

NORTH ROCKVILLE

OFFICE SPACE MARKET REPORT

Scheer Partners
A Reputation for Results

Q2 2018

Am I sounding like a broken record yet?

For the last 5 years, I've studied and watched the N. Rockville office market slowly but steadily improve. At first, I think it was wishful thinking, but over the last several quarters we've seen minimal and slow improvement. By many standards the N. Rockville market is still considered "soft" but we've seen an uptick in activity, which has driven asking rates up and rental rates down.

1803 Research Boulevard



PS Business Parks continues to attract new tenants to Corporate Blvd. They started with 66 spec suites last April and at last count, they had approximately 15 left. Quick math tells us they've signed over 50 leases in the last 15 months. Research Blvd also saw a couple of new groups. 1801 & 1803 Research signed two new deals in the second quarter.

1801 Research Boulevard



ACC Mortgage and Hendall, Inc. took 6,299 SF & 22,866 SF respectively.

Speaking of Research Blvd, the development at the South end of the street is moving right along. One Life Fitness is close to opening it's doors, along with Chick-Fil-A.

These new retail amenities help to bookend Research Blvd and will likely make the area even more attractive to incoming tenants.

So, as I've been saying for a few years now, the big story in North Rockville is it's slow but steady improvement. It has a long way to go to be called a truly healthy market, but it's certainly an area to keep an eye on. With new retail amenities, renovated office space, and unparalleled access to I-270, I think we'll continue to see improvement quarter over quarter for the foreseeable future.

CURRENT VACANCY RATE

16.3%

CURRENT AVERAGE ASKING RENT

\$26.41 PSF

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