



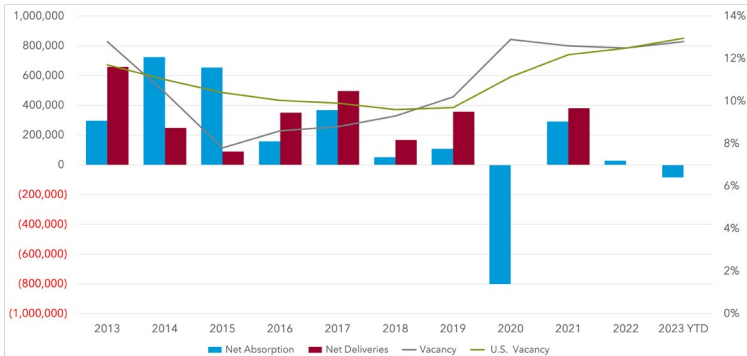
OFFICE MARKET OVERVIEW

BILL HARRISON, *Senior Vice President*

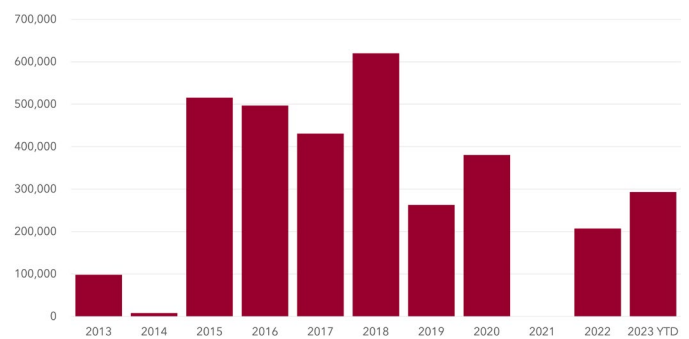
The first quarter of 2023 didn't get off to the best start. Direct net absorption for Q1 was a negative (82,849 SF) with the vacancy rate increasing slightly to 12.8% versus the 12.5% level seen in Q4 2022. There were several notable office leases completed in the quarter, at 10960 Grantchester Way, 7221 Lee Deforest Drive, and 7021 Columbia Gateway Drive. Asking rates increased slightly to \$25.52 from \$25.43 in Q4. Class A product with attractive facilities and locations continues to win the new tenants when pitted against B and C level product.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ Net Absorption SF	(79,633)	39,849	112,007	49,897	73,694
▲ Vacancy Rate	12.8%	12.5%	12.7%	13.1%	12.9%
▲ Avg NNN Asking Rate PSF	\$25.52	\$25.43	\$25.25	\$26.47	\$26.43
▲ SF Under Construction	293,200	207,200	120,000	90,000	80,000
◀ ▶ Inventory SF	22,838,250	22,838,250	22,838,250	22,838,250	22,838,250

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7178-7180 Columbia Gateway Drive Columbia, MD	87,562 SF	\$8,325,000 \$95.08 PSF	7178 Columbia Gateway LLC Universities Space Research Assoc	Class B
14750 Sweitzer Lane Laurel, MD	14,034 SF	\$2,650,000 \$188.83 PSF	Total Environmental Concepts American Inst of Ultrasound in Medicine	Class B
7226 Lee Deforest Drive Unit 102 Columbia, MD	5,997 SF	\$1,425,000 \$237.62 PSF	Neurology Practice EMCEE LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
10960 Grantchester Way Columbia, MD	23,707 SF	Howard Hughes	Enlighten IT	Technology
7221 Lee Deforest Drive Columbia, MD	15,372 SF	Abrams Development	Maxim	Technology
7021 Columbia Gateway Drive Columbia, MD	11,816 SF	Abrams Development	Offit Kurman	Law

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