



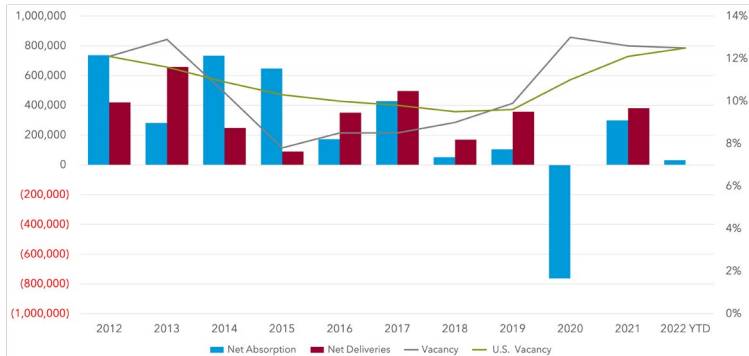
OFFICE MARKET OVERVIEW

BILL HARRISON, *Senior Vice President*

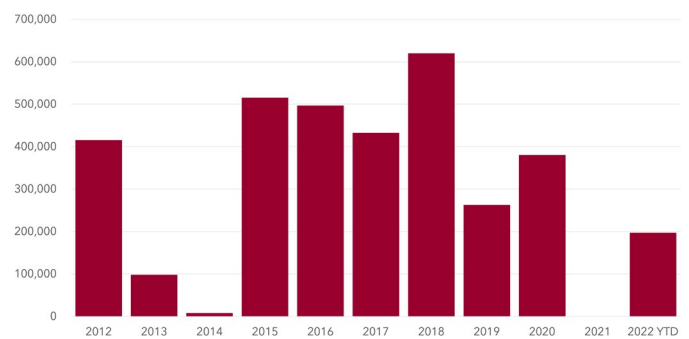
The office market continues to have its up and downs but with more positive numbers to report this quarter. Direct net absorption for Q3 2022 increased to 104,007 SF with the vacancy rate dropping to 12.7% versus the 13.2% level seen in Q2 2022. Although there were a few notable office deals completed in the Quarter, the full building lease at 8130 Maple Lawn Blvd sure helped this quarters numbers. A 109,246 SF deal with Johns Hopkins as the tenant made a difference in this market. Asking rates decreased slightly to \$25.27. Class A product with attractive facilities and locations continue to win the new tenants when pitted against B and C level product.

| MARKET INDICATORS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|---------------------------|------------|------------|------------|------------|------------|
| ▲ Net Absorption SF | 104,007 | (48,987) | (73,694) | (32,708) | (545) |
| ▼ Vacancy Rate | 12.7% | 13.2% | 12.9% | 12.6% | 12.0% |
| ▼ Avg NNN Asking Rate PSF | \$25.27 | \$26.48 | \$26.45 | \$26.10 | \$26.05 |
| ▲ SF Under Construction | 197,200 | 80,000 | 80,000 | - | . |
| ▼ Inventory SF | 22,792,445 | 22,795,445 | 22,795,445 | 22,795,445 | 22,792,445 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|-----------|------------------------------|---|----------------|
| 7700 Montpelier Road Laurel, MD | 43,785 SF | \$12,375,000 \$282.63 PSF | Trombone, LLC Syndicated Equities | Class B |
| 7230 Lee Deforest Dr, Ste 200 & 204 Columbia, MD (Auction Sale) | 26,179 SF | \$1,800,000 \$68.76 PSF | WesBanco Bank Hallam Williams | Class B |
| 9115 Guilford Road Columbia, MD | 22,300 SF | \$3,225,000 \$144.62 PSF | MD Turkish America Inhabitants Inc. MD Department of the Environment | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|------------|-------------------------------|--------------|---|
| 8130 Maple Lawn Boulevard Fulton, MD | 109,246 SF | St. Johns Properties | John Hopkins | Professional, Scientific, and Technical Services |
| 9140 Guilford Road Columbia, MD | 12,026 SF | Adler Real Estate Partners | Undisclosed | Undisclosed |
| 7135 Minstrel Way Columbia, MD | 7,634 SF | Platt Development Group | Oasis | Engineering Services |

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