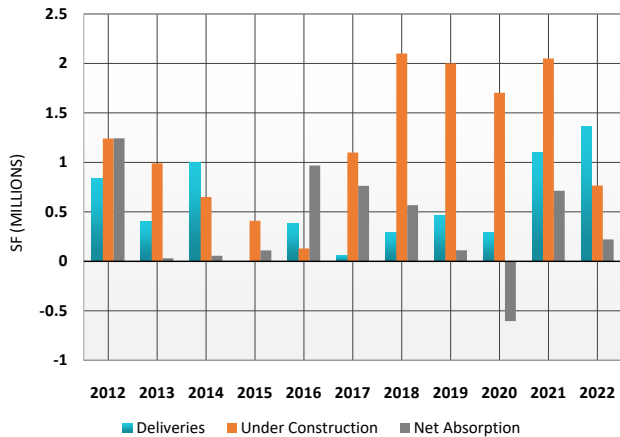


# Market Spotlight - Mid 4Q 2022

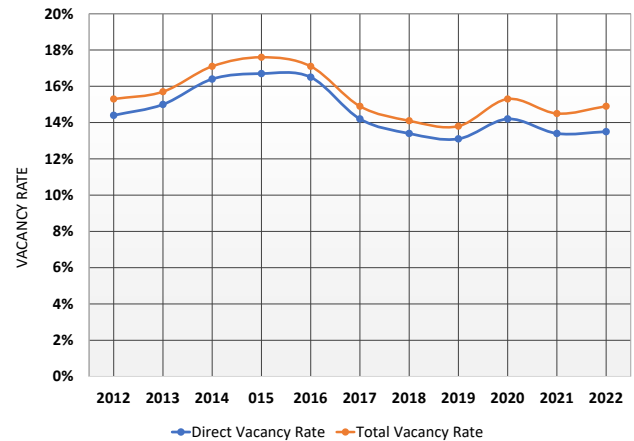
## Suburban Maryland



### DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



### VACANCY RATE



## HIGHLIGHTS

Mid-way through the fourth quarter, the direct vacancy rate in the Suburban Maryland market increased to 13.5%, up from 13.3% at the end of the third quarter. Total vacancy increased to 14.9% mid-way through the fourth quarter, up from 14.4% at the end of the third quarter.

The sublease vacancy rate increased to 1.2%, quarter-to-date, up from 1.1% in the third quarter. Sublease availability increased to 1.11 million square feet, quarter-to-date, up from 1.05 million square feet of available space in the third quarter.

The Suburban Maryland market has recorded **-120,478** square feet of net absorption through the first half of the fourth quarter. Tenants contributing to the negative absorption include TCR2 Therapeutics vacating their 84,264-square-foot space at 9950 Medical Center Drive and General Dynamics vacating their 29,249-square-foot space at 6003 Executive Boulevard.

Suburban Maryland has recorded 286,524 square feet of leasing activity quarter-to-date. Contributing to leasing activity was Montgomery College signing a 55,665-square-foot lease at 2221 Broadbirch Drive.

No buildings have delivered, nor broke ground quarter-to-date.

9601 Blackwell Road sold to Remedy Medical Properties from Invesco / Caddis for \$48.0 million (\$372 psf). This Class A medical/office building was 92.9% leased at time of sale.

### 10 YEAR AVERAGES 2012 - 2021

TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
<b>343 K</b> PER YEAR	<b>671 K</b> PER YEAR	<b>4.9 M</b> PER YEAR

### MARKET STATS 4Q 2022

INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
<b>91.3 M</b>	<b>13.5%</b>	<b>14.9%</b>

YTD 2022 ABSORPTION (SF)	YTD 2022 LEASING ACTIVITY (SF)	UNDER CONSTRUCTION	PRE-LEASED	YTD 2022 DELIVERIES (SF)
<b>221 K</b>	<b>3.4 M</b>	<b>766 K</b>	<b>20.4%</b>	<b>1.36 M</b>

### ASKING RENTAL RATES (FULL SERVICE)

2012	2021	YTD 2022
<b>\$25.62</b> PSF	<b>\$29.10</b> PSF	<b>\$29.75</b> PSF