

NORTH ROCKVILLE

REAL ESTATE OFFICE MARKET OVERVIEW

It's been another quarter of continued improvement for the North Rockville Office market! We're off to a busy start with some great leasing activity. Vacancy has dropped about a half a percent and rental rates are continuing to climb (current average asking rate is \$27.55 psf).

Tenants are continuing to recognize the value and convenience of the North Rockville submarket, something that I've been talking about for years now! Simple laws of supply and demand seem to be on display; As vacancy falls, asking rates increase!

North Rockville has been hard at work over the last +/- 5 years renovating it's dated, suburban office parks into the newer, more modern, and convenient options they are today. Tenant's have easy access to a host of amenities, as well as major thoroughfares (I-270, I-370, the Intercounty Connector, etc.) which will continue to be of value to tenant's exploring options for their office space needs.

Looking forward, as we always do, I predict we'll continue to see slow but steady improvement. Vacancy rates will fluctuate but we should see an overall net reduction. Same goes for rental rates; we'll see some slight variance from month to month or quarter to quarter but overall, asking rates should continue to increase.

Q1 2019 TOP LEASING & SALES ACTIVITY



LEASE

- 9715 & 9717 Key West Avenue
- Supernus Pharmaceuticals
 - 136,016 SF



SALE

- 9900 Belward Campus Drive
- Sold to McDevitt Real Estate
 - \$3.1M



SALE

- 9901 Belward Campus Drive
- Sold to McDevitt Real Estate
 - \$10.9M



LEASES

- 77 Upper Rock
- Cisco
 - 22,000
 - Nurticia
 - 17,000 SF



LEASE

- 540 Gaither Road
- Redfin
 - 14,792 SF

CURRENT VACANCY RATE

15.5%

CURRENT AVERAGE ASKING RENT

\$27.55 PSF

For additional market insight, contact:

Aaron Gambini

Senior Vice President

(301) 337-4700

agambini@scheerpartners.com

Scheer Partners, Inc.

15245 Shady Grove Road, Suite 210

Rockville, Maryland 20850