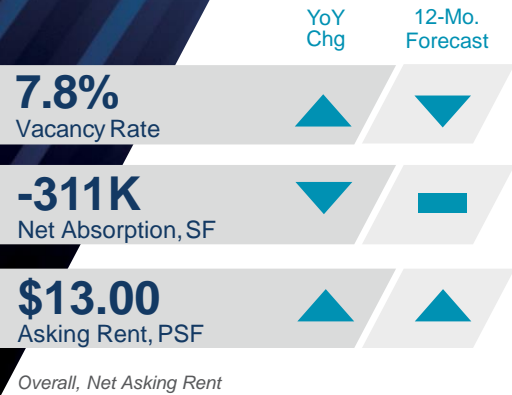


Suburban Maryland

Industrial Q4 2023



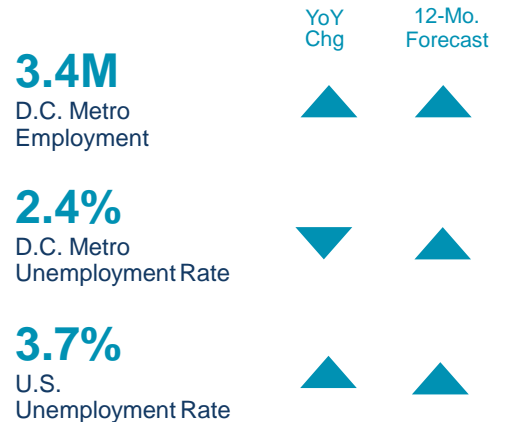
Supply: Nearly 1.8 msf Delivered in 2023

Suburban Maryland (SMD) delivered nearly 1.8 million square feet (msf) across 10 buildings throughout 2023, which are currently 47% leased. Frederick County made up the bulk of deliveries in SMD with 64%, or 1,129,520 sf, of new construction. In Q4, two projects were completed for a total of 726,200 sf in Frederick County. This includes Trammell Crow's 684,000 sf development at 9051 Gas House Pike, which is 41% preleased to Metrie- the molding manufacturer is expected to move into 278,160 sf in early 2024. Rice Tire moved into the 52,200 sf that delivered at 1524 Tilco Dr in Q4. Prince George's County makes up the remaining 236,000 sf in the pipeline set to deliver in the first half of 2024 across two projects at 6400 Sheriff Rd and 801 Prince George's Blvd. Appliance part supplier Tribble leased 102,000 sf at 801 Prince George's Blvd and Trammel Crow's 133,200 sf development at 6400 Sheriff Rd is currently vacant.

Absorption: Large Sublease Added to Market

SMD registered 371,750 sf of negative absorption in Q4, bringing 2023 absorption to negative 326,256 sf. Office services (OS) product recorded 38,438 sf of positive absorption while warehouse and distribution (W/D) facilities yielded 410,188 sf of negative absorption. Absorption trended negative after XPO put nearly 400,000 sf on the sublease market at 14301 Mattawoman Dr in Oxon Hill. Landover/Lanham and Frederick trended positive in Q4 after Fulfillment Strategies International took 55,130 sf in Landover and Rice Tire moved into 52,200 sf in Frederick. These submarkets benefit from the proximity to Washington, DC and Baltimore and tenants that prefer newer inventory. This is evident as all buildings built in 2023 are currently 47% leased. Absorption trended downward year-over-year (YOY) as several tenants closed locations or put space on the sublet market.

ECONOMIC INDICATORS Q4 2023



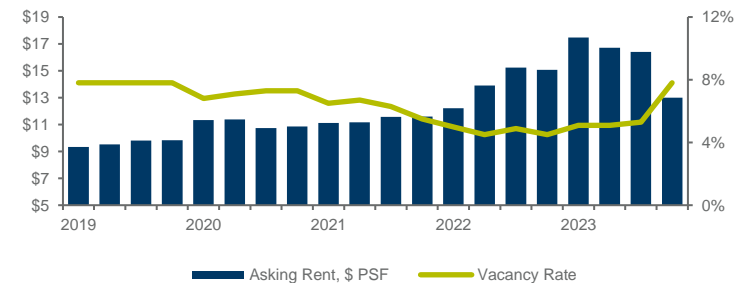
Demand: New Leasing Activity Down YOY

New leasing activity decreased 44% from Q3 2023 to 179,903 sf signed in Q4 and was down 68% YOY. OS product yielded 79,545 sf and W/D logged 100,358 sf of new leasing activity in Q4. Prince George's County inked 71% of new leasing with 127,631 sf recorded in Q4. This was driven by Landover/Lanham recording 63,947 sf- two tenants made up the bulk of this leasing as GIC took 33,984 sf at 845 Hampton Park Blvd and Scaffold Resource inked 16,368 sf at 4816-4881 Walden Ln. In 2023, new leasing measured just over 1.9 msf, down 13% YOY, while renewals totaled 829,841 sf, up 47% YOY. In 2023, Frederick accounted for 46% of new leasing with 899,044 sf inked while Prince George's County yielded 860,780 sf signed, 44% of new leasing. Of the submarkets, Landover/Lanham recorded 440,220 sf, 51% of new leasing in Prince George's. Prince George's made up 85% of renewal activity with 704,178 sf re-signed.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Source: BLS

Suburban Maryland

Industrial Q4 2023



MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | OVERALL VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | UNDER CNSTR (SF) | CONSTR COMPLETIONS (SF) | OVERALL WEIGHTED AVG NET RENT (OS) | OVERALL WEIGHTED AVG NET RENT (W/D) |
|---------------------------------|-------------------|---------------------|----------------------|---|---------------------------------|------------------|-------------------------|------------------------------------|-------------------------------------|
| Montgomery County | 14,075,922 | 897,961 | 6.4% | 1,415 | -50,097 | 0 | 330,000 | \$20.15 | \$15.81 |
| North Bethesda-Rockville | 6,614,508 | 383,824 | 5.8% | 14,834 | -59,080 | 0 | 0 | \$22.70 | \$16.94 |
| Gaithersburg-Germantown | 7,461,414 | 514,137 | 6.9% | -13,419 | 8,983 | 0 | 330,000 | \$14.68 | \$14.39 |
| Prince George's County | 32,798,778 | 1,598,682 | 4.9% | -373,165 | -276,159 | 235,577 | 180,000 | \$12.82 | \$9.10 |
| Beltsville-College Park | 6,940,918 | 243,555 | 3.5% | -2,491 | -27,549 | 0 | 0 | \$11.23 | \$10.23 |
| Laurel | 2,836,861 | 18,332 | 0.6% | -1,625 | 9,268 | 0 | 0 | \$16.50 | N/A |
| Landover/Lanham | 15,138,410 | 715,949 | 4.7% | 37,868 | 110,258 | 133,200 | 180,000 | \$14.31 | \$15.55 |
| Bowie | 2,495,404 | 21,944 | 0.9% | -4,000 | 28,620 | 102,377 | 0 | \$12.50 | N/A |
| Oxon Hill/Suitland | 5,387,185 | 598,902 | 11.1% | -402,917 | -396,756 | 0 | 0 | N/A | \$7.75 |
| Frederick County | 3,879,704 | 1,486,078 | 38.3% | 60,815 | 204,211 | 0 | 1,129,520 | \$17.00 | N/A |
| SUBURBAN MARYLAND TOTALS | 50,754,404 | 3,982,721 | 7.8% | -310,935 | -122,045 | 235,577 | 1,639,520 | \$17.88 | \$10.75 |

*Rental rates reflect weighted net asking \$psf/year

OS = Office Service/Flex W/D = Warehouse/Distribution

| TYPE | INVENTORY (SF) | OVERALL VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | UNDER CNSTR (SF) | CONSTR COMPLETIONS (SF) | OVERALL WEIGHTED AVG NET RENT |
|--------------------------|----------------|---------------------|----------------------|---|---------------------------------|------------------|-------------------------|-------------------------------|
| Warehouse / Distribution | 35,815,452 | 3,256,999 | 9.1% | -357,988 | 17,869 | 235,577 | 1,639,520 | \$10.75 |
| Office Service / Flex | 14,938,952 | 725,722 | 4.9% | 47,053 | -139,914 | 0 | 0 | \$17.88 |

KEY LEASE TRANSACTIONS Q4 2023

| PROPERTY | SUBMARKET | TENANT | RSF | TYPE |
|----------------------------|--------------------------|---------------------------|---------|-----------|
| 8511 Pepco Place | Oxon Hill/Suitland | Capital Lighting & Supply | 224,000 | Renewal* |
| 845 Hampton Park Boulevard | Landover/Lanham | Royal Cup | 34,176 | Renewal* |
| 845 Hampton Park Boulevard | Landover/Lanham | GIC | 33,984 | New Lease |
| 7301 Calhoun Place | North Bethesda-Rockville | AgNovos Healthcare | 30,751 | Renewal* |
| 4754 Arcadia Drive | Frederick | Power Solutions | 21,000 | New Lease |

*Renewals not included in leasing statistics

**Not reflective in leasing stats

KEY SALES TRANSACTIONS Q4 2023

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE/\$ PSF |
|--------------------|-----------------|---------------------|--------|-------------------------|
| 7600 Preston Drive | Landover/Lanham | YRC / XPO Logistics | 20,088 | \$10,042.215 / \$499.91 |

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