

NORTH ROCKVILLE

OFFICE SPACE MARKET REPORT

Scheer Partners
A Reputation for Results

Q4 2018

North Rockville ended the year in a fairly stable position. We've watched vacancy fluctuate slightly over the previous 3 quarters, and Q4 was no exception. A slight uptick in vacancy ends the year at 16.2%, which is about one half of a percent higher than the previous quarter. However, We did see a slight spike in rental rate. A 4th quarter rally to \$26.27 per square foot helps us to end the year where we started in terms of gross asking rent.

We were glad to see steady velocity throughout 2018 and I expect 2019 to continue this trend. As building owners continue to invest capital into their suburban office buildings tenants will continue to recognize North Rockville as a vibrant submarket with a lot to offer. New amenities and renovated buildings, free parking and easy access to major thoroughfares all contribute to North Rockville's improving position in the I-270 corridor as tenant's evaluate their space needs.

I expect to see an increase in North Rockville activity, which should spark an increase in rental rates. There is still a lot of vacant space to solve for, but as building owners continue to be successful in attracting tenants with renovations and amenities, asking rates could increase as much as \$1.00 per square foot.



77 Upper Rock, one of the largest buildings at **235,000 SF**

- Renovated/ activated lobby
- Renovated facade & exterior entrance
- Conference rooms & fitness
- Tenant lounge
- Walkable amenities

For additional market insight, contact:

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CURRENT VACANCY RATE

16.0% UP 0.3%

CURRENT AVERAGE ASKING RENT

\$25.99 PSF UP \$0.54