



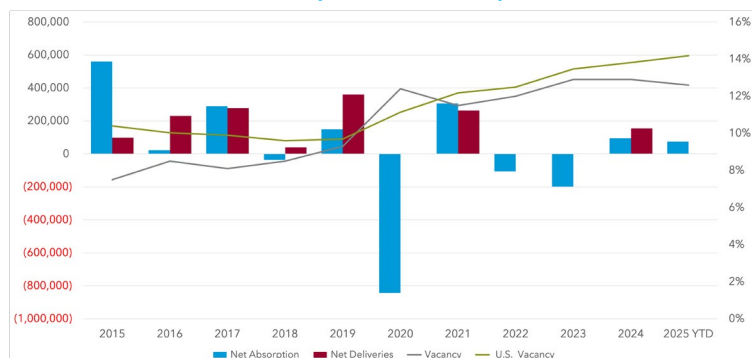
OFFICE MARKET OVERVIEW

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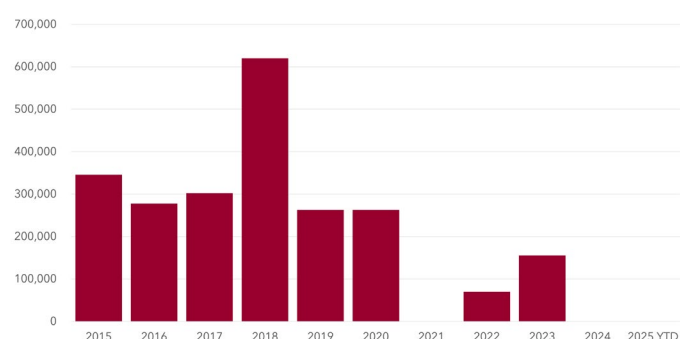
Maryland's office sector remains in a prolonged reset. Vacancy climbed to 29.47% in Q3, as tenants continue to shed space amid hybrid work trends and economic caution. Leasing activity was modest, led by public and nonprofit users, while absorption stayed negative for the fifth straight quarter. Pricing held steady, but investor sentiment softened reflected in rising cap rates and declining sale prices. Construction remains frozen, with no new deliveries in sight. Despite the turbulence, select assets are trading, and mission-driven tenants are anchoring pockets of stability in an otherwise challenging landscape.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(2,321,620)	(2,141,571)	(1,537,579)	(2,289,482)	(2,208,965)
▲ Vacancy Rate	29.47%	28.85%	28.24%	27.18%	26.75%
◀ ▶ Avg NNN Asking Rent PSF	\$29.15	\$29.15	\$29.21	\$29.06	\$28.99
▼ Sale Price PSF	\$181.57	\$182.43	\$186.71	\$185.43	\$188.43
▲ Cap Rate	9.97%	9.91%	9.80%	9.80%	9.77%
◀ ▶ Under Construction	231,500	231,500	231,500	231,500	231,500
▲ Inventory	85,021,642	85,016,414	85,016,140	85,016,414	85,016,414

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7501 Greenway Center Drive Greenbelt, MD	187,040 SF	\$26,446,417 \$141.39 PSF	Chicago Pacific Founders Leah Waldman / Skyrock Capital	Class A
4 N. Park Drive Hunt Valley, MD	127,128 SF	\$7,838,242 \$61.66 PSF	St. John Properties Quadrel Realty Group	Class B
231 E. Baltimore Street Baltimore, MD	105,994 SF	\$1,962,150 \$18.51 PSF	Yan Chen Associates, Inc. Prashant Patel	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4416 Wilkens Avenue Baltimore, MD	45,536 SF	Our Lady Of Victory Roman Catholoc Congre	Our Lady of Victory School	Education
425 Brightseat Road Landover, MD	45,000 SF	Douglas Development Corporation	Prince George's Social Services	Social Services
226 Schilling Circle Hunt Valley, MD	35,209 SF	Merritt Properties	Undisclosed	Undisclosed

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