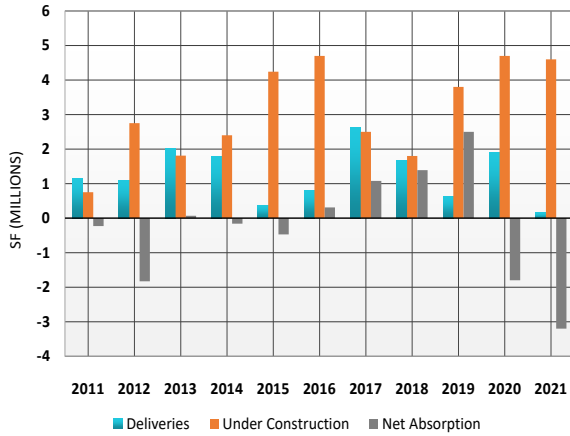


# Market Spotlight - Mid 4Q 2021

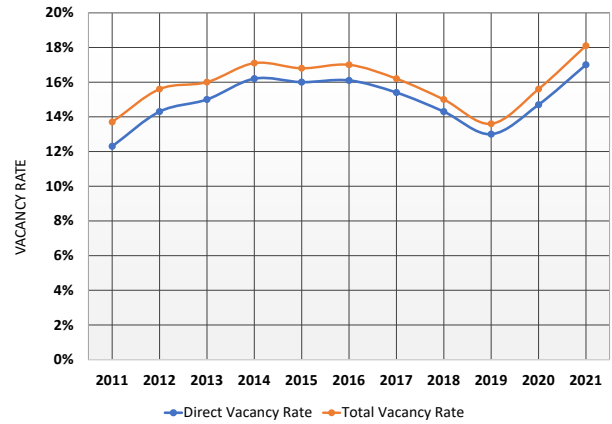
## Northern Virginia



### DELIVERIES / UNDER CONSTRUCTION / NET ABSORPTION



### VACANCY RATE



### HIGHLIGHTS

Direct vacancy has increased slightly from 16.9% in the third quarter 2021 to 17.0% halfway through the fourth quarter 2021, and has increased from 14.7% since the fourth quarter 2020. Total vacancy has increased from 16.9% from the third quarter 2021 to 18.1% midway through the fourth quarter 2021, and has increased from 15.6% since the fourth quarter 2020.

Northern Virginia recorded **-247,962** square feet of net absorption midway through the fourth quarter 2021, bringing the year-to-date absorption to **-3,270,645** square feet. A contributor to the negative absorption was Jacobs giving back 17,043 square feet at Three Ballston Plaza - 1100 N. Glebe Road, located in the Rosslyn-Ballston Corridor submarket. They still occupy 58,659 square feet of the building.

Halfway through the fourth quarter 2021 there has been 639,141 square feet of leasing activity, bringing the year-to-date total to 5,965,444 square feet. One of the largest leases signed quarter-to-date was a 53,221-square-foot extension by Sierra Nevada Corporation at 3076 Centerville Road located in the Rt. 28 South submarket.

One of the largest sales transactions in the fourth quarter so far was the 5 building portfolio sale acquired by Admiral Capital Group from Velocis. The 562,271-square-foot portfolio sold for \$45,170,000 (\$246.35 PSF). Two of the five buildings were located in Northern Virginia - 3120 Fairview Park Drive and 3112 Fairview Park Drive.

10 YEAR AVERAGES 2011 - 2020		
TOTAL ABSORPTION (SF)	DELIVERIES (SF)	LEASING ACTIVITY (SF)
<b>657,709</b> PER YEAR	<b>1.6 M</b> PER YEAR	<b>12.6 M</b> PER YEAR

MARKET STATS 4Q 2021		
INVENTORY (SF)	DIRECT VACANCY	TOTAL VACANCY
<b>188.2 M</b>	<b>17.0%</b>	<b>18.1%</b>

YTD 2021 ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION	PRE-LEASED	DELIVERIES (SF)
<b>-3.3 M</b>	<b>6.0 M</b>	<b>4.6 M</b>	<b>83.8%</b>	<b>158K</b>

ASKING RENTAL RATES (FULL SERVICE)		
2011	2020	YTD 2021
<b>\$31.10</b> PSF	<b>\$33.09</b> PSF	<b>\$33.53</b> PSF