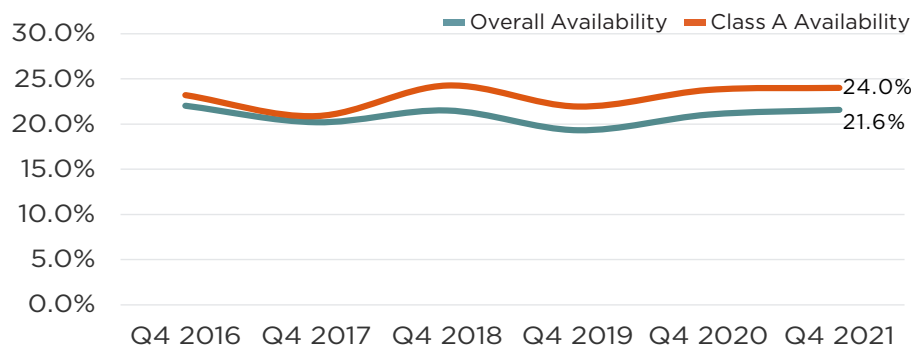
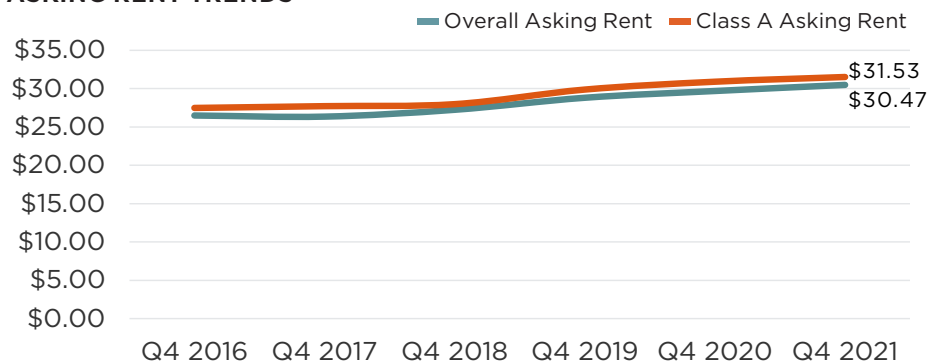


# SUBURBAN MARYLAND

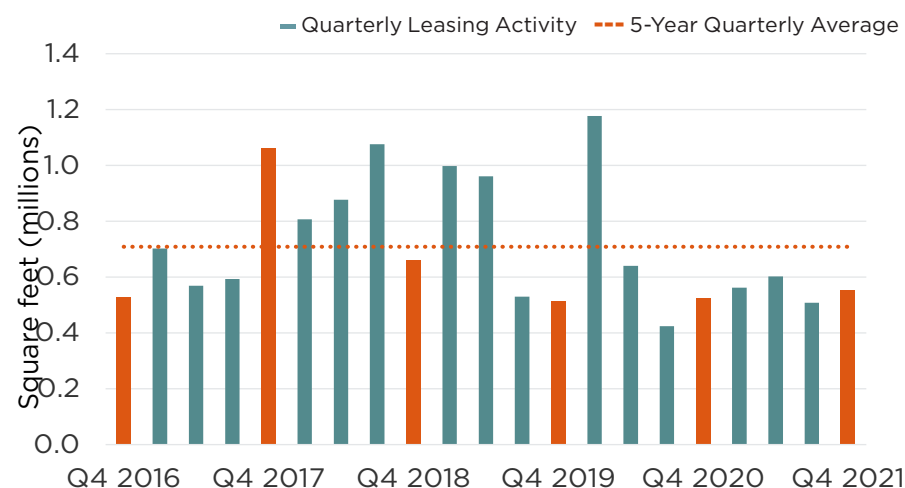
## AVAILABILITY TRENDS



## ASKING RENT TRENDS



## QUARTERLY LEASING ACTIVITY



## NOTABLE TRANSACTIONS

TENANT	SF
Tetracore / CirrusDX - 77 Upper Rock Cir	93,400 SF
Viavi Solutions, Inc - 20250 Century Blvd	35,792 SF
Kiewit Infrastructure Co - 7850 Walker Dr	30,807 SF
IHeartMedia - 1801 Rockville Pike	21,529 SF
WMATA - 8301 Professional Pl	17,501 SF

## KEY STATISTICS

	Q4 2020	Q4 2021	Y-o-Y Change
Overall Availability Rate (%)	21.1%	<b>24.0%</b>	▲
Sublease Availability (MSF)	1.5 MSF	<b>1.3 MSF</b>	▼
Overall Asking Rent (\$/SF)	\$29.68	<b>\$30.47</b>	▲
Class A Asking Rent (\$/SF)	\$30.92	<b>\$31.53</b>	▲
Quarterly Leasing Activity	0.5 MSF	<b>0.6 MSF</b>	▲

## TAKEAWAYS

- The total availability rate in Suburban Maryland dropped by a modest 10 basis points (bps) quarter over quarter ending at 21.6% in Q4 2021. The availability rate peaked in 2021 at 22.0% and has been gradually declining ever since, however, due to limited demand it will take some time to return to pre-pandemic levels.
- Leasing volume at year-end 2021 was 0.6 million square feet (msf) which was below the 5-year average of 0.7 msf but a 8.8% increase from Q3 2021 due to Tetracore / CirrusDX taking 93,400 sf at 77 Upper Rock Circle in Rockville.
- Sublease space on the market decreased for the second consecutive quarter ending Q4 2021 at 1.3 msf. While some sublease space has been leased, more has been pulled off the market as tenants reevaluate their office needs. However, more sublease space needs to be removed for the market to fully recover.
- The full impact of a mainstream hybrid remote work policy has not yet been felt industry-wide, however, flexibility with regards to both lease terms and build-out will be at the forefront of both occupiers and landlords as the pandemic hopefully eases in 2022.

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### About Savills Inc.

Savills helps organizations find the right solutions that ensure employee success. Sharply skilled and fiercely dedicated, the firm's integrated teams of consultants and brokers are experts in better real estate. With services in tenant representation, workforce and incentives strategy, workplace strategy and occupant experience, project management, and capital markets, Savills has elevated the potential of workplaces around the corner, and around the world, for 160 years and counting.

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