



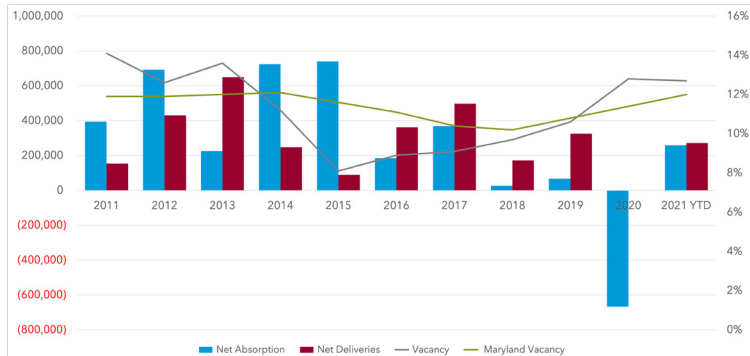
OFFICE MARKET OVERVIEW

BILL HARRISON, *Senior Vice President*

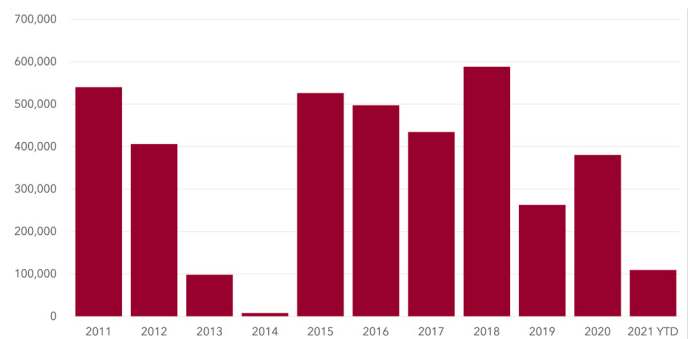
Fears of the Delta variant have further delayed some return to the office plans. This quarter's results still require further explanation. The delivery and occupancy of the 263,000 SF Hopkins APL building boosted Net Absorption numbers in Q2. Without a similar sized transaction, there was a slightly negative net absorption of (1,958) SF for this quarter. Vacancy rates remained stable at 12.7%, as did asking rental rates, which hovered around \$25-\$26.00/SF. The amount of space being offered for sublease has already decreased. The Greater Columbia market continues to outperform competing locations, led by heightened leasing activity from the medical and technology industries.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▼ Net Absorption SF	(1,958)	199,141	63,017	(183,332)	(243,871)
◀▶ Vacancy Rate	12.7%	12.7%	12.5%	12.8%	12.0%
▲ Avg NNN Asking Rate PSF	\$26.05	\$25.55	\$25.50	\$25.31	\$25.42
◀▶ SF Under Construction	109,255	109,255	372,255	380,655	271,400
▲ Inventory SF	22,855,063	22,822,063	22,559,063	22,550,663	22,550,663

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
10010 Junction Drive Annapolis Junction, MD	108,000 SF	\$7,800,000 \$72.22 PSF	Grander Capital Partners Emory Hill Real Estate	Class B
7226 Lee Deforest Dr, Suite 205 Columbia, MD	6,000 SF	\$1,190,000 \$198.33 PSF	Generic Dental Belagan LLC	Class B
8894 Stanford Blvd., Suite 404-405 Columbia, MD	3,973 SF	\$1,050,000 \$264.28 PSF	Stanford Blvd Holdings Premier Management	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6740 Alexander Bell Drive Columbia, MD	63,161 SF	Corporate Office Properties Trust	St. Agnes Medical	Medical
10170 Junction Drive Annapolis Junction, MD	11,176 SF	St. Johns Properties	Interclipse	Technology
7021 Columbia Gateway Drikve Columbia, MD	10,190 SF	Abrams Development Group	DigiFlight	Cybersecurity

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