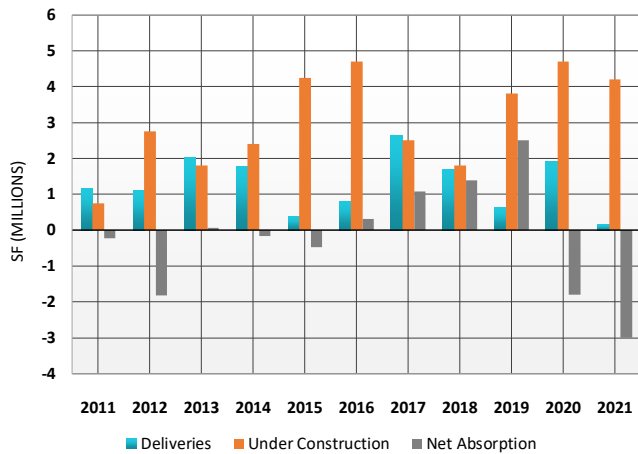


# Market Spotlight - Mid 3Q 2021

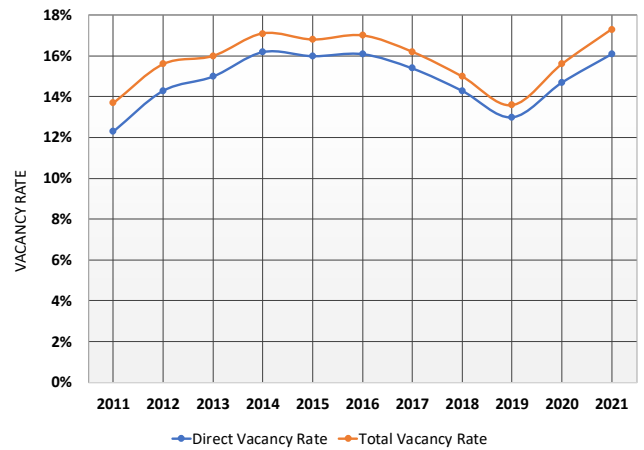
## Northern Virginia



### DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



### VACANCY RATE



### HIGHLIGHTS

Direct vacancy has remained flat at 16.1% from the second quarter 2021 to midway through the third quarter 2021, and has increased from 14.3% since the third quarter 2020. Total vacancy has remained flat at 17.3% from the second quarter 2021 to midway through the third quarter 2021, and has increased from 15.2% since the third quarter 2020.

Northern Virginia recorded **-192,699** square feet of net absorption midway through the third quarter 2021, bringing the year-to-date absorption to **-2,984,455** square feet. A contributor to the negative absorption was a 110,148 square-foot move out by CACI at Three Ballston Plaza - 1100 N. Glebe Road, located in the Rosslyn-Ballston Corridor submarket.

Halfway through the third quarter 2021 there has been 613,858 square feet of leasing activity, bringing the year-to-date total to 4,155,834 square feet. One of the largest leases signed quarter-to-date was a 42,700-square-foot renewal by Cox Communications at Lincoln Park I - 13900 Lincoln Park Drive, located in the Rt. 28 South submarket.

One of the largest sales transactions in the third quarter so far was the thirteen building portfolio sale acquired by Brookfield Properties from WashREIT. The 2,373,132-square-foot portfolio sold for \$766,000,000 (\$322.78 PSF). Seven of the thirteen buildings were located in Northern Virginia - 515 King Street, 510 King Street - *Courthouse Square*, 1005 N. Glebe Road - *Fairgate at Ballston*, 1300 N. 17th Street - *Arlington Tower*, 1600 Wilson Boulevard, 7900 Westpark Drive - *Silverline Center*, and 7902 Westpark Drive - *Terrace Building*.

### 10 YEAR AVERAGES 2011 - 2020

| TOTAL ABSORPTION (SF)      | DELIVERIES (SF)          | LEASING ACTIVITY (SF)     |
|----------------------------|--------------------------|---------------------------|
| <b>657,709</b><br>PER YEAR | <b>1.6 M</b><br>PER YEAR | <b>12.6 M</b><br>PER YEAR |

### MARKET STATS 3Q 2021

| INVENTORY (SF) | DIRECT VACANCY | TOTAL VACANCY |
|----------------|----------------|---------------|
| <b>188.2 M</b> | <b>16.1%</b>   | <b>17.3%</b>  |

| YTD 2021 ABSORPTION (SF) | YTD LEASING ACTIVITY (SF) | UNDER CONSTRUCTION | PRE-LEASED   | DELIVERIES (SF) |
|--------------------------|---------------------------|--------------------|--------------|-----------------|
| <b>-3.0 M</b>            | <b>4.2 M</b>              | <b>4.7 M</b>       | <b>83.9%</b> | <b>158K</b>     |

### ASKING RENTAL RATES (FULL SERVICE)

| 2011                  | 2020                  | YTD 2021              |
|-----------------------|-----------------------|-----------------------|
| <b>\$31.10</b><br>PSF | <b>\$33.09</b><br>PSF | <b>\$33.42</b><br>PSF |