

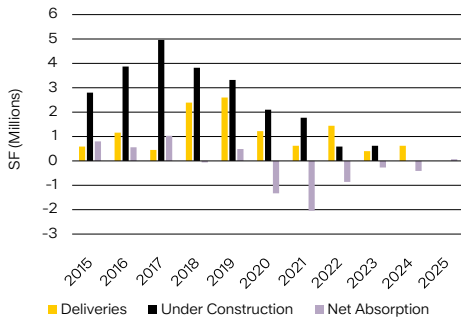
Office Market Spotlight

Washington, D.C.

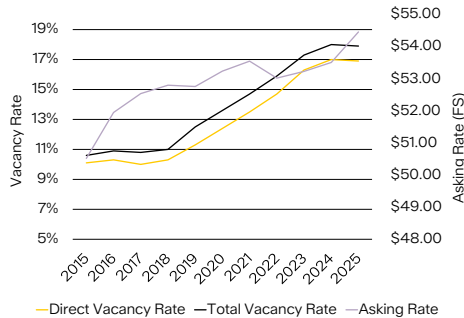
Mid-Q2 2025



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats YTD Q2 2025

Inventory (SF)	158.5M
Direct Vacancy	16.9%
Total Vacancy	17.9%
YTD 2025 Absorption (SF)	68 K
YTD 2025 Leasing Activity (SF)	3.0 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Midway through Q2 2025 the direct vacancy rate in the Washington, D.C. market increased to 16.9%, up from 16.6% at the end of Q1 2025 while the total vacancy rate increased to 17.9%, up from 17.5% at the end of Q1 2025.

Washington, D.C. recorded negative 259,743 square feet of net absorption quarter-to-date. Tenants contributing to the negative net absorption included Carefirst Blue Cross Blue Shield vacating 67,239 square feet at 840 1st Street, NE and ACDI / VOCA vacating 37,871 square feet at 50 F Street, NW.

A total of 1,105,360 square feet has leased in Q2 2025, so far. Tenants executing leases this quarter included GSA - The Department of Justice renewing for 402,787 square feet at 145 N Street, NE and Cooley LLP signing a 106,668-square-foot pre-lease for at 725 12th Street, NW.

There has been four sale transactions in Q2 2025, so far, totaling \$1.09 B. The top sale was a 49% partial interest transfer of the mixed-use Wharf portfolio trading to PSP Investment from Hoffman & Associates/Madison Marquette for \$882.0 M (\$634 psf).

725 12th Street, NW will be demolished and redeveloped into a new 320,000-square-foot trophy class asset. This future building is now 75% pre-leased to the law firms of McDermott and Cooley, and is expected to deliver in late 2028.

10 Year Averages 2015-2024

Net Absorption (SF)	-205 K per year
Deliveries (SF)	1.1 M per year
Leasing Activity (SF)	8.9 M per year

Asking Rental Rates (Full Service / PSF)

2015	\$50.52
2024	\$53.51
YTD 2025	\$54.46