



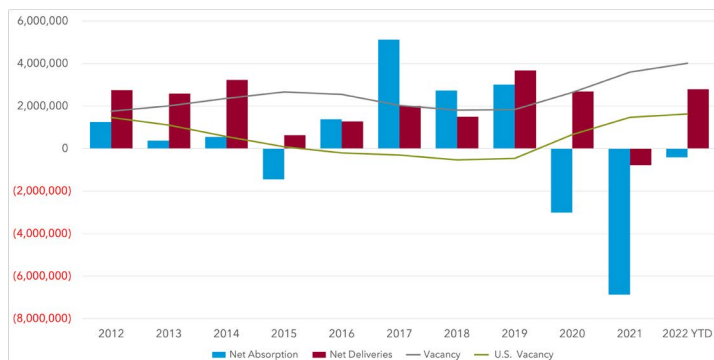
### OFFICE MARKET OVERVIEW

JOHN COLAN, *Senior Associate*

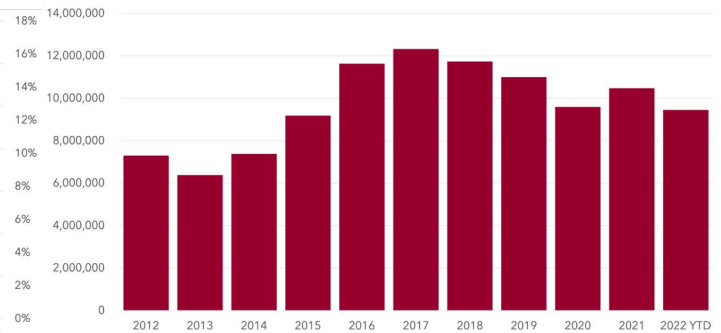
Washington's primary demand drivers like the federal government and Fortune 500 employers are still struggling to offset the negative impacts of the coronavirus pandemic. A decimated tourism sector has Washington's economy trailing the national benchmark in year-over-year job growth. Although short term prospects appear bleak, the long term looks far brighter. Much of the office recovery will rely on office-using employers, the most important being the federal government; recent announcements signify that the federal government will be sending its employees back to the office. Additionally, Amazon's HQ2 is under construction in National Landing, introducing a steady influx of high-paid workers to the DMV.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	(800,405)	(2,513,316)	(6,866,980)	(8,103,937)	(9,959,591)
▲ Vacancy Rate	15.3%	15.0%	14.9%	14.9%	14.9%
▲ Avg FSG Asking Rate PSF	\$38.78	\$38.75	\$38.74	\$38.77	\$38.91
▲ SF Under Construction	9,930,539	9,804,790	10,470,999	9,983,156	9,649,101
▲ Inventory SF	515,921,754	514,816,803	513,563,702	513,862,651	514,218,834

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1875 Connecticut Avenue NW Washington, DC	383,000 SF	\$101,521,220 \$265.07 PSF	Post Brothers JBG Smith Properties	Class A
2200 Clarendon Boulevard Arlington, VA	362,000 SF	\$99,421,913 \$274.65 PSF	Fortress Investment Group JBG Smith Properties	Class A
1825 Connecticut Avenue NW Washington, DC	302,000 SF	\$102,178,780 \$338.34 PSF	Post Brothers JBG Smith Properties	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
555 4th Street NW Washington, DC	327,565 SF	NSP Ventures Corp.	GSA - Justice	Public Administration
2340 Dulles Corner Boulevard Herndon, VA	200,943 SF	Brandywine Realty Trust	T - Mobile	Information
460 Herndon Parkway Herndon, VA	186,781 SF	Turnbridge Equities	Boeing	Manufacturing

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