

# MARKETWATCH

August 2011 ■ Office Space

## District Of Columbia

Submarkets	All Office Buildings				Buildings Built 1985 - Present			SF Under Construction or Renovation	Q2 2011 Net Absorption (SF)	First Half 2011 Net Absorption (SF)
	Total Rentable SF <sup>1</sup>	SF Available Immediately <sup>2</sup>	Direct Vacancy Rate	Vac. Rate w/ Sublet Space	Total Rentable SF <sup>3</sup>	SF Available Immediately <sup>2</sup>	Direct Vacancy Rate			
CBD	39,598,267	3,049,067	7.7%	8.9%	9,822,030	1,011,669	10.3%	1,100,450	(40,000)	(396,000)
East End	44,620,340	3,301,905	7.4%	8.4%	24,477,233	1,639,975	6.7%	747,845	(268,000)	(357,000)
Capitol Hill	4,741,747	312,955	6.6%	6.9%	1,958,832	107,736	5.5%	285,874	(14,000)	14,000
NoMa	10,859,411	977,347	9.0%	9.2%	7,797,256	818,712	10.5%	330,000	33,000	271,000
Capitol Riverfront	3,767,374	629,151	16.7%	16.7%	3,578,181	611,869	17.1%	-	20,000	40,000
Southwest	14,322,991	902,348	6.3%	6.7%	6,711,929	516,819	7.7%	-	14,000	401,000
Georgetown	2,964,995	412,134	13.9%	14.6%	735,802	81,674	11.1%	-	6,000	(15,000)
West End	4,106,385	238,170	5.8%	7.1%	1,768,183	130,846	7.4%	-	438,000	423,000
Uptown	8,350,990	509,410	6.1%	7.2%	2,670,175	168,221	6.3%	121,000	50,000	205,000
<b>TOTAL - District</b>	<b>133,332,500</b>	<b>10,332,489</b>	<b>7.7%</b>	<b>8.6%</b>	<b>59,519,621</b>	<b>5,087,519</b>	<b>8.5%</b>	<b>2,585,169</b>	<b>239,000</b>	<b>586,000</b>

<sup>1</sup> Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government.

<sup>2</sup> Does not include sublet space.

<sup>3</sup> Includes buildings 50,000 SF RBA and greater.

## Northern Virginia

Submarkets	All Office Buildings				Buildings Built 1985 - Present			SF Under Construction or Renovation	Q2 2011 Net Absorption (SF)	First Half 2011 Net Absorption (SF)
	Total Rentable SF <sup>1</sup>	SF Available Immediately <sup>2</sup>	Direct Vacancy Rate	Vac. Rate w/ Sublet Space	Total Rentable SF <sup>3</sup>	SF Available Immediately <sup>2</sup>	Direct Vacancy Rate			
Rosslyn, Courthouse, Ballston	22,350,864	1,721,017	7.7%	9.4%	13,647,551	982,624	7.2%	1,318,365	(179,000)	(377,000)
Crystal and Pentagon Cities	13,985,364	1,118,829	8.0%	8.5%	5,330,509	655,653	12.3%	-	(14,000)	(28,000)
Old Town Alexandria	8,389,063	872,463	10.4%	12.1%	3,998,371	575,765	14.4%	-	50,000	(42,000)
Eisenhower Ave, I-395 Corr.	9,350,185	1,337,076	14.3%	15.1%	5,793,582	521,422	9.0%	-	47,000	37,000
Springfield/Huntington/I-95	5,731,357	590,330	10.3%	10.5%	2,894,977	295,288	10.2%	542,589	68,000	79,000
Bailey's/Falls Church/Annandale	5,823,890	594,337	10.2%	11.0%	1,833,993	128,380	7.0%	-	41,000	23,000
Merrifield	9,159,712	915,971	10.0%	11.6%	5,338,242	491,118	9.2%	94,873	(183,000)	(82,000)
Reston, Herndon	30,043,733	4,085,948	13.6%	14.6%	24,334,712	2,725,488	11.2%	-	90,000	(30,000)
Tysons Corner	26,455,645	3,545,056	13.4%	14.9%	15,694,836	1,726,432	11.0%	476,000	132,000	79,000
McLean, Vienna	2,370,748	277,378	11.7%	11.8%	578,200	2,891	0.5%	-	(145,000)	(138,000)
Oakton, Fairfax City	4,407,197	533,271	12.1%	12.7%	1,445,126	140,177	9.7%	-	13,000	(13,000)
Fairfax Center	6,445,385	1,095,715	17.0%	19.1%	5,198,766	1,039,753	20.0%	-	26,000	(39,000)
Chantilly (Rt. 28 South)	13,339,015	2,000,852	15.0%	16.2%	11,570,543	1,758,723	15.2%	-	(53,000)	(67,000)
Loudoun County (Rt. 28 North)	13,313,707	2,263,330	17.0%	17.6%	9,716,451	1,603,214	16.5%	120,000	40,000	107,000
Prince William County	7,021,500	997,053	14.2%	14.6%	1,745,203	280,978	16.1%	45,000	42,000	30,000
<b>TOTAL - Northern Virginia</b>	<b>178,187,365</b>	<b>21,948,326</b>	<b>12.3%</b>	<b>13.4%</b>	<b>109,121,062</b>	<b>12,927,905</b>	<b>11.8%</b>	<b>2,596,827</b>	<b>(25,000)</b>	<b>(461,000)</b>

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<sup>2</sup> Does not include sublet space.

<sup>3</sup> Includes buildings 50,000 SF RBA and greater.

## Suburban Maryland

Montg. Co. Submarkets	All Office Buildings				Buildings Built 1985 - Present			SF Under Construction or Renovation	Q2 2011 Net Absorption (SF)	First Half 2011 Net Absorption (SF)
	Total Rentable SF <sup>1</sup>	SF Available Immediately <sup>2</sup>	Direct Vacancy Rate	Vac. Rate w/ Sublet Space	Total Rentable SF <sup>3</sup>	SF Available Immediately <sup>2</sup>	Direct Vacancy Rate			
Bethesda/Chevy Chase	11,293,448	869,595	7.7%	9.4%	5,174,211	300,104	5.8%	-	11,000	(11,000)
North Bethesda	10,326,658	1,249,526	12.1%	12.7%	4,424,299	756,555	17.1%	358,440	-	(124,000)
Rockville	8,588,860	1,073,608	12.5%	12.6%	3,434,177	497,956	14.5%	-	103,000	86,000
North Rockville	11,820,950	1,501,261	12.7%	14.3%	8,220,338	1,027,542	12.5%	575,000	106,000	71,000
Gaithersburg	5,281,815	728,890	13.8%	15.0%	1,489,124	232,303	15.6%	-	(26,000)	(37,000)
Germantown	2,455,685	289,771	11.8%	12.9%	1,682,920	218,780	13.0%	194,400	(27,000)	49,000
Kensington/Wheaton	1,406,234	340,309	24.2%	24.9%	65,000	-	0.0%	-	(202,000)	(217,000)
Silver Spring	6,903,910	787,046	11.4%	12.1%	3,588,215	340,880	9.5%	-	(55,000)	(7,000)
N. Silver Spring/Rt. 29	2,980,145	178,809	6.0%	6.9%	1,590,620	17,497	1.1%	-	(27,000)	(33,000)
<b>TOTAL - Montgomery Co.</b>	<b>61,057,705</b>	<b>7,018,814</b>	<b>11.5%</b>	<b>12.5%</b>	<b>29,668,904</b>	<b>3,391,617</b>	<b>11.4%</b>	<b>1,127,840</b>	<b>(117,000)</b>	<b>(223,000)</b>
<b>Prince George's Co. Submarkets</b>										
Beltsville/Calverton/Coll. Pk.	5,304,784	875,289	16.5%	16.5%	2,195,946	333,784	15.2%	268,762	5,000	5,000
Laurel	2,509,823	306,198	12.2%	12.7%	1,471,426	136,843	9.3%	-	(5,000)	(10,000)
Greenbelt	3,016,041	726,866	24.1%	24.4%	1,412,715	443,593	31.4%	-	(54,000)	(60,000)
Lanham/Landover/Largo	4,951,020	1,010,008	20.4%	20.9%	2,137,730	521,606	24.4%	-	(10,000)	(45,000)
Bowie/Marlbora/South P.G.	5,832,217	903,994	15.5%	16.0%	1,858,682	388,465	20.9%	-	(29,000)	(12,000)
<b>TOTAL - Prince George's Co.</b>	<b>21,613,885</b>	<b>3,822,355</b>	<b>17.7%</b>	<b>18.0%</b>	<b>9,076,499</b>	<b>1,824,290</b>	<b>20.1%</b>	<b>268,762</b>	<b>(93,000)</b>	<b>(122,000)</b>
Frederick County	5,952,641	1,029,807	17.3%	17.5%	3,601,814	713,159	19.8%	-	65,000	71,000
<b>TOTAL - Suburban Maryland</b>	<b>88,624,231</b>	<b>11,870,976</b>	<b>13.4%</b>	<b>14.2%</b>	<b>42,347,217</b>	<b>5,929,066</b>	<b>14.0%</b>	<b>1,396,602</b>	<b>(145,000)</b>	<b>(274,000)</b>

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# MARKETWATCH

August 2011 ■ Flex/Industrial Space

## ■ District Of Columbia

Submarket	Total Inventory <sup>1</sup>	Direct Avail. Space <sup>2</sup>	Direct Vacancy Rate	Available Sublease Space	Vacancy Rate w/ Sublease Space
District of Columbia	11,397,659	1,071,380	9.4%	-	9.4%

Submarket	Q2 2011 Net Absorption (SF)	First Half 2011 Net Absorption (SF)	Space Under Construction	Space Under Renovation
District of Columbia	37,000	120,000	-	-

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<sup>2</sup> Does not include sublet space.

## ■ Northern Virginia

Submarket	Total Inventory <sup>1</sup>	Direct Avail. Space <sup>2</sup>	Direct Vacancy Rate	Available Sublease Space	Vacancy Rate w/ Sublease Space
Beltway (I-495)	4,352,701	265,515	6.1%	-	6.1%
I-95 Corridor	26,186,284	2,618,628	10.0%	130,931	10.5%
Reston/Herndon	2,650,018	219,951	8.3%	2,650	8.4%
Dulles Corridor	31,528,391	3,436,595	10.9%	220,699	11.6%
Prince William County	18,434,363	1,732,830	9.4%	165,909	10.3%
<b>TOTAL</b>	<b>83,151,757</b>	<b>8,273,519</b>	<b>9.9%</b>	<b>520,189</b>	<b>10.6%</b>

Submarket	Q2 2011 Net Absorption (SF)	First Half 2011 Net Absorption (SF)	Space Under Construction	Space Under Renovation
Beltway (I-495)	17,000	39,000	-	-
I-95 Corridor	(184,000)	(79,000)	-	-
Herndon/Reston	(66,000)	(37,000)	-	-
Dulles Corridor	440,000	565,000	285,444	-
Prince William County	(364,000)	(419,000)	117,600	-
<b>TOTAL</b>	<b>(157,000)</b>	<b>69,000</b>	<b>403,044</b>	<b>-</b>

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## ■ Suburban Maryland

Submarket	Total Inventory <sup>1</sup>	Direct Avail. Space <sup>2</sup>	Direct Vacancy Rate	Available Sublease Space	Vacancy Rate w/ Sublease Space
Prince George's County	57,290,376	6,130,070	10.7%	343,742	11.3%
Montgomery County	26,791,812	2,250,512	8.4%	187,543	9.1%
Frederick County	15,596,199	2,479,796	15.9%	265,135	17.6%
<b>TOTAL</b>	<b>99,678,387</b>	<b>10,860,378</b>	<b>10.9%</b>	<b>796,420</b>	<b>11.7%</b>

Submarket	Q2 2011 Net Absorption (SF)	First Half 2011 Net Absorption (SF)	Space Under Construction	Space Under Renovation
Prince George's County	(229,000)	79,000	142,346	-
Montgomery County	(108,000)	(54,000)	-	-
Frederick County	(59,000)	(199,000)	370,000	-
<b>TOTAL</b>	<b>(396,000)</b>	<b>(174,000)</b>	<b>512,346</b>	<b>-</b>

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# MARKETWATCH

 August 2011 ■ **Market Activity**

## ■ District Of Columbia

### LEASES

Tenant	Address	Square Feet
Vanda Pharmaceuticals Inc.	2200 Pennsylvania Avenue, NW	21,000
Cogent Communications, Inc. (Renewal)	1015 31st Street, NW	17,000
Tech Marine Business Systems	100 M Street, SE	12,000
M & R Strategic Services	1901 L Street, NW	12,000
<b>Total Gross Leasing Activity Estimate - Through August 2011 (including renewals):</b>		<b>7,860,000</b>

### INVESTMENT SALES

No notable sales.

## ■ Northern Virginia

### LEASES

Tenant	Address	Square Feet
ManTech International Corporation	2251 Corporate Park Drive	110,000
TEOCO	12150 Monument Drive	43,000
Jones Lang LaSalle	1850 Towers Crescent Plaza	24,000
MicroStrategy, Inc.	1850 Towers Crescent Plaza	24,000
GSA	8000 Westpark Drive	23,000
<b>Total Gross Leasing Activity Estimate - Through August 2011 (including renewals):</b>		<b>7,610,000</b>

### INVESTMENT SALES

AFL-CIO purchased 1761 and 1764 Old Meadow Lane/1600 Anderson Road for \$114.6 million (\$437/SF).

## ■ Suburban Maryland

### LEASES

Tenant	Address	Square Feet
DRS Technologies, Inc.	530 Gaither Road	24,000
DMI, Inc.	6550 Rock Spring Drive	22,000
Whiting-Turner	6305 Ivy Lane	14,000
PPD Development	2400 Research Boulevard	13,000
<b>Total Gross Leasing Activity Estimate - Through August 2011 (including renewals):</b>		<b>3,200,000</b>

### INVESTMENT SALES

No notable sales.