MARKET IN MINUTES
Savills Research

Q3 2022 - Office

Suburban Maryland

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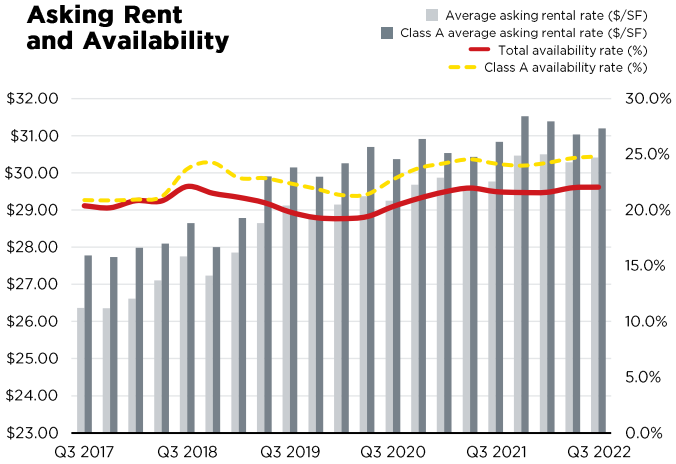
Key Statistics

Inventory	y-o-y Change	Availability Rate	y-o-y Change	Asking Rental Rate	y-o-y Change	Class A Asking Rental Rate	y-o-y Change	Quarterly Leasing Activity	y-o-y Change	Available Sublease Space	y-o-y Change
62.2 MSF	▲	22.1 %	▲	30.42 $/SF	▲	31.20 $/SF	▲	0.7 MSF	▲	1.7 MSF	▲
Q3 2021: 61.4 MSF		Q3 2021: 21.7%		Q3 2021: $29.77		Q3 2021: $30.84		Q3 2021: 0.5 MSF		Q3 2021: 1.4 MSF	

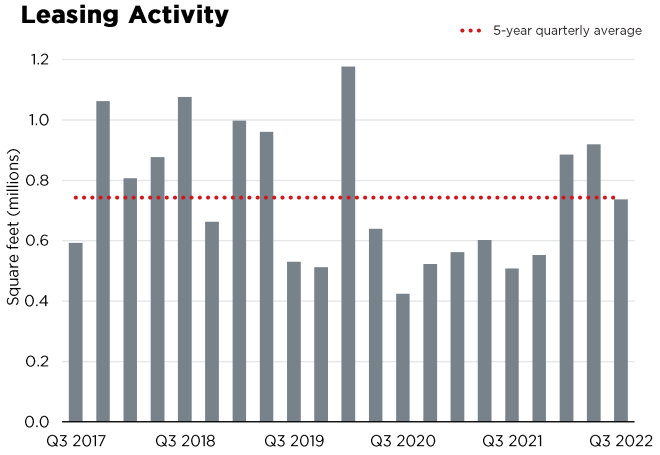
Outlook

- During Q3 there was little change in availability for the Suburban Maryland office market as the rate only increased by 10 basis points (bps) from the previous quarter. This tops the previous record for the highest availability rate the market has ever seen. The availability rate will continue to remain elevated until some of the 1.7 million square feet (msf) of available sublease space is expunged from the market.
- Overall rental rates slightly increased by 0.4% quarter over quarter to $30.42 per square foot (psf). Despite ample options in discounted sublease space, landlords are still confident in the flight to quality and occupiers' preferences for more expensive class A spaces.
- Hybrid remote work policy is still evolving, but flexibility regarding both lease terms and build-out, is at the forefront of occupiers' minds as they evaluate their workplaces and how to retain employees.

Asking Rent and Availability



Leasing Activity



Top Transactions

Tenant	Square Feet	Address	Transaction Type	Industry
Total Wine & More	141,932	6600 Rockledge Dr	Renewal	Retail
Arcellx	60,000	800 King Farm Blvd	New	Pharmaceuticals
AGNC	27,024	7373 Wisconsin Ave	New	Financial Services
Behavioral Framework	22,096	2000 Tower Oaks Blvd	Renewal	Healthcare
EnCompass	20,588	1100 Wayne Ave	New	Financial Services

Source: Savills Research

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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical vacancy and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research.

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