

Suburban Maryland

Office market snapshot | Q1 2024

With the start of the new year, trends that existed at year-end 2023 persisted into this quarter. The total vacancy rate rose from 18.3% to 19.5% during the quarter, and class B and C buildings made up the bulk of leases signed by tenants. Suburban Maryland had zero office investment sale activity within the quarter, which helps to demonstrate the current economic climate in the area.

25.00%

Tenants in **biotech, life sciences, pharma & healthcare** made up **25.00%** of the Suburban Maryland leases this quarter.

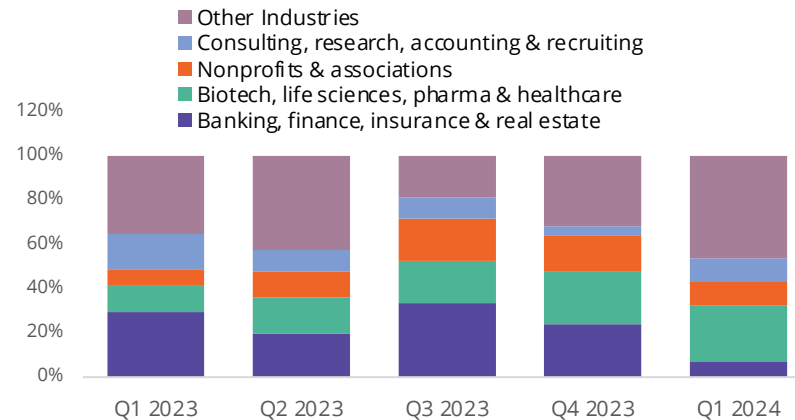
41.67%

Leases for this quarter in **Shady Grove** encompassed **41.67%** of all Suburban Maryland leases signed.

-7.57%

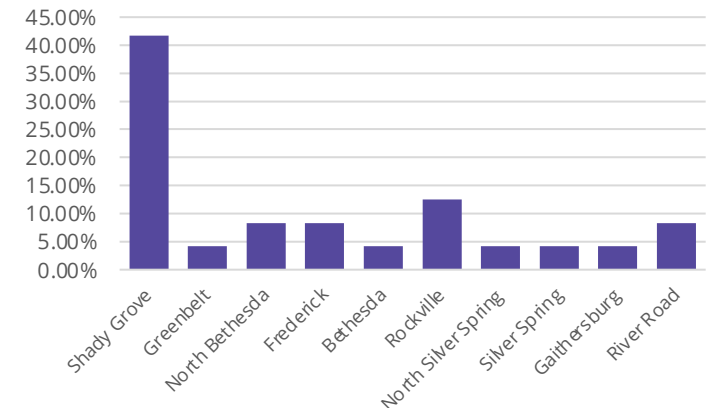
In the Suburban Maryland office market, the **average weighted FS rent** for leases decreased by **7.57%** from last quarter.

Tenant Industries lease count as a percentage (QTR)



The biotech, life sciences, pharma & healthcare sector has retained a consistent 25% of leases signed from the past two quarters, replacing banking, finance, insurance & real estate as #1.

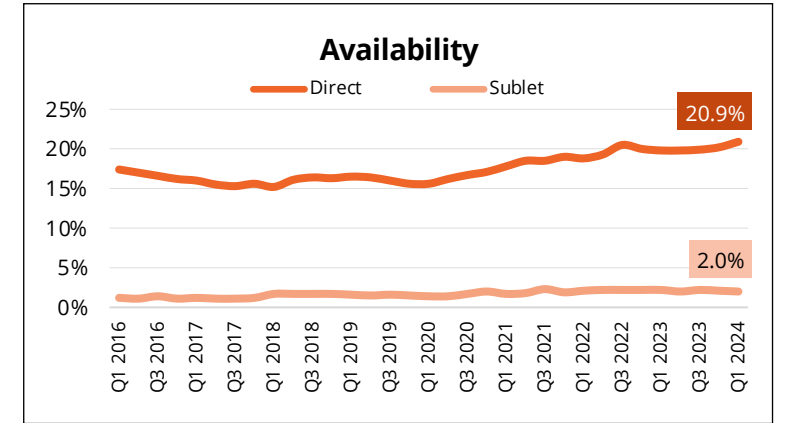
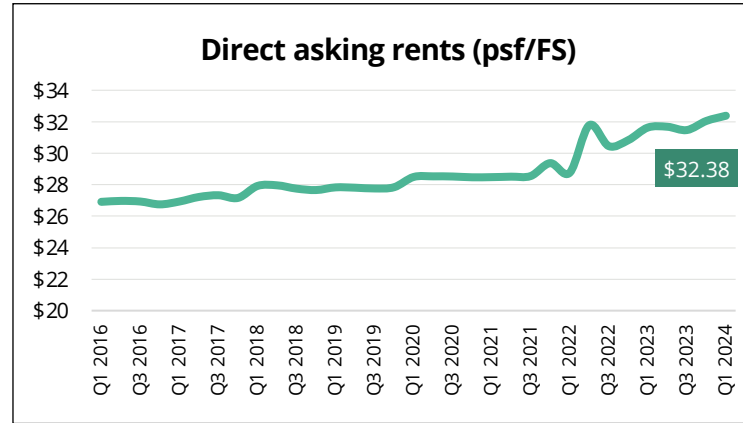
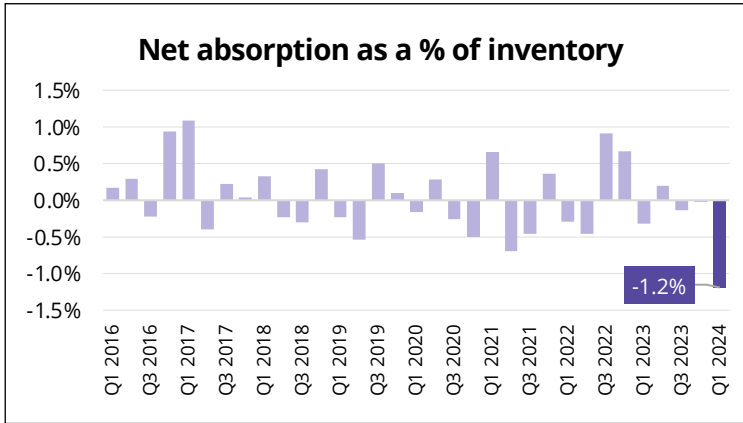
Lease count percentage by submarket



Bethesda lost out on being the top lease count submarket in Suburban Maryland to Shady Grove. The majority of tenants who signed in Shady Grove were in life sciences or engineering.

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Chasen & Boscolo	7852 Walker Dr	19,000	Renewal	Direct
Democracy International	7200 Wisconsin Ave	15,000	New	Direct
US Social Security Administration	401 N Washington St	13,000	Renewal	Direct
Rockville Housing Enterprises	1300 Piccard Dr	12,000	New	Direct

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption sf (YTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Beltsville/Calverton	1,402,428	-	-	12.3%	0.0%	12.3%	-19,353	-1.38%	\$23.25
Bethesda	9,215,173	-	-	29.4%	1.5%	30.9%	-91,800	-1.00%	\$46.50
Bowie	1,174,273	-	200,000	13.0%	0.0%	13.0%	-3,844	-0.33%	\$26.77
Branch Avenue Corridor	1,539,141	-	-	1.1%	0.0%	1.1%	-3,697	-0.24%	\$23.65
Chevy Chase	1,564,666	-	-	20.8%	1.3%	22.1%	-30,100	-1.92%	\$46.18
College Park	3,062,331	-	-	9.4%	1.1%	10.5%	10,765	0.35%	\$25.48
Frederick	4,491,380	-	61,500	15.9%	1.4%	17.3%	-327,366	-7.29%	\$23.38
Gaithersburg	3,093,916	-	-	12.6%	0.1%	12.7%	26,359	0.85%	\$21.82
Germantown	1,902,941	-	-	25.7%	2.5%	28.2%	10,317	0.54%	\$24.06
Greenbelt	2,762,404	-	-	30.3%	0.7%	31.0%	18,396	0.67%	\$22.60
Landover/Largo	2,038,436	-	-	11.5%	0.0%	11.5%	8,629	0.42%	\$26.90
Lanham	1,309,958	-	-	13.5%	0.0%	13.5%	-2,711	-0.21%	\$21.51
Laurel	1,978,928	-	-	18.6%	0.1%	18.7%	13,993	0.71%	\$23.82
New Carrollton	1,774,085	-	-	10.0%	7.0%	17.0%	-8,434	-0.48%	\$23.59
North Bethesda/Potomac	9,066,672	-	250,000	18.6%	0.9%	19.4%	134,686	1.49%	\$31.41
North Silver Spring	2,683,881	-	-	6.7%	0.4%	7.0%	-46,215	-1.72%	\$26.76
Rockville	8,192,249	-	-	19.0%	1.1%	20.1%	-126,481	-1.54%	\$31.44
Shady Grove	9,145,859	-	-	20.0%	0.9%	21.0%	-397,907	-4.35%	\$29.59
Silver Spring	5,622,287	-	-	21.8%	0.5%	22.4%	-18,605	-0.33%	\$31.22
Market total	74,338,028	-	511,500	18.5%	1.0%	19.5%	-886,758	-1.19%	\$32.38

Note: Select submarkets listed. Market total includes all submarkets
Source: AVANT by Avison Young, CoStar