

# NORTH ROCKVILLE

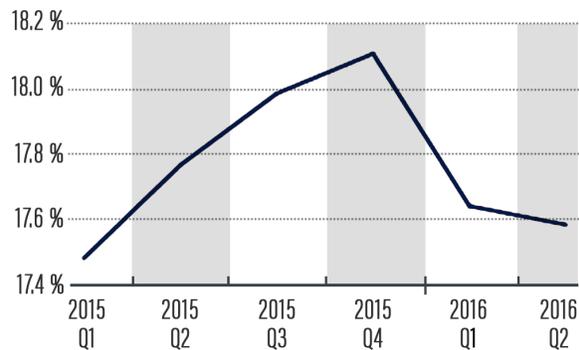
## OFFICE SPACE MARKET REPORT

FIRST QUARTER 2016

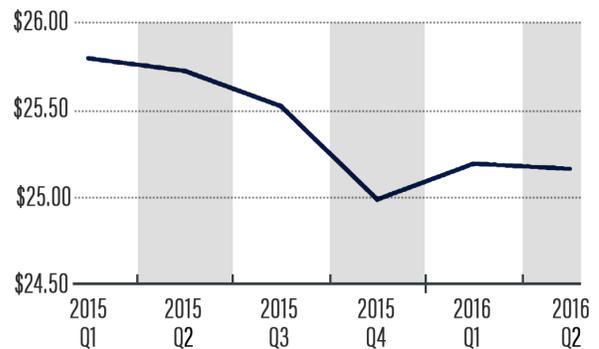


As we shake off the cold weather and look back over the first quarter of 2016, the N. Rockville submarket is becoming increasingly active. Despite a relatively stagnant 2015, overall vacancy in the market has seen some improvement. Market velocity seems to be picking up in the form of tenants searching for new space to facilitate expansion or relocation. N. Rockville remains a low cost option for many tenants for whom metro accessibility is not a top priority.

### VACANCY RATE



### GROSS ASKING RENT



## Market Snapshot

Current Vacancy Rate has dropped slightly over the first quarter of 2016 while rental rate remains relatively flat (current average is \$25.16 psf).

Activity is increasing in the N. Rockville office market. The vacancy rate improvement supports this but even more telling is the amount of tenants in the market. The question remains, what is driving the activity. Our opinion is that tenants and brokers alike are realizing the value that N. Rockville has to offer. From the abundant vacancy, to the continued capital investment by building owners, which included upgrades, additions of appealing amenities, and tenant concessions, only add to the lure and appeal of the North Rockville market.

## Looking Forward

As we move forward through 2016, the current increase in activity will begin to affect the overall market landscape in the form of further improvement to the overall rental rate. While it may take a significant amount of time, perhaps even years, to recover from the mass exodus of some of the county's largest tenants, the market should continue to improve. As vacancy rates continue to fall, we should begin to see rental rates begin to increase. However, N. Rockville will remain a solid option for both tenants who are already here, and those who are considering relocation options for their businesses for the foreseeable future.

For additional market insight, contact:

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