

NORTH ROCKVILLE

OFFICE SPACE MARKET REPORT

North Rockville Market: What's Beyond?

There is the city of Rockville and there is the submarket of North Rockville. North Rockville is really the Shady Grove Road corridor which is really the main artery, for the submarket. I focus my market reports on the North Rockville market because at a time, it was a vibrant and thriving market for tenants and landlords alike.

North Rockville still features access to an educated workforce, an evolving building and construction landscape, proximity to some of the hottest developments in the county, and access to some of the best commercial real estate opportunities for landlords and tenants in the county.

Existing or New: There is Something for Everyone

Last quarter, we talked about the East-side of Shady Grove Road versus the West-side of Shady Grove Road and the opportunities on both sides provide tenants in the market.

In keeping with the East vs West comparison, this quarter we are focusing on existing versus new construction:

On the West-side:

Build it and they will come: This is the unofficial motto for PS Business Parks. Business Parks and their plan for their million square feet on Corporate Blvd and Shady Grove Road. The publicly traded real estate firm is building 75 spec suites in the 1,500 – 7,500 sf size range. If you're a tenant in the market looking for space (in this size range), you don't have to look very far to find something that works!

Get your Class A Buildings right here: Shady Grove Plaza (15245 Shady Grove Road) is for sale. HFF is handling the sale of the building currently owned by Meritage Properties and Ivy Realty. While activity on the sale has been good, it is unclear who the next owner will be. Time will tell!



On the East-side:

Let's knock it down and start all over: Construction is well underway for the new Mom's Organic Market and CVS at the corner of Shady Grove Road and Choke Cherry Rd. Now that the tired office building, formerly known as 5 Choke Cherry, has been demolished, JBG is able to start framing (quite literally, the steel frame of what will be a new retail center is now standing) their new mixed use project.

"We are doing you a favor": 1788 Holdings/ Lantian Development are planning to redevelop 7 existing office buildings (totaling 430,000 sf) into a mixed use "node" that would reduce the amount of office space in the 31-acre development substantially (located between Choke Cherry Road and Gaither Road). The City Planning Commissioner has expressed concern about losing this substantial amount of office space in the North Rockville submarket. To that, 1788 & Lantian make the case that with the vacancy rates soaring in North Rockville, landlords/ owners will applaud if some of Gaither Road is eliminated for other uses.

For additional market insight, contact:

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