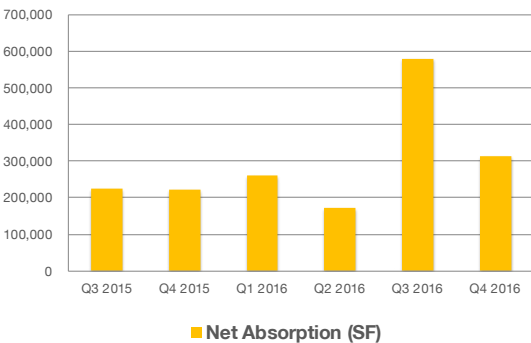
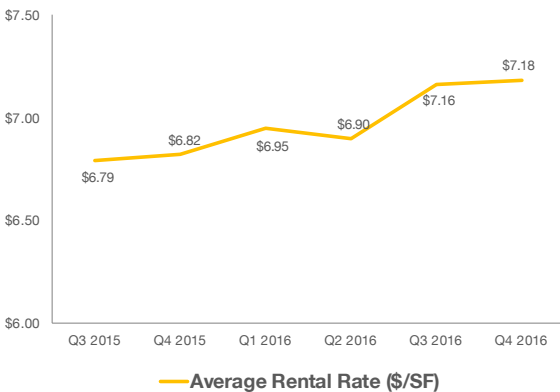
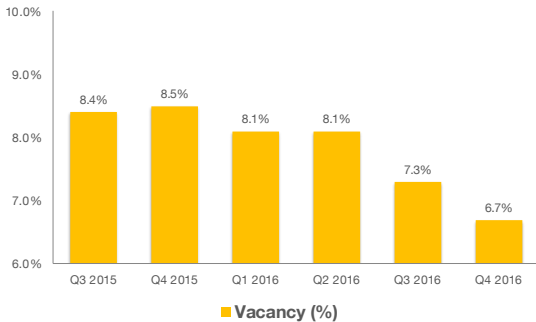


Industrial Market Report

2016 Year End | Prince George's County, MD



Current Market Overview

The Prince George's County industrial market has continued its upward trend in nearly all statistical categories through 2016. Rental rates for all classes of industrial product steadily rose over the course of the year as absorption rates continue to outpace new industrial deliveries. The vacancy rate for industrial space has fallen to an all-time low of 6.7%, which has in-turn driven up average triple net rental rates to a high of \$7.18 per square foot.

In 2016, there was approximately 880,000 square feet of new Class A industrial space delivered within the County with another 500,000 square feet already in the pipeline for 2017. Despite the large push to build new Class A warehouses within the County over the last two years, net absorption rates have continued their upward trend. If leasing activity continues at these current levels, Prince George's County will see the absorption of nearly all the remaining Class A space within the next two years. The increase in tenant demand can be primarily attributed to the rapid redevelopment of industrial-zoned areas within DC and Northern Virginia, coupled with strong desire for many of the larger national retailers to have an adequate distribution facility near the District that enables them to service an expanding DC Metro population. Also, a healthy and growing Federal Government has certainly been a contributing factor toward the continued increase in Class A absorption and rental rates.

Forecast

These positive trends have created a competitive Class A industrial market that is seeing average rental rates at a high of \$7.79 per square foot on a triple net basis. We expect rental rates to push higher in 2017 and beyond as industrial-zoned ground in the County becomes increasingly scarce and the supply of Class A vacant space continues to diminish.

Trends

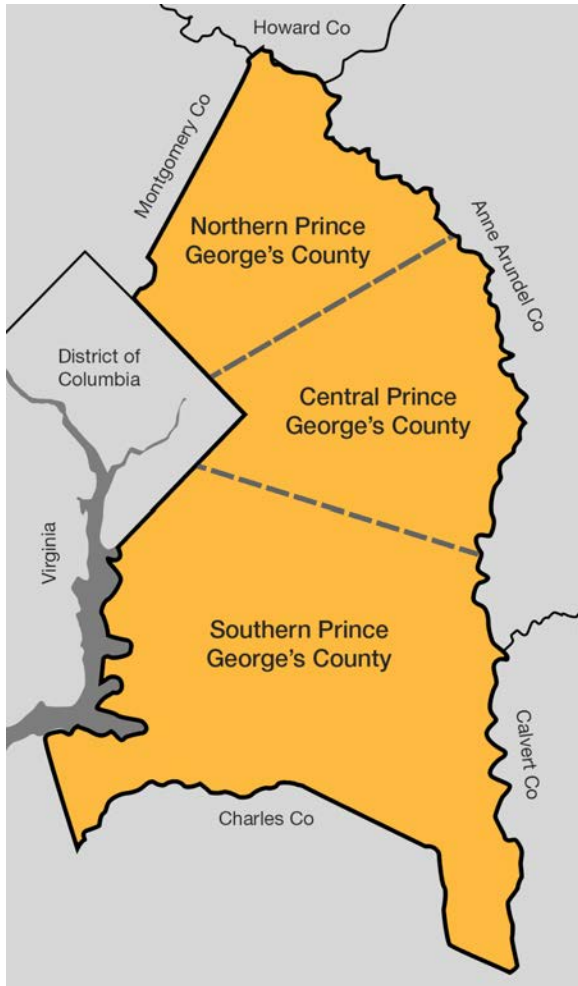
Overall Vacancy ▼

Construction ▼

Net Absorption ▲

Rental Rates ▲

Industrial Market Year End | 2016



	Buildings	Total RBA (SF)	Total Avail. (SF)	Vacant Avail. (SF)	Vacancy %	Total Net Absorption (SF)	Total Avg Rate (\$/SF/Yr)	Under Construction (SF)
Prince George's County	1,510	52,090,133	5,628,890	3,472,682	6.7%	1,315,296	\$7.18	411,000
Northern Submarkets	352	11,561,547	1,016,822	740,429	6.4%	107,762	\$7.21	0
Central Submarkets	970	36,092,584	4,279,617	2,521,467	7.0%	914,425	\$7.21	411,000
Southern Submarkets	188	4,436,002	332,451	210,786	4.8%	293,109	\$6.77	0



8210 Penn Randall Place (Photo from CoStar)

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Major Lease Transactions

Building	Submarket	Tenant	Size (SF)
6300 Columbia Park Road	Landover/Largo	Washington Food & Supply of MD	136,860
7521 Andrews Federal Campus	Suitland	Iron Mountain	125,079
9200 Alaking Court	Capitol Heights	US Business Interiors	64,500

Major Sales Transactions

Building	Submarket	Sales Price	Size (SF)
8210 Penn Randall Place & 8300 Pennsylvania Avenue	Upper Marlboro	\$33,250,000	284,500
8420 Westphalia Road	Upper Marlboro	\$19,100,000	153,700
9150-9250 Hampton Overlook	Capitol Heights	\$14,100,000	135,000

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The information contained herein was obtained by sources deemed reliable; however we make no representation as to its accuracy or completeness.