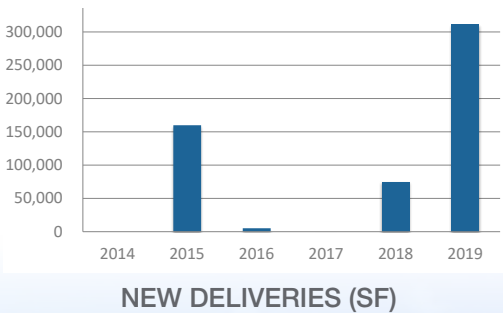


AVERAGE RENTAL RATES



NEW DELIVERIES (SF)

Office Market Showing Signs of Improvement

After experiencing some growth over the past couple of years, the office market now shows significant signs of steady improvement. In 2019, **THE VACANCY RATE FOR THE OFFICE MARKET REACHED A LOW OF 13.4%**, which is the lowest this rate has been since 2007. Occupancy rates remain high even with the delivery of three new office buildings totaling 311,675 square feet. It is also anticipated that, as rising rents in Washington, D.C. continue to push businesses into neighboring jurisdictions, there will be a surge in Class A and B office tenants.

Along with vacancy rates declining, market rents have begun to show a positive trajectory. In 2019, overall market rents averaged \$22.01. In addition to the overall office rents increasing, **CLASS A MARKET RENTS REACHED AN ALL-TIME HIGH OF \$23.47/PSF AND VACANCY RATES REACHED AN ALL-TIME LOW OF 15.4%**. Early indications suggest that market rents will continue to show an upward trend in the future. The decrease in vacancy rates, coupled with an increase in absorption rates as well as increasing market rents, are clear indicators of a healthy and improving office market.

Major Deliveries and Upcoming Deliveries

After a few years of slow deliveries, the office market in Prince George's County experienced an influx of new deliveries in 2019 as the County welcomed major companies that are now key players in the Prince George's County office market. In the first half of 2019, Kaiser Permanente opened the New Carrollton Administrative Building, a state of the art, 215,000 square foot office building adjacent to the New Carrollton Metro. In addition, WMATA is now in the process of consolidating its offices into two major headquarters, one of which will join Kaiser Permanente in the transit-oriented area of New Carrollton. Giant has also decided to relocate back to Prince George's County, moving their headquarters from Pennsylvania to Landover. The company currently occupies 55,000 square feet at 8301 Professional Place. **AS VACANCY RATES CONTINUE TO DECLINE AND NEW DELIVERIES ARE BUILT-TO-SUIT FOR OWNER USERS, TENANTS CAN EXPECT TO SEE LIMITED AVAILABILITY AND AN INCREASE IN MARKET RENTS.**

OVERALL
VACANCY



RENTAL
RATES



NEW
DELIVERIES



Prince George's County Area Office Submarket Statistics

	Buildings	Total RBA (SF)	Total Vacant (SF)	Vacant %	YTD Net Absorption	YTD Deliveries	Under Construction (SF)	Quoted Rates
N Prince George's County Totals	707	19,744,813	2,878,462	14.6	226,388	215,528	0	\$21.61
Beltsville/Calverton	48	1,823,222	315,555	17.2	72,352	0	0	\$20.72
College Park	240	4,672,458	403,686	8.2	(-42,045)	0	0	\$23.26
Greenbelt	79	3,812,049	828,444	21.7	4,399	0	0	\$21.02
Landover/Largo/Capitol Hts	130	4,074,746	580,346	14.2	243,968	215,528	0	\$22.68
Lanham	72	2,242,023	326,078	14.4	28,696	0	0	\$20.61
Laurel	138	3,150,226	455,049	14.4	127,922	0	0	\$21.98
E Prince George's County Totals	119	2,518,996	196,567	7.8	(-7,299)	0	10,560	\$23.94
Bowie	69	1,999,055	220,000	11	(-6,800)	0	10,560	\$24.00
Greater Upper Marlboro	50	519,941	2,800	0.5	(-419)	0	0	\$20.05
S Prince George's County Totals	330	4,427,962	518,229	11.7	(-89,003)	98,147	577,000	\$24.51
Branch Avenue Corridor	176	2,389,797	518,884	13.4	(-29,338)	3,147	577,000	\$20.18
Nat. Harbor/Oxon Hill/Ft. Wash	57	1,205,170	164,085	13.6	(-76,555)	95,000	0	\$27.28
Pennsylvania Ave Corridor	97	832,635	35,360	4.2	16,890	0	0	\$20.36
TOTALS	1,156	26,691,771	3,593,258	13.4	130,086	311,675	587,560	\$22.01

All statistics are sourced from CoStar and other sources deemed reliable; however we make no representation as to its accuracy or completeness.

2019 MAJOR LEASE TRANSACTIONS

- 7850 Walker Dr (Greenbelt) - 22,000 SF to API Source
- 8301 Professional Place (Landover) - 55,000 SF

2019 NEW BUILDINGS

- 4000 Garden City Dr (New Carrollton) - 215,528 SF

2019 MAJOR SALES

- 4300 River Road (Hyattsville) - 80,677 SF sold for \$37,000,000
- 7501 Greenway Center Dr (Greenbelt) - 187,040 SF sold for \$16,500,000
- 3311 Toledo Road (Hyattsville) - 189,410 SF sold for \$16,500,000
- 7701 Greenbelt Rd (Greenbelt) - 125,400 SF sold for \$11,500,000



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