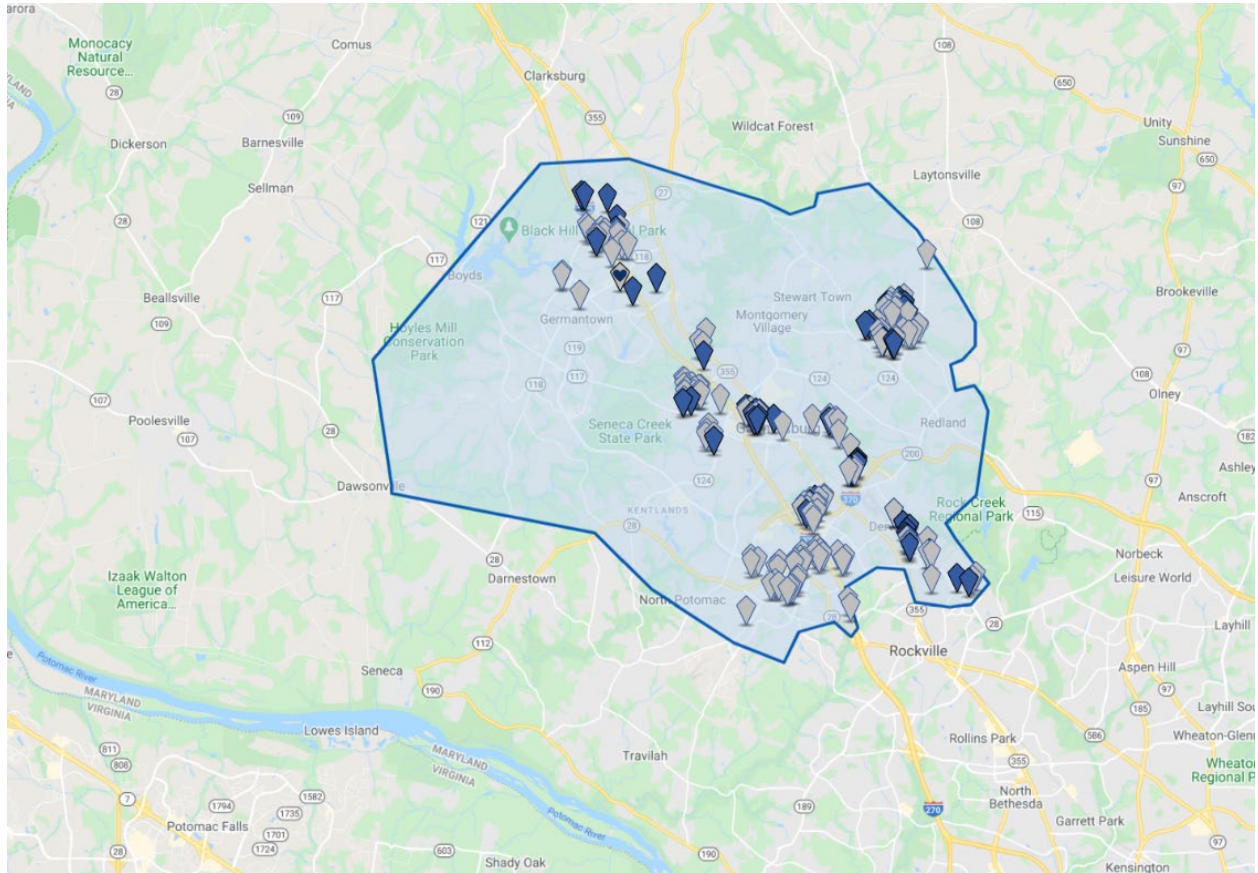


Real Estate

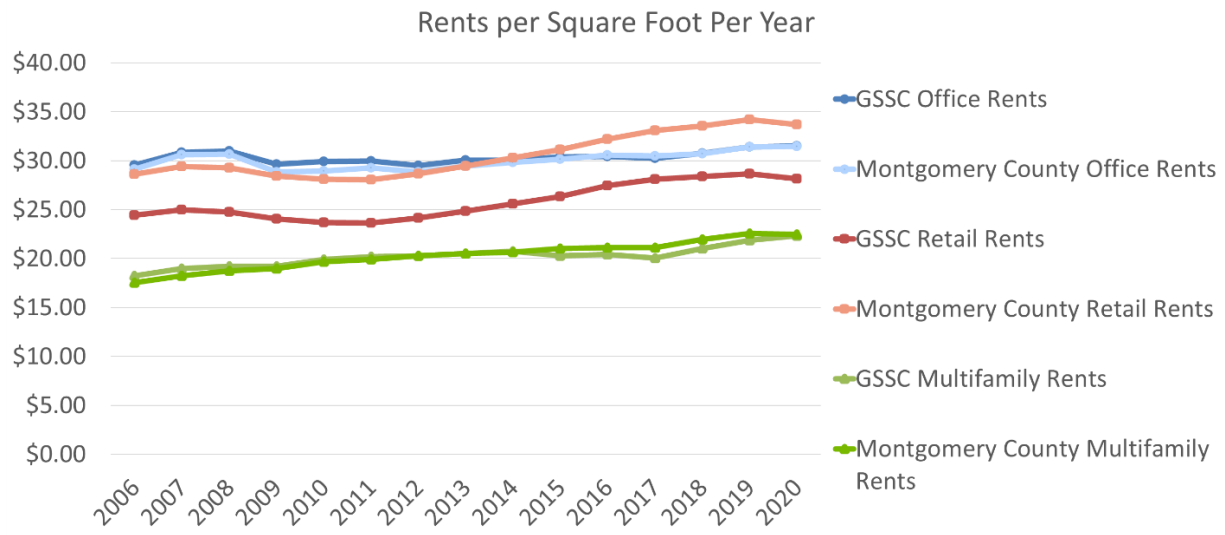
Neither the Life Sciences Center nor the Great Seneca Science Corridor Master Plan area compose a natural real estate market. The areas are part of the North Rockville-Germantown Real Estate Market Area.



In the Great Seneca Science Corridor Master Plan area, office and retail earn more rent per square foot than multifamily, which is common, but have smaller pools of demand and are more selective about acceptable locations. Rents have been stagnant for office (countywide), which has been a challenge for developers.

There is a slight discount for rent for retail properties, however the lower rents are less impactful for development in the area than the negative macro trends for retail regionally and throughout the country.

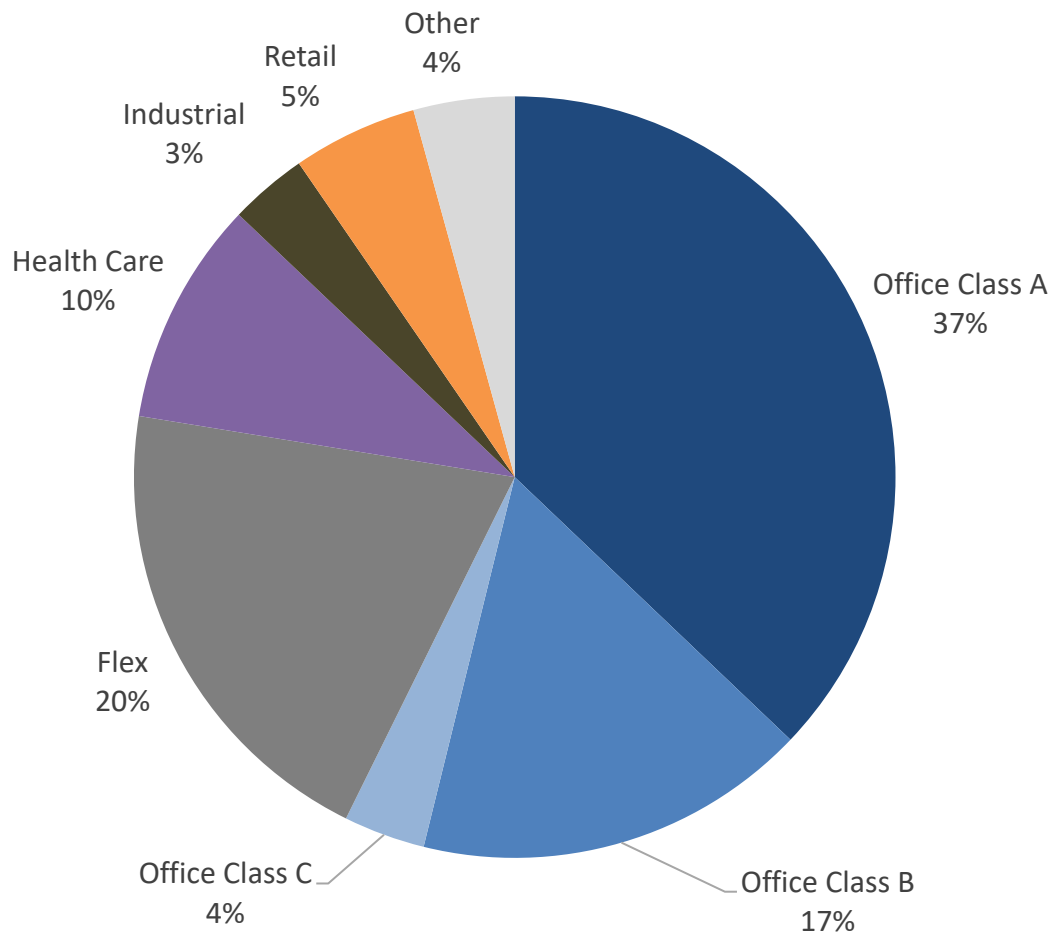
Multifamily rent growth in 2010 Plan area tracks Montgomery County and is modest but positive. Multifamily rents neither indicate that there is strong unmet demand nor that the market is oversaturated.



The 2010 Plan area has a heavy emphasis on production space such as office and flex space. The limited retail may reflect the odd geography of 2010 Plan area.

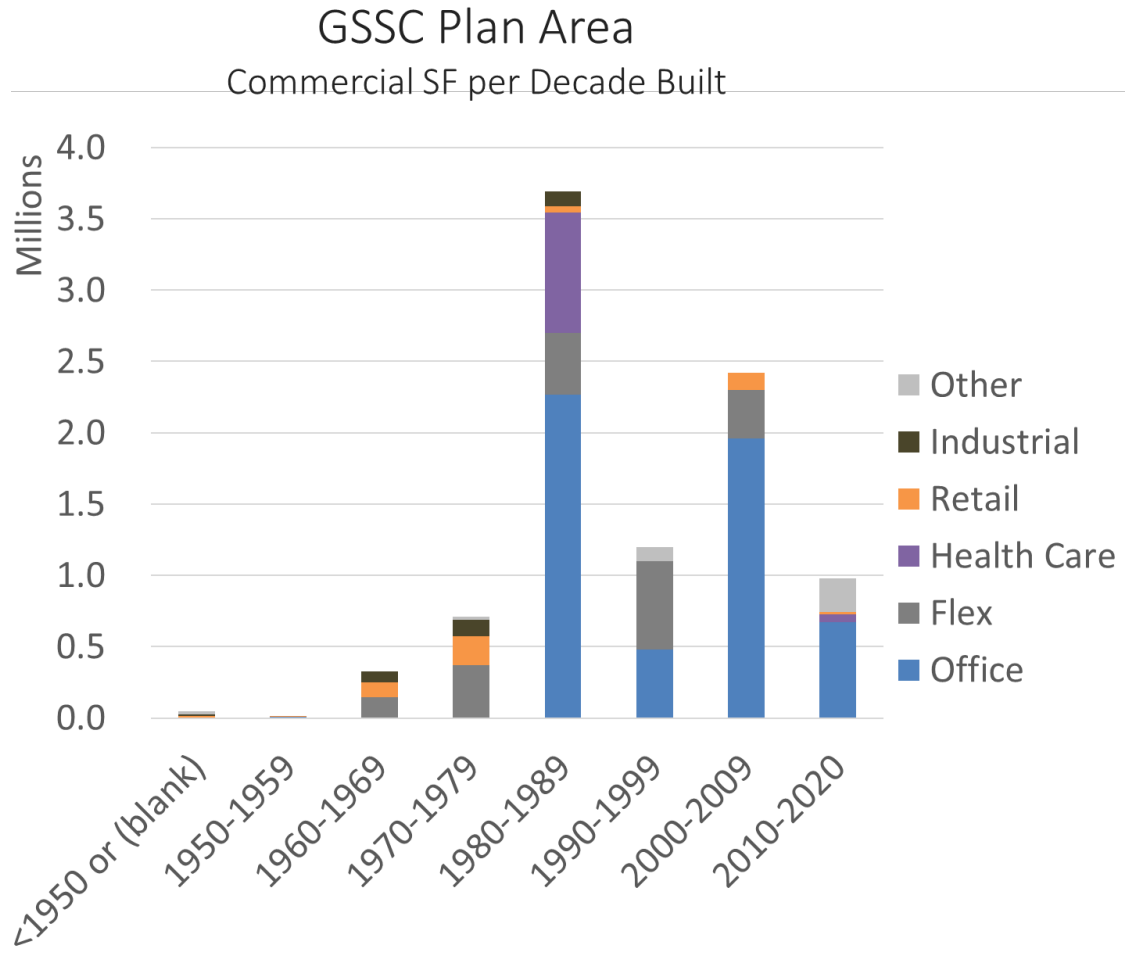
Non-residential Development

Non-residential Development in the 2010 Plan Area (as of 2020)

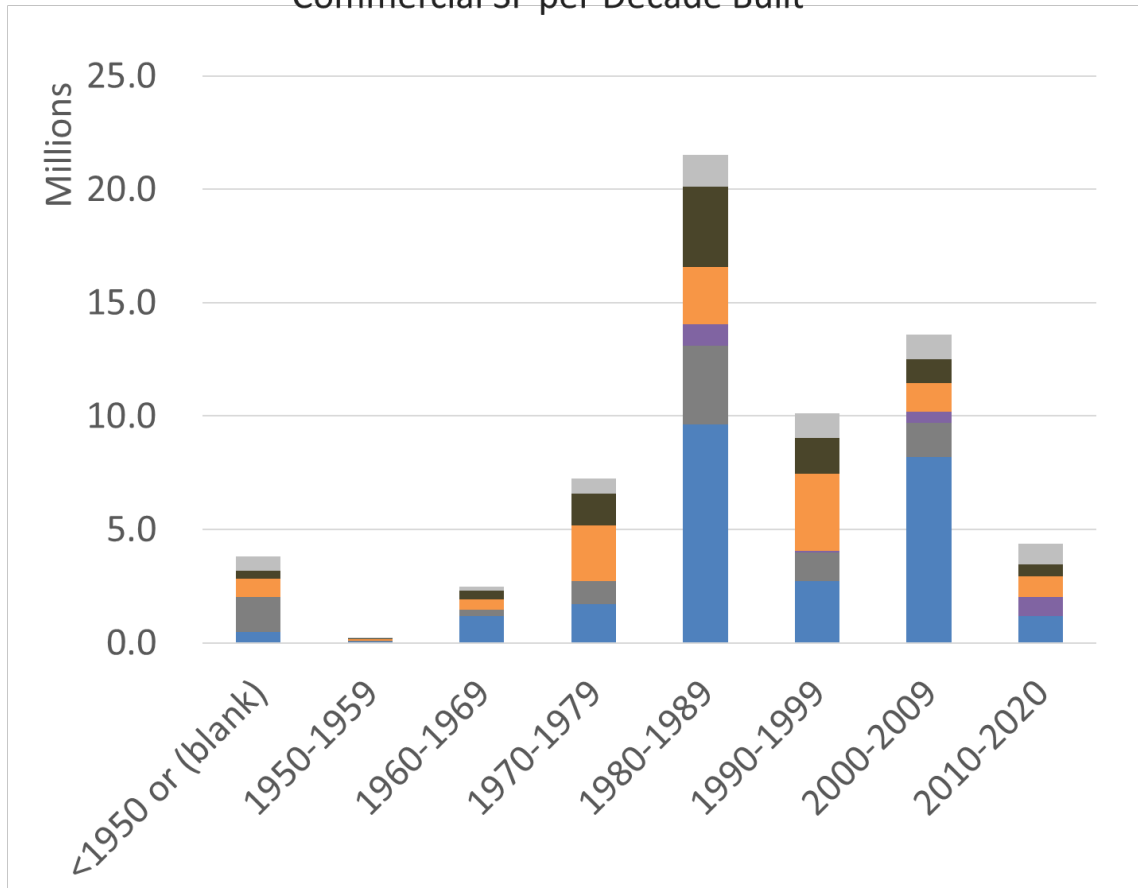


- The Plan area growth closely matches North Rockville. Prior to the 1980s, the 2010 Plan area was a fringe flex/industry market, but became an office market. It's maintained that market ever since with moderate growth and a boom between 1998 and 2009 which was accompanied by strong absorption.
- In 2009, the Plan area appeared overbuilt and then recession losses lead to a spike in vacancy. Vacancy has never gotten below 10 percent again, a rough level above which new development without an identified tenant is not attractive.

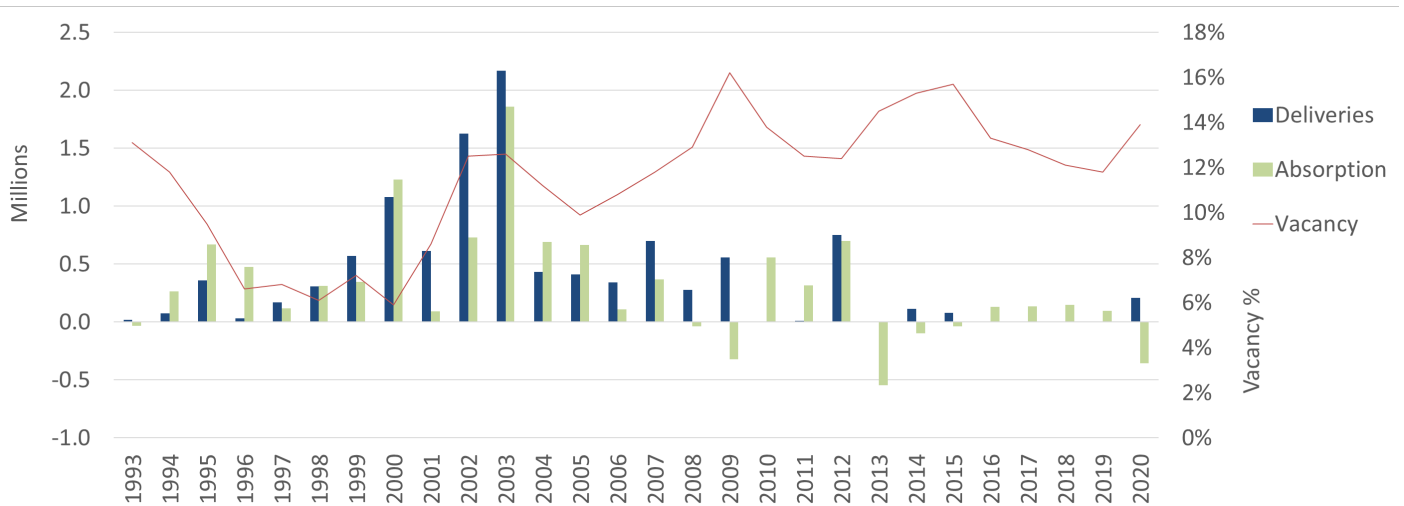
Post 2009, almost no properties have been delivered, with the exception of 2012, which is an anomaly, and reflects the Cancer Institute occupying a 600,000 square foot purpose-built facility.



North Rockville- Germantown Market Area Commercial SF per Decade Built



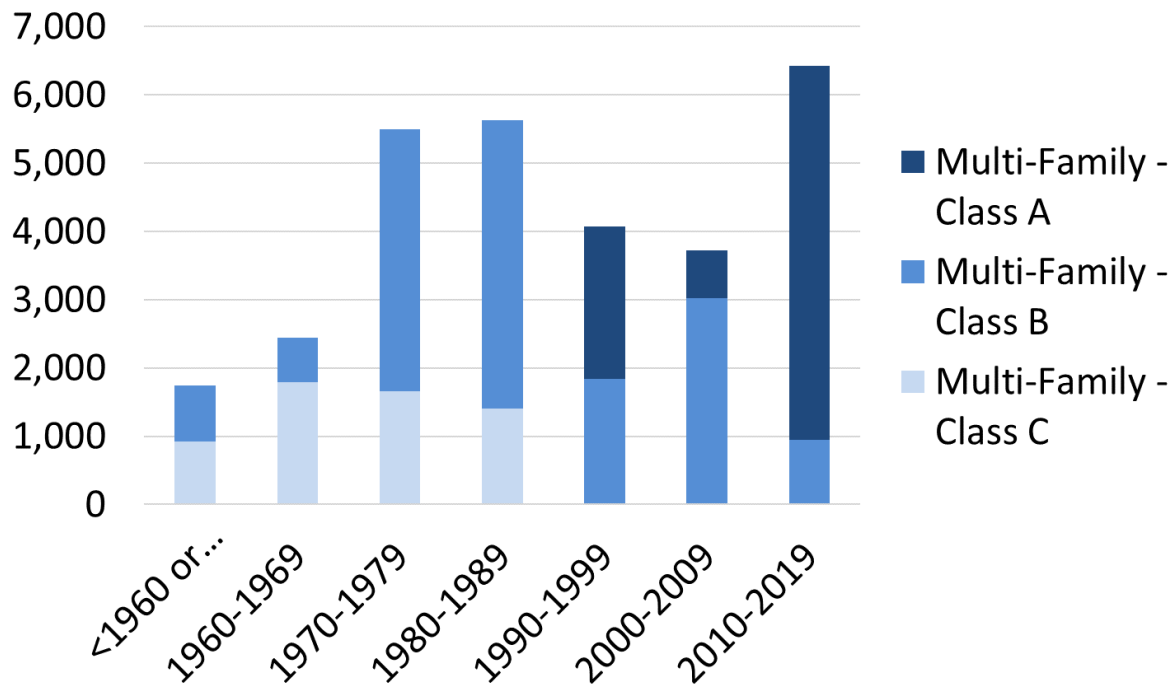
North Rockville- Germantown Market Area Office Deliveries, Absorption, & Vacancy



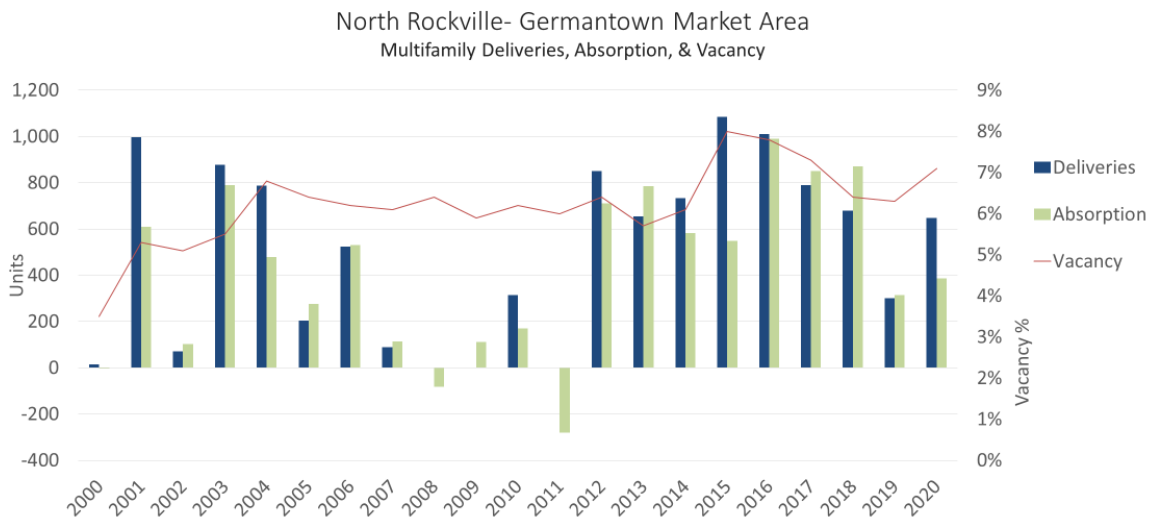
Residential Development

The broader market has been a growth area for multifamily for decades. This is a use for which there appears to be continuing strong demand.

Multi-family Residential Units by Decade in the North Rockville – Germantown Market Area



Strong Multifamily Market with Modest Vacancy



The type of multi-family that has been delivered recently are primarily four to five stories of wooden (“stick”) construction. The structures are typically built on four to six acres with approximately fifty to seventy units per acre. These typically include a pre-cast parking garage with a ‘face’ of single-load apartments (“the donut”). Generally, retail in these buildings is limited because it requires more costly concrete podium.

Recent Multi-family Developments in the Life Sciences Center



