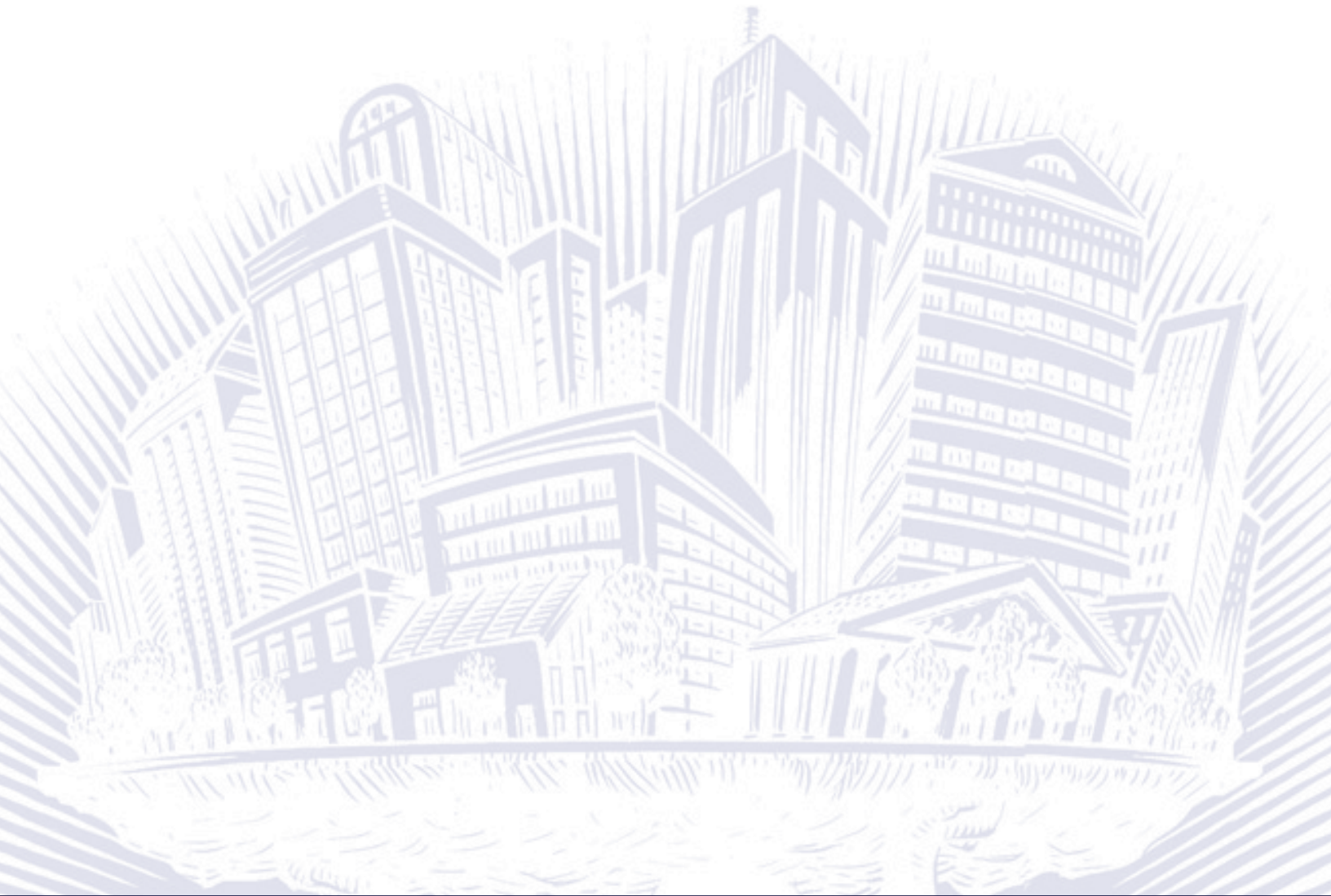


# I-270 Corridor Lab Market Report

4TH QUARTER 2015 & 2016 FORECAST



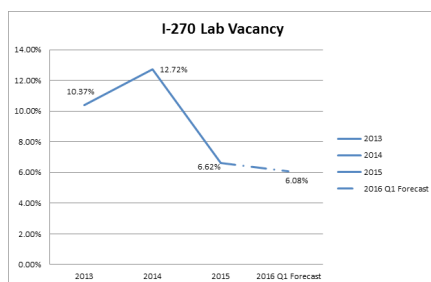
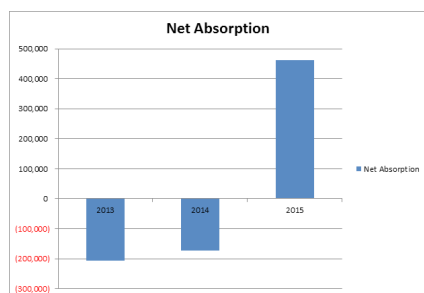
# I-270 CORRIDOR LAB MARKET REPORT

## MARKET SUMMARY:

The supply has been cut in half over the past year and has dwindled to just over 500,000 square feet of available lab space (6.6% vacancy rate). This is down from 977,000 square feet (12.7% vacancy rate) this time last year.

However, the raw numbers do not show the reality of the market because they do not account for functionality or large blocks that cannot be divided below a specific threshold. To illustrate the point, for lab tenants under 20,000 square feet (a majority of the market), there are only 45,000 square feet of available lab space (0.6% vacancy rate) in the market.

The question remains will we see another generation of strong funding and related growth in 2016 that will push the I-270 lab market to a surplus of unmet demand?



## FORECAST:

There is a limited supply of space that may come available late in 2016, but given the current climate, it would not be a surprise to see that space leased before the occupying tenant vacates.

In any given 'normal' year, the demand for lab space ranges between 80,000 and 300,000 square feet. In a year of a limited inventory (which we are predicting for 2016), tenants who require additional lab space will need to find creative solutions for covering the costs of the tenant improvements (\$100+ per square foot). Those tenants with additional requirements will also need to allow for more time to locate spaces for repurposing as well as design and construction of the space.

## FOR ADDITIONAL INFORMATION, CONTACT:

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## MAJOR 4TH QUARTER TRANSACTIONS:



217 PERRY PARKWAY

- ATCC – Leased 31,000 square feet at 217 Perry Parkway to grow their Maryland operations.



9712 MEDICAL CENTER DRIVE

- REGENXBIO – Expanded by 19,500 square feet in the neighboring building to ramp up their research operations.



4 RESEARCH COURT

- BioQual – Expanded their operations in the Rickman portfolio by taking 15,500 square feet at 4 Research Court.



9704 MEDICAL CENTER DRIVE

- JCVI – transitioning out of their space at 9704 Medical Center Drive to make way for MacroGenics, they took 11,000 square feet at 9714 Medical Center Drive to right-size their Maryland operations.