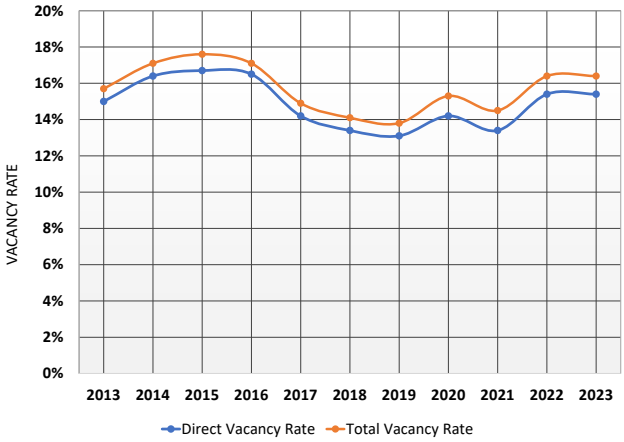
Market Spotlight - Mid 1Q 2023

# Suburban Maryland

### DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION




### VACANCY RATE




## HIGHLIGHTS

Mid-way through the first quarter of 2023, the direct vacancy rate in the Suburban Maryland market remained flat at 15.4%.The total vacancy remained flat at 16.4% mid-way through the first quarter of 2023.

The sublease vacancy rate remained flat at 1.2%, quarter-to-date. Sublease availability increased to 1.13 million square feet, quarter-to-date, up from 1.07 million square feet of available space in the fourth quarter.

The Suburban Maryland market has recorded -32,123 square feet of net absorption through the first half of the first quarter of 2023. Contributing to the negative absorption was Indiggo Associates vacating their 10,700-square-foot space at 4600 East-West Highway. This software company had decided to switch to fully remote work.

Suburban Maryland has recorded 244,515 square feet of leasing activity quarter-to-date. Contributing to leasing activity was Holy Cross Health signing a 38,740-square-foot renewal lease at 10720 Columbia Pike.

There are five buildings currently under construction, totaling 641,362 square feet. No buildings have delivered, nor broke ground quarter-to-date.

1 Taft Court sold to Montecito Medical Real Estate from William W. Bush IV for $14.28 million ($441 psf) at a 7.32% Cap Rate. This Class C medical office building was 100% leased at time of sale.

### 10 YEAR AVERAGES
2013 - 2022

| TOTAL ABSORPTION (SF) | DELIVERIES (SF) | LEASING ACTIVITY (SF) |
|---|---|---|
| 281 K PER YEAR | 547 K PER YEAR | 4.3 M PER YEAR |

### MARKET STATS 1Q 2023

| INVENTORY (SF) | DIRECT VACANCY | TOTAL VACANCY |
|---|---|---|
| 91.6 M | 15.4% | 16.4% |

| YTD 2023 ABSORPTION (SF) | YTD 2023 LEASING ACTIVITY (SF) | UNDER CONSTRUCTION | PRE-LEASED | YTD 2023 DELIVERIES (SF) |
|---|---|---|---|---|
| -32 K | 245 K | 641 K | 32.2% | 0 |

### ASKING RENTAL RATES (FULL SERVICE)

| 2013 | 2022 | YTD 2023 |
|---|---|---|
| $25.86 PSF | $29.57 PSF | $29.66 PSF |