



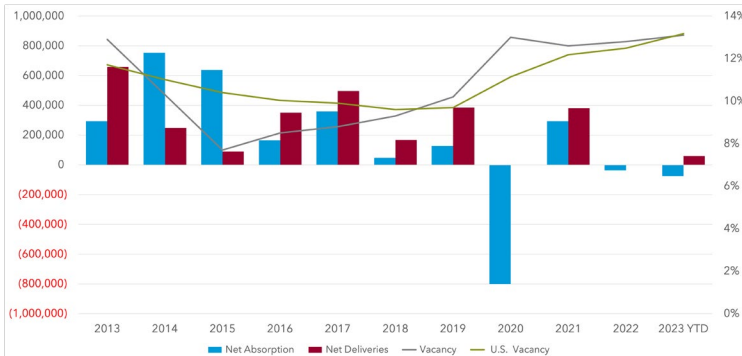
OFFICE MARKET OVERVIEW

BILL HARRISON, *Senior Vice President*

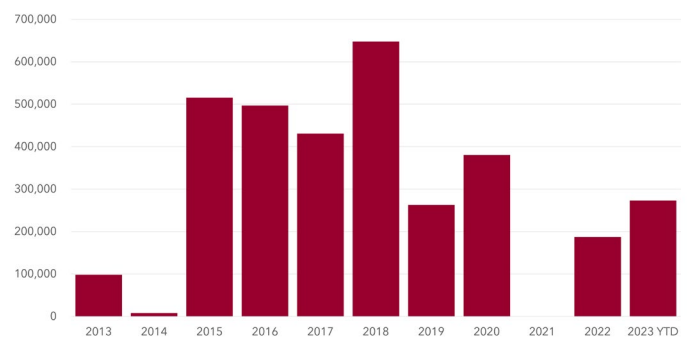
As we hit the halfway point of the year, it is time to examine some of the details of Q2. Direct net absorption for Q2 was a positive 9,608 SF with the vacancy rate decreasing slightly to 12.9% versus the 13% level seen in Q1 2023. There were several notable office leases completed in the quarter - 9055 Guilford Road, 6522 Meadowridge Road, and 7090 Samuel Morse Drive. Asking rates decreased slightly to \$25.47 from \$25.53 in Q1 2023. Medical and government related tenants continue to be strong prospects in the market compared to generic office users.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▲ Net Absorption SF	9,608	(45,333)	(24,372)	111,107	(48,897)
▼ Vacancy Rate	12.9%	13.0%	12.8%	12.7%	13.2%
▼ Avg NNN Asking Rate PSF	\$25.47	\$25.53	\$25.43	\$25.25	\$26.47
◀ ▶ SF Under Construction	273,200	273,200	187,200	100,000	70,000
▲ Inventory SF	22,855,584	22,795,584	22,795,584	22,795,584	22,795,584

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6522 Meadowridge Road Elkridge, MD	30,450 SF	\$4,022,200 \$132.09 PSF	Genesis GSA Strategic One LLC Firestone Consulting	Class B
9011 Chevrolet Drive Ellicott City, MD	19,259 SF	\$3,250,000 \$168.75 PSF	Kenwood Management Company KMS Associates LLC	Class C
13976 Laurel Lakes Ave- 2nd Floor Laurel, MD	4,915 SF	\$800,000 \$162.77 PSF	Burgos & Associates, Inc. Laurel Children's Clinic	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9055 Guilford Road Columbia, MD	76,303 SF	Adler Real Estate Partners	Johns Hopkins Applied Physics Lab	Defense Contractor
6522 Meadowridge Road Elkridge, MD	30,450 SF	Genesis GSA Strategic One LLC	GSA Immigration and Customs Enforcement	Public Administration
7090 Samuel Morse Drive Columbia, MD	15,191 SF	Abrams Development Group	Howard County	Public Administration

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