

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.3% Vacancy Rate		
277K YTD Net Absorption, SF		
\$15.34 Asking Rent, PSF (Overall, Net Asking Rent)		

ECONOMIC INDICATORS

	YOY Chg	Outlook
968K Suburban MD Employment		
4.1% Suburban MD Unemployment Rate		
4.2% U.S. Unemployment Rate Source: BLS		

WAREHOUSE/DISTRIBUTION LEASING DRIVE VOLUME

Leasing remained strong in Q3, with new leasing totaling 549,000 square feet (sf), led by the warehouse/distribution (W/D) sector at 477,500 sf, or 87% of activity, while office services (OS) captured the remaining 71,500 sf. Renewal activity totaled 203,400 sf, with W/D accounting for 156,300 sf and OS totaling 47,000 sf. This brought year-to-date (YTD) new leasing to 1.7 million square feet (msf), of which W/D product accounted for 75%, and YTD renewals to 605,200 sf. Notable Q3 transactions included DSV Air & Sea's 402,250-sf new lease at 9051 Gas House Pike in Frederick, Rivian's 83,950-sf renewal at 716 Ritchie Rd in Landover/Lanham, and General Insulation Company's 34,000-sf renewal at 845 Hampton Park Blvd, also in Landover/Lanham.

PRINCE GEORGE'S COUNTY DRIVES POSITIVE ABSORPTION

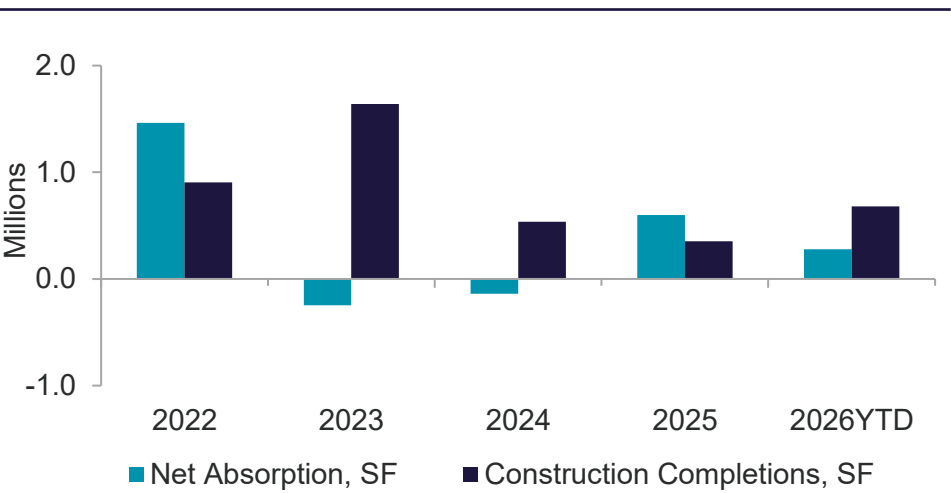
Suburban Maryland recorded 133,800 sf of positive absorption in Q3, with W/D product netting 168,000 sf and OS yielding negative 36,250 sf. Absorption totaled positive 277,000 sf YTD and remains bifurcated by product type, with W/D space recording positive 593,500 sf, while OS space posted negative 316,500 sf. Prince George's County drove absorption, posting 76,500 sf after the Department of Veterans Affairs moved into 283,000 sf in Landover while the Siemens Group left 76,000 sf and Pella vacated 41,100 sf, both in Beltsville. Montgomery County accounted for 49,000 sf of positive absorption after Lifestyle Furniture & Mattress moved into 81,500 sf and Habitat for Humanity occupied 26,000 sf, both in North Bethesda-Rockville.

Four construction projects have delivered 679,500 sf of new supply YTD, most recently the 100,900-sf facility at 15400 Calhoun Dr in North Bethesda/Rockville in Q3. An additional three buildings totaling 438,000 sf remain under construction, including two warehouse buildings at 6500 and 6600 Muirkirk Rd in Beltsville totaling 270,000 sf, and a 168,000-sf building within Frederick Logistics Center. An additional 1.7 msf of proposed developments rounds out the pipeline, pointing to continued, if measured, expansion across the market.

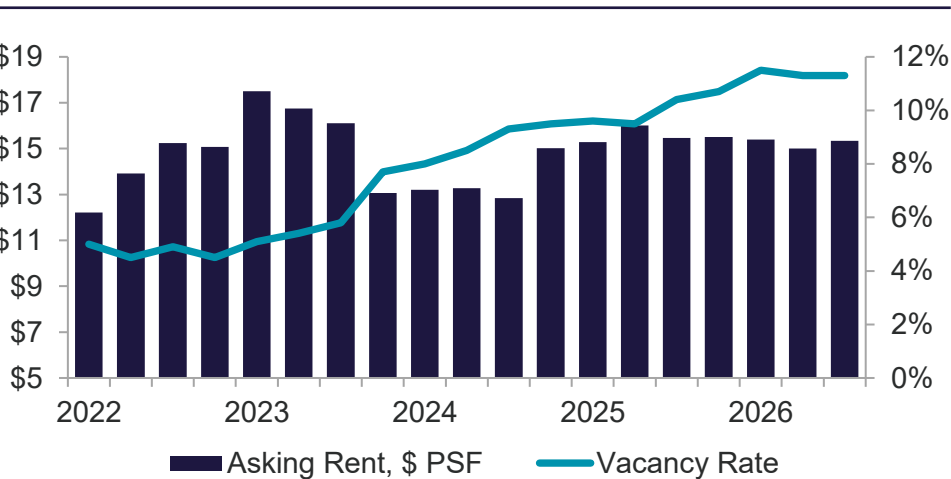
VACANCY TICKS UP AS RENTS DECLINE

Overall vacancy increased 90 basis points (bps) year-over-year (YOY) to 11.3% in Q3. W/D vacancy rose 40 bps YOY to 11.6%, while OS vacancy increased 200 bps YOY to 10.5%. Average asking rents declined, falling \$0.13 per square foot (psf) YOY to \$15.34 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
North Bethesda/Rockville	6,704,035	360,464	5.4%	100,332	-34,601	0	100,854	\$17.12	\$17.29
Gaithersburg/Germantown	7,343,986	727,771	9.9%	-51,276	-94,739	0	0	\$16.15	\$16.15
Montgomery County	14,048,021	1,088,235	7.7%	49,056	-129,340	0	0100,854	\$16.41	\$16.68
Beltsville/College Park	7,051,517	706,713	10.0%	-237,725	-335,290	269,964	0	\$14.56	\$13.73
Laurel	2,838,118	34,448	1.2%	-5,455	46,378	0	0	\$15.38	\$11.75
Landover/Lanham	15,361,930	1,597,639	10.4%	281,443	332,012	0	70,000	\$14.15	\$15.06
Bowie	4,080,784	783,119	19.2%	19,004	158,888	0	0	N/A	N/A
Oxon Hill/Suitland	5,624,849	516,099	9.2%	19,198	178,102	0	0	\$20.91	\$13.31
Prince George’s County	34,957,198	3,638,018	10.4%	76,465	380,090	269,964	70,000	\$14.38	\$13.98
Frederick County	5,087,148	1,370,207	26.9%	6,252	26,226	168,000	508,639	\$19.56	\$9.95
Suburban Maryland Totals	54,092,367	6,096,460	11.3%	131,773	276,976	437,964	679,493	\$16.56	\$14.64

*Rental rates reflect weighted net asking \$psf/year

Product Type	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	38,582,830	4,475,332	11.6%	168,026	593,430	437,964	679,493	\$14.64
Office Service / Flex	15,509,537	1,621,128	10.5%	-36,253	-316,454	0	0	\$16.56

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9051 Gas House Pike	Frederick	DSV Air & Sea	402,254	New Lease
716 Ritchie Rd	Landover/Lanham	Rivian	83,955	Renewal*
845 Hampton Park Blvd	Landover/Lanham	General Insulation Company	33,984	Renewal*
5000 Philadelphia Way	Landover/Lanham	Otis Elevator Company	27,620	Renewal*
4451 Parliament PL	Landover/Lanham	Concentra Health Services	11,919	Renewal*

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1640 Bowmans Farm Rd	Frederick	-	258,129	Hanover Company
1620 Bowmans Farm Rd	Frederick	-	250,510	Hanover Company
1520 Cabin Branch Dr	Landover/Lanham	Columbia Woodworking	70,000	Pac Trust

CHRISTOPHER WHITTLE

Senior Research Analyst

Tel: +1 202 721 2350

Christopher.whittle@cushwake.com

LAUREN KRAEMER

Associate Director

Tel: +1 202 266 1316

Lauren.kraemer@cushwake.com

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