

SUPPLY: 133KSF DELIVERS IN LANDOVER/LANHAM

Trammell Crow's 135,000 square foot (sf) development at 6400 Sheriff Road delivered in Landover/Lanham with 4Wall Entertainment, a stage lighting company, taking occupancy. Bowie contains two buildings under construction at Queens Court West which will add 485,532 sf by mid 2025 and Landover/Lanham will add 70,000 sf at 1520 Cabin Branch Drive. Suburban Maryland registered 212,674 sf of positive absorption in the third quarter, bringing year-to-date (YTD) absorption to 205,062 sf. Walmart moved into a 102,000-sf warehouse at 4910 Executive Way in Frederick while Western Auctioneers took 39,680 sf at 515 Dover Rd in North Bethesda-Rockville. Montgomery and Prince George's counties registered negative 26,221 sf and negative 357,318 sf of absorption YTD, respectively, while Frederick County recorded 588,601 sf of absorption. Frederick's positive absorption is due in part to its central location and its newer inventory which has attracted several industrial tenants.

DEMAND: PRINCE GEORGE'S DRIVES LEASING ACTIVITY

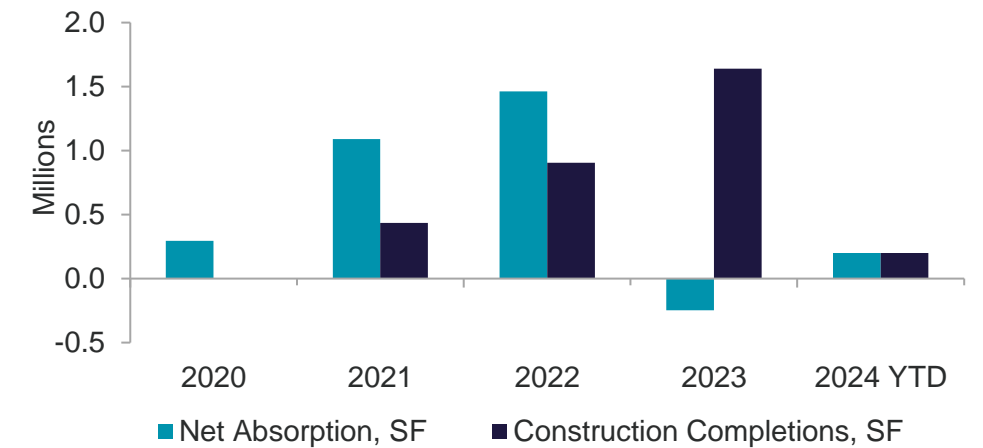
New leasing activity totaled 109,180 sf, which brings YTD new leasing to 1,016,548 sf. W/D accounted for 66% of new leasing activity in Q3. Prince George's County inked 60,844 sf in Q3 while Montgomery County signed 45,136 sf of new leases, bringing YTD new leasing to 567,371 sf and 254,111 sf, respectively. C3M Power Systems drove renewal activity after inking 26,191 sf at 1030 Hampton Park Blvd in Landover/Lanham. Renewal activity totaled 174,443 sf YTD with Prince George's County recording 157,092 sf YTD.

Overall vacancy rates finished the third quarter at 7.7%, down 20 basis points (bps) from last quarter and up 200 bps year-over-year (YOY). OS vacancy finished Q3 at 6.4%, which is up 50 basis points YOY while W/D vacancy was 8.3%, up 270 bps YOY.

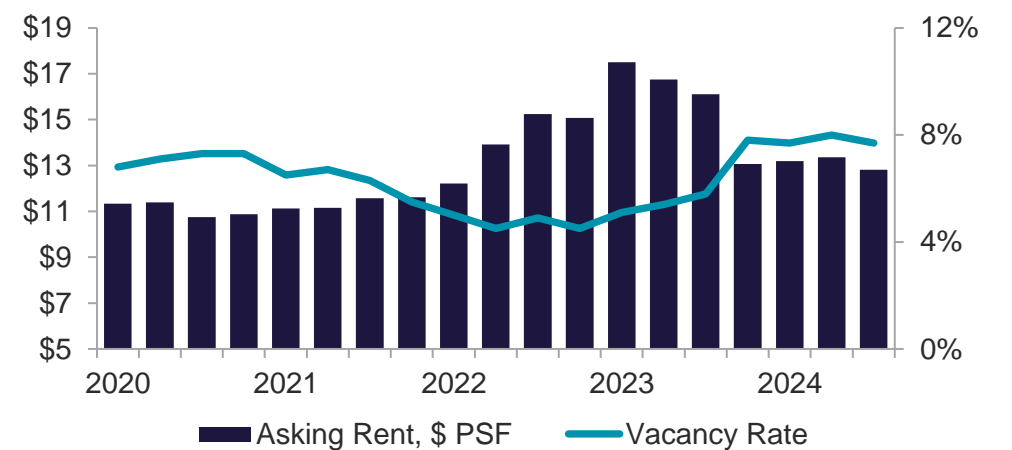
PRICING: RENTS DOWN YOY

The average overall rental rate in Q3 was \$12.81 per square foot (psf) down \$0.47 psf from Q2 and down \$3.29 YOY. Rental rates for OS space rose \$1.57 psf to \$19.21 while W/D rents fell \$4.25 psf to \$10.63 during that same period.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.7% Vacancy Rate	▲	▲
169K YTD Net Absorption, SF	▲	▲
\$12.81 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
3.4M Washington, DC Metro Employment	▲	▲
2.9% Washington, DC Metro Unemployment Rate	▲	▲
4.1% Country Unemployment Rate	▲	▼

Source: BLS

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)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
North Bethesda/Rockville	6,614,508	337,432	5.1%	84,952	44,854	0	0	\$24.40	\$18.08
Gaithersburg/Germantown	7,329,414	570,489	7.8%	-33,498	-71,075	0	0	\$14.81	\$14.05
Montgomery County	13,943,922	907,921	6.5%	51,454	-26,221	0	0	\$21.15	\$16.81
Beltsville/College Park	6,940,918	171,843	2.5%	42,403	60,494	0	0	\$12.21	\$10.97
Laurel	2,836,861	87,041	3.1%	-959	-68,709	0	0	\$16.50	N/A
Landover/Lanham	15,271,610	833,828	5.5%	111,377	31,929	70,000	133,200	\$14.68	\$13.37
Bowie	2,684,621	62,405	2.3%	-41,560	61,916	485,532	102,377	\$12.50	N/A
Oxon Hill/Suitland	5,411,185	1,041,850	19.3%	-30,842	-442,948	0	0	\$13.58	\$6.93
Prince George's County	33,145,195	2,196,967	6.6%	80,419	-357,318	555,532	235,577	\$13.95	\$9.07
Frederick County	3,879,704	838,236	21.6%	80,801	588,601	0	0	\$17.00	\$0.00
Suburban Maryland Totals	50,968,821	3,943,124	7.7%	212,674	205,062	555,532	235,577	\$19.21	\$10.63

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

CLASSES	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	36,029,869	2,988,525	8.3%	258,382	312,825	555,532	235,577	\$10.63
Office Service / Flex	14,938,952	954,599	6.4%	-45,708	-107,763	0	0	\$19.21

*Does not include renewals

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1030 Hampton Park Boulevard	Landover/Lanham	C3M Power System	26,191	Renewal*
4501 Forbes Boulevard	Landover/Lanham	Bloomsbury Publishing	10,000	New Lease
12104 Indian Creek Court	Beltsville-College Park	HighT-Tech	9,606	New Lease
18753 Frederick Avenue	Gaithersburg-Germantown	Montgomery County Government	8,351	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1901 Stanford Court	Landover/Lanham	Berkeley Partners / Cabot	88,861	\$19.7M / \$221
12201-12211 Distribution Way	Beltsville	Marcus Partners / Berkeley Partners	62,763	\$13.0M / \$207
6850-6872 Distribution Drive	Beltsville	Marcus Partners / Berkeley Partners	58,444	\$11.3M / \$192

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