MARKETBEAT

Suburban Maryland

OFFICE Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
23.3% Vacancy Rate	▲	▲
-363K YTD Net Absorption, SF	▼	▼
$30.85 Asking Rent, PSF	▼	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.0 M Suburban MD Employment	▲	▼
3.5% Suburban MD Unemployment Rate	▲	▼
4.3% Country Unemployment Rate	▲	▲

Source:BLS

DEMAND: LEASING ACTIVITY HOLDS STEADY

Suburban Maryland recorded nearly 522,000 square feet (sf) of new leasing in Q3, alongside 209,500 sf of renewal activity. Year-to-date (YTD) totals now stand at 1.3 million sf of new leasing and 772,000 sf of renewals. The largest lease of the quarter was X-Energy's 120,000-sf commitment at 9801 Washingtonian Blvd in the I-270/Rockville corridor. Nearby at 9711 Washingtonian Blvd, real estate developer DRB Group signed a new lease for 56,500 sf. The most significant renewal occurred in Bethesda, where Lerch, Early & Brewer will remain in 45,000 sf at 7600 Wisconsin Ave. Montgomery County continued to lead the region, capturing 1,122,000 sf of new leasing activity YTD, or 86% of the Suburban Maryland total.

SUPPLY: VACANCY RISES

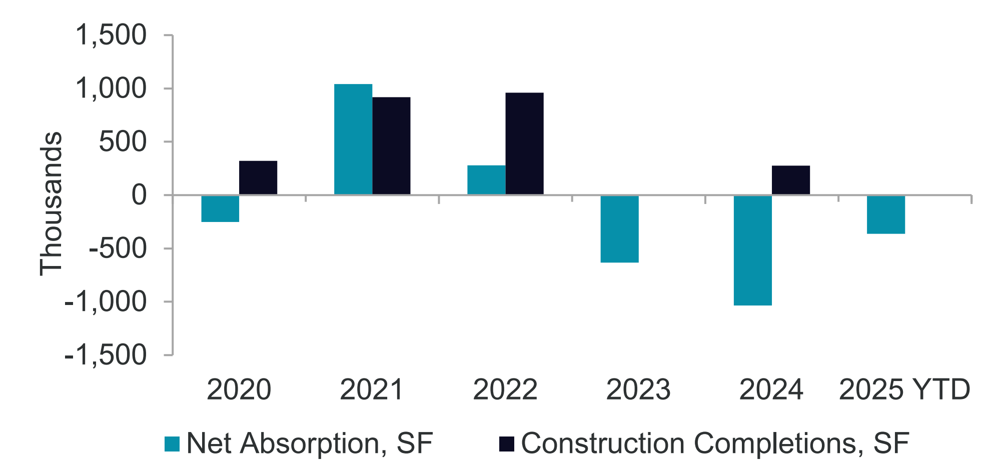
Suburban Maryland posted negative 40,150 sf of absorption in Q3, bringing YTD absorption to negative 363,000 sf. Montgomery County accounted for nearly all of this total with negative 360,000 sf, while Prince George's County posted negative 38,000 sf and Frederick County recorded 35,500 sf. Leasing momentum continued at Federal Realty's Pike & Rose development, where JOOLA, a global pickleball company, took 28,000 sf and law firm Miles & Stockbridge occupied 7,000 sf at 915 Meeting St. Pike & Rose totals nearly 700,000 sf of office space and has a vacancy rate of just 6.1%. The largest move-out of the quarter was by George Washington University, which vacated 23,000 sf at 6110 Executive Blvd and relocated into 22,000 sf at 6710 Rockledge Dr.

Vacancy across Suburban Maryland ended Q3 at 23.3%, a 110-basis point (bps) increase year-over-year (YOY). Class A vacancy rose 100 bps to 25.2%, while Class B vacancy increased 130 bps to 22.0%. The region continues to hold a substantial supply of high-quality space, with 8.4 msf of Class A product sitting vacant. Bethesda/Chevy Chase alone accounts for 2.3 msf of Class A vacancy, spread across 21 buildings with blocks of space larger than 20,000 sf

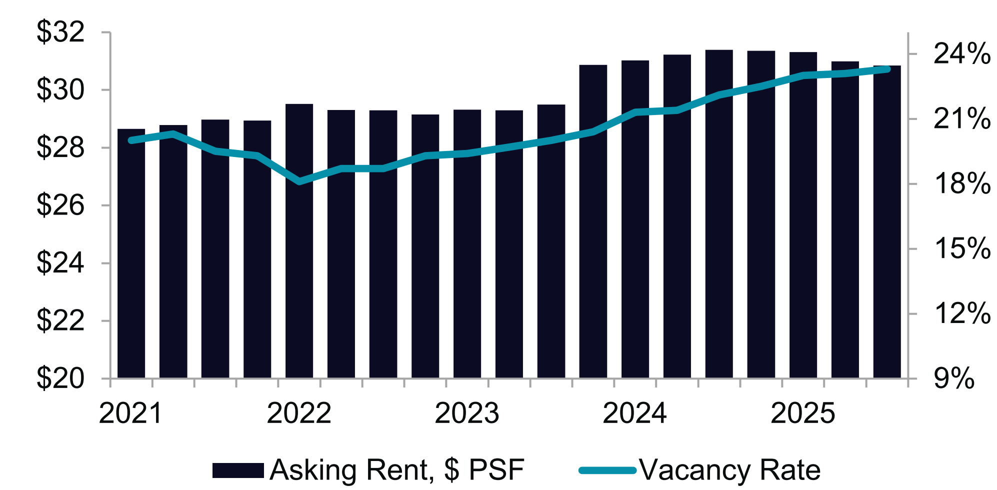
PRICING: RENTAL RATES DOWN YOY

Average asking rents in Suburban Maryland declined $0.54 YOY to $30.85 per square foot (psf) on a full-service basis at the end of Q3. Bethesda/Chevy Chase remains the most expensive submarket at $42.21 psf, followed by Rock Spring Park at $31.93 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Pike Corridor	10,917,474	2,301,107	49,792	21.5%	5,422	4,226	149,668	0	$29.10	$29.89
Silver Spring	5,401,040	1,295,204	15,464	24.3%	-14,984	-174,704	35,201	0	$29.61	$32.07
I-270/Rockville	8,146,220	1,849,125	115,911	24.1%	-48,216	-120,480	387,983	0	$29.16	$29.48
Germantown	1,677,414	533,486	32,577	33.7%	2,199	61,144	26,002	0	$26.63	$38.13
Bethesda/Chevy Chase	9,945,514	2,982,421	132,573	31.3%	32,229	-84,705	428,713	0	$42.21	$47.47
Rock Spring Park	4,004,404	1,075,654	3,276	26.9%	1,276	-14,490	61,849	0	$31.93	$32.28
Gaithersburg	1,941,113	237,321	4,939	12.5%	-13,030	-42,078	13,216	0	$22.07	$23.82
North Silver Spring	1,055,127	118,102	0	11.2%	10,946	7,097	19,369	0	$27.09	N/A
Montgomery County Totals	43,088,306	10,392,420	354,532	24.9%	-24,158	-363,990	1,122,001	0	$32.38	$34.80
Beltsville/College Park	3,722,452	585,111	0	15.7%	17,459	-1,789	81,403	0	$24.12	$26.15
Laurel	959,667	231,689	0	24.1%	3,998	1,938	1,848	0	$23.06	$17.50
Greenbelt	2,826,190	699,393	14,974	25.3%	-32,123	-34,736	19,654	0	$22.75	$25.04
Landover/Lanham	3,084,085	636,073	8,500	20.9%	-14,321	16,394	35,507	0	$22.48	$22.36
Bowie	800,082	133,785	0	16.7%	-9,818	-28,278	21,613	0	$25.96	$22.00
Oxon Hill/Suitland	1,803,806	218,744	4,114	7.4%	15,547	8,233	16,891	0	$22.34	$30.15
Prince George's County Totals	13,196,282	2,414,795	27,588	18.5%	-19,258	-38,238	176,916	0	$23.15	$25.00
Frederick County Totals	2,814,453	553,443	0	19.7%	3,269	35,487	1,350	0	$16.63	$24.50
Suburban Maryland Totals	**59,099,041**	**13,360,658**	**382,120**	**23.3%**	**-40,147**	**-366,741**	**1,300,267**	**0**	**$30.85**	**$34.00**

Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

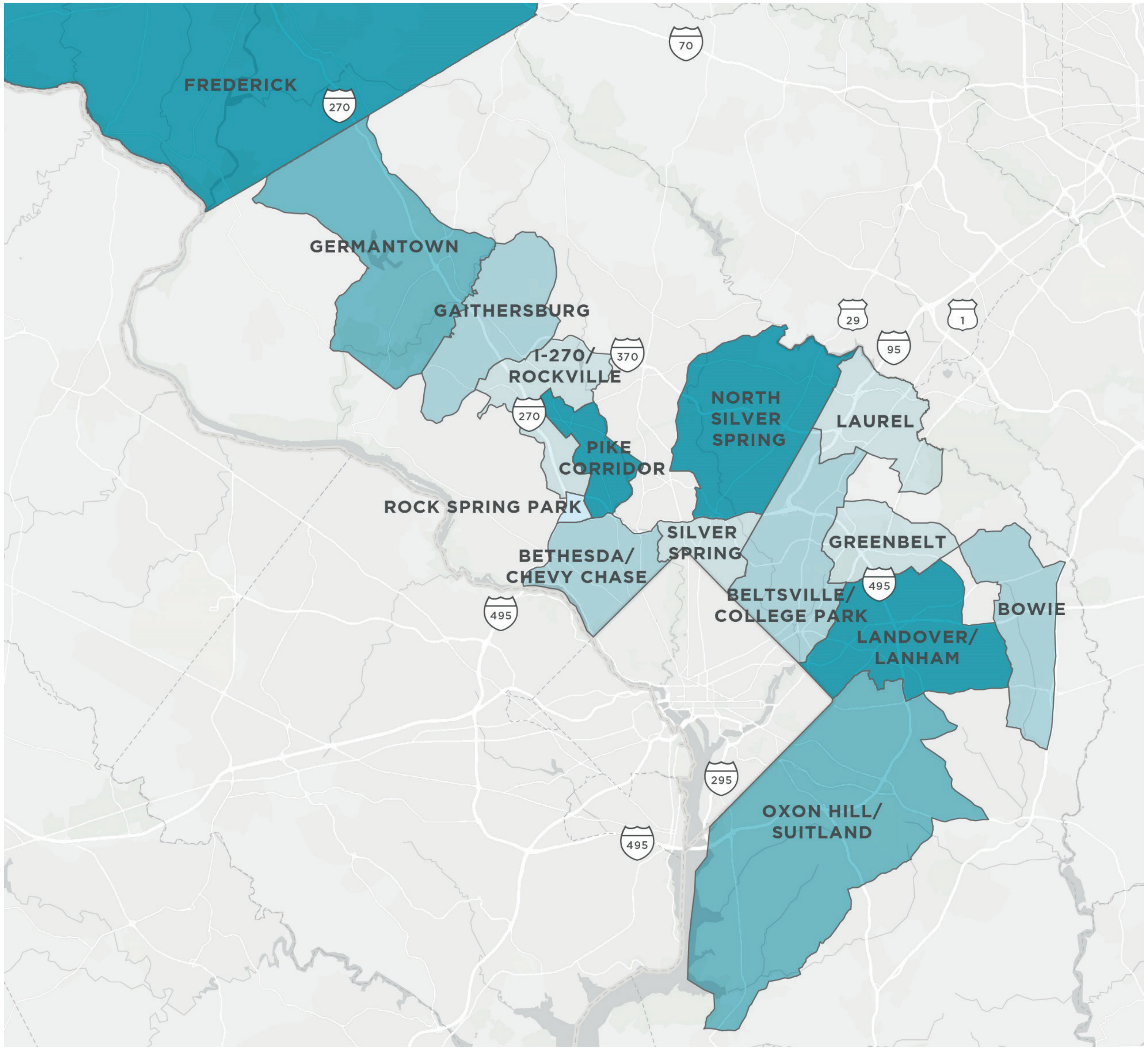
PROPERTY	SUBMARKET	TENANT	SF	TYPE
9801 Washingtonian Blvd	I-270/Rockville	X-Energy	120,114	New Lease
9711 Washingtonian Blvd	I-270/Rockville	DBR Group	56,409	New Lease
7600 Wisconsin Ave	Bethesda/Chevy Chase	Lerch, Early & Brewer	45,284	Expansion, Renewal*
425 Brightseat Rd	Landover/Lanham	State of Maryland	45,000	Renewal*
7373 Wisconsin Ave	Bethesda/Chevy Chase	ULLICO	30,333	New Lease

Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
7501 & 7503 Greenbelt Center Dr	Greenbelt	Individual / Chicago Pacific Founders	192,000	$27.5 M / $143.23 psf
411 Aviation Way	Frederick	Aircraft Owners & Pilots Association / Undisclosed	41,972	$5.25 M / $125.08 psf

OFFICE SUBMARKETS



CHRISTOPHER WHITTLE
Research Analyst
Tel: +1 202 721 2350
Christopher.whittle@cushwake.com

LAUREN KRAEMER
Associate Director
Tel: +1 202 266 1316
Lauren.kraemer@cushwake.com

NATHAN EDWARDS
Senior Director
Tel: +1 202 266 1189
Nathan.edwards@cushwake.com

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