



PRINCE GEORGE'S COUNTY OFFICE MARKET **CHARACTERISTICS & TRENDS**

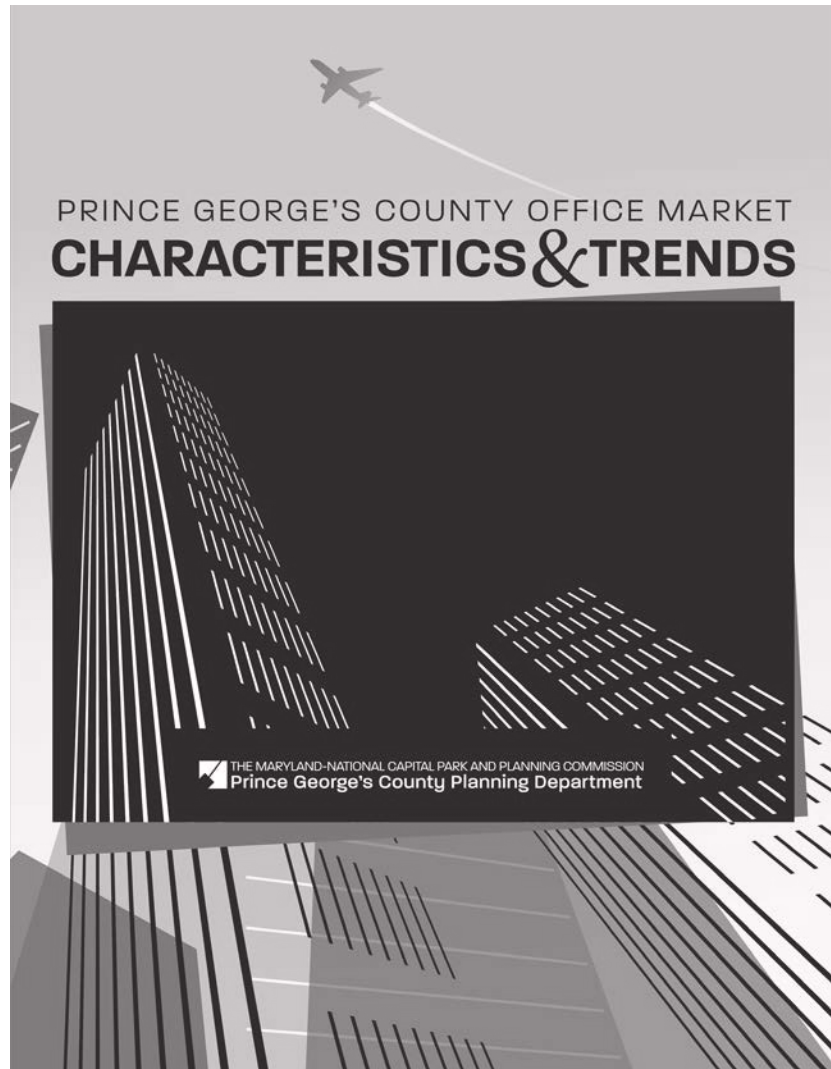


THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Prince George's County Planning Department

Abstract

Date	2024
Title	Prince George's County Office Market Characteristics and Trends
Author	The Maryland-National Capital Park and Planning Commission
Subject	A comprehensive overview of the office market throughout Prince George's County, Maryland
Source of copies	The Maryland-National Capital Park and Planning Commission 1616 McCormick Drive Upper Marlboro, MD 20774
Series number	990242405
Number of pages	56

This report provides a comprehensive overview of the office market characteristics and trends throughout Prince George's County, Maryland. It studies a complete set of office building characteristics, including inventory, year built, building class, demolition activities, vacancy rates, rentable square footage, and Market Asking Rent of privately owned office buildings constructed before or in 2023.



2024

The Maryland-National Capital Park and Planning Commission

Prince George's County Planning Department

1616 McCormick Drive

Upper Marlboro, MD 20774

www.pgplanning.org

The Maryland-National Capital Park and Planning Commission

Artie Harris, Jr., Chair
Peter A. Shapiro, Vice Chair

Officers

William Spencer, Acting Executive Director
Gavin Cohen, Secretary-Treasurer
Debra Borden, General Counsel

The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bicounty agency, created by the General Assembly of Maryland in 1927. The Commission's geographic authority extends to the great majority of Montgomery and Prince George's Counties: the Maryland-Washington Regional District (M-NCPPC planning jurisdiction) comprises 1,001 square miles, while the Metropolitan District (parks) comprises 919 square miles, in the two counties.

The Commission has three major functions:

- The preparation, adoption, and, from time to time, amendment or extension of the General Plan for the physical development of the Maryland-Washington Regional District.
- The acquisition, development, operation, and maintenance of a public park system.
- In Prince George's County only, the operation of the entire county public recreation program.

The Commission operates in each county through a Planning Board appointed by and responsible to the County government. All local plans, recommendations on zoning amendments, administration of subdivision regulations, and general administration of parks are responsibilities of the Planning Boards.

The Prince George's County Planning Department:

- The mission of the Prince George's County Planning Department is to promote economic vitality, environmental sustainability, design excellence, and quality development that promotes healthy lifestyles in Prince George's County neighborhoods.
- Our vision is to be a model planning department of responsive and respected staff who provide superior planning and technical services and work cooperatively with decision makers, citizens, and other agencies to continuously improve development quality and the environment and act as a catalyst for positive change.

PRINCE GEORGE'S COUNTY PLANNING BOARD



Peter A. Shapiro,
Chair



Dorothy F. Bailey,
Vice Chair



Manuel R. Geraldo,
Esq.



William Doerner



A. Shuanise Washington

MONTGOMERY COUNTY PLANNING BOARD



Artie L. Harris, Jr.,
Chair



Mitra Pedoeem,
Vice Chair



Shawn Bartley,
Esq.



James Hendrick,
Ph.D.



Josh Linden

Prince George's County



Angela Alsobrooks,
County Executive

County Council

The County Council has three main responsibilities in the planning process: (1) setting policy, (2) plan approval, and (3) plan implementation. Applicable policies are incorporated into area plans, functional plans, and the general plan. The Council, after holding a hearing on the plan adopted by the Planning Board, may approve the plan as adopted, approve the plan with amendments based on the public record, or disapprove the plan and return it to the Planning Board for revision. Implementation is primarily through adoption of the annual Capital Improvement Program, the annual Budget, the water and sewer plan, and adoption of zoning map amendments.

COUNCIL MEMBERS

Jolene Ivey, Chair, 5th District

Sydney J. Harrison, Vice Chair, 9th District

Thomas E. Dernoga, 1st District

Wanika B. Fisher, 2nd District

Eric C. Olson, 3rd District

Ingrid S. Watson, 4th District

Wala Blegay, 6th District

Krystal Oriadha, 7th District

Edward P. Burroughs, III, 8th District

Calvin S. Hawkins, II, At-large

Councilmember At-large, vacant

Clerk of the Council: Donna J. Brown

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Table of Contents

Introduction.....	8
A Vital Role in Region.....	9
Comparison Among Jurisdictions.....	10
Federal Policy Impact.....	11
Diverse Building Types	13
Class A Buildings	18
Class B Buildings	19
Class C Buildings	20
Lifecycle of Office Buildings.....	21
Year Built.....	22
Demolition Activities	23
Relatively Low Vacancy.....	25
Sales Volume Trends.....	33
Sales Volume	34
Buyers and Sellers.....	35
Construction Activity	39
Office Zoning and Land Use	45
Conclusion and Summary.....	50
Appendix: Office Building Class Definitions.....	53
CoStar	54
LinkedIn	54
Acknowledgments.....	55

List of Maps

Map 1. Class A Office Buildings by County Council District.....	15
Map 2. Class B Office Buildings by County Council District.....	16
Map 3. Class C Office Buildings by County Council District.....	17
Map 4. Class A Office Buildings Vacancy Rate by County Council District.....	29
Map 5. Class B Office Buildings Vacancy Rate by County Council District.....	30
Map 6. Class C Office Buildings Vacancy Rate by County Council District.....	31
Map 7. Prince George's County Approved Office Developments.....	43
Map 8. Prince George's County Office Zones	47
Map 9. Prince George's County Office Land Use	49

List of Tables

Table 1. Key Performance Indicators of Selected Jurisdictions in the DC Metropolitan Region.....	10
Table 2. Key Performance Indicators	14
Table 3. Existing Office Buildings by County Council District.....	14
Table 4. Class A Office Building Inventory.....	18
Table 5. Class B Office Building Inventory	19
Table 6. Class C Office Building Inventory.....	20
Table 7. Demolitions of Office Buildings.....	24
Table 8. Vacancy Rate (%) by Office Class by Decade by Tenancy	26
Table 9. Top Buyers of Office Buildings by Class.....	35
Table 10. Top Sellers of Office Buildings by Class.....	36
Table 11. Sales Volume by Buyer or Seller Origin by Class.....	37
Table 12. Office Buildings Under Construction, 2014 to 2024 (YTD).....	40
Table 13. Approved Development for Office Use, 2020 to Present.....	42
Table 14. Zoning Classifications for Office Uses.....	46

List of Charts

Chart 1. Number of Office Buildings by Class by Decade of Construction	22
Chart 2. Vacancy Rate and Market Asking Rent (All Offices).....	27
Chart 3. Vacancy Rate and Market Asking Rent (Class A Offices)	27
Chart 4. Vacancy Rate and Market Asking Rent (Class B Offices)	28
Chart 5. Vacancy Rate and Market Asking Rent (Class C Offices)	28
Chart 6. Sales Volumes by Office Building Class	34
Chart 7. Office Buildings Under Construction (Square Feet)	41

Additional Photographs

- Page 32.** Melford Plaza offers Class A office space in Bowie.
- Page 38.** A mixed-used project includes Metro's new headquarters in New Carrollton.
- Page 44.** The Hampton Park Office Building anchors revitalization efforts along the Blue Line Corridor in Capitol Heights.

Introduction

This report provides a comprehensive overview of the office market throughout Prince George's County, Maryland. It studies a complete set of office building characteristics, including inventory, year built, building class, demolition activities, vacancy rates, rentable square footage, and Market Asking Rent of privately owned office buildings

The data source for this report is mainly CoStar, a commercial real estate database. CoStar's criteria for an office building is one in which its primary intended use "is to house employees of companies that produce a product or service primarily for support services."¹

CoStar is known as the industry leader in providing the most comprehensive database of real estate data throughout the US and Canada.

The data in this report include all office buildings that were constructed before or in 2023, unless they are otherwise specifically indicated in certain tables or charts. CoStar periodically conducts surveys to businesses throughout the US and Canada and has compiled the most comprehensive database of current real estate data.

CoStar categorizes office buildings into four classes: A, B, C, and F. There are only four Class F office buildings in Prince George's County. This report will mainly discuss Classes A, B, and C office buildings. The definitions of office classes are included in the Appendix of this report and on some maps.

This report can serve as a reference for zoning and development review activities, economic development, reuse of vacant office properties, and possible conversion of vacant offices to housing.

1 "CoStar Glossary – Office Property," Costar Group. <https://www.costar.com/about/costar-glossary>.

A Vital Role in Region



PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Comparison Among Jurisdictions

This report provides an overview of key performance indicators of Prince George's County and primarily compares the indicators to neighboring Montgomery County, Maryland, the District of Columbia (DC), as well as Arlington and Fairfax counties in Virginia.

Washington, DC has the largest number of office buildings, the greatest amount of office space, the highest Market Asking Rent—the rental price listed by the landlord—and the highest sale price (**Table 1**). Among the selected counties in the region, Prince George's County has the least office building space. Arlington County has the fewest number of office buildings, and Prince George's County ranks second to last. In terms of space inventory,

Prince George's County has the smallest percentage share (5.5%) in the region.

Office buildings in Prince George's County are relatively affordable compared with surrounding jurisdictions. The Market Asking Rent per square foot and Market Sale Price per square foot are the lowest compared with other nearby jurisdictions in the region.

Prince George's County's vacancy rate is the lowest among the selected jurisdictions. The high vacancy rate across the region may reflect a nationwide trend occurring even prior to the COVID-19 pandemic (see the *Relatively Low Vacancy* section of this report).

Table 1. Key Performance Indicators of Selected Jurisdictions in the DC Metropolitan Region

Jurisdiction Name	Number of Buildings	Space Inventory (SF)	Vacancy Rate	Market Asking Rent per SF	Market Sale Price per SF
Prince George's County, MD	1,167	28.7 million	12.2%	25.8	157
Montgomery County, MD	1,521	76.6 million	18.3%	32.9	230
District of Columbia (DC)	2,386	170 million	16.9%	53.9	463
Arlington County, VA	326	43.9 million	23.5%	39	310
Fairfax County, VA	1,777	120 million	19.6%	32.6	240
DC Metropolitan Region	11,872	524 million	16.8%	39.1	307

Percent Share of the Metropolitan Region

Prince George's County	9.8%	5.5%	72.6%	66.0%	51.1%
Montgomery County	12.8%	14.6%	108.9%	84.1%	74.9%
District of Columbia (DC)	20.1%	32.4%	100.6%	137.9%	150.8%
Arlington County, VA	2.7%	8.4%	139.9%	99.7%	101.0%
Fairfax County, VA	15.0%	22.9%	116.7%	83.4%	78.2%

SF: square feet

SOURCE: COSTAR

Federal Policy Impact

This Office Market Characteristics and Trends report primarily focuses on privately-owned office buildings. For reference, this section includes a list of federal agencies with office locations in Prince George's County, which has shown to be the catalysts for supporting other business industries.

Prince George's County is one of the federal office hubs in the region. Federal presence has a significant impact on local communities, including land use, economic development, housing, transportation, and other public services.

The National Capital Planning Commission's Workplace Scenario Planning Study states, "Prince George's County, MD will have potential challenges with 46% of its office space leases nearing their termination, signaling moderate impact. The indispensability of in-person presence in [some federal agency] labs for various scientific activities can act as a crucial buffer against sharp reductions in the occupied spaces in this county, potentially reducing the overall impact of telework trends on office space occupancy."²

The federal agencies that are located in Prince George's County include:³

Agency Name

National Aeronautics and Space Administration (Goddard Space Flight Center)
National Archives and Records Administration
Social Security Administration
Department of Agriculture
Department of Commerce (U.S. Census Bureau)
Department of Defense (U.S. Air Force - Andrews Air Force Base)
Department of Defense (U.S. Army Research Laboratory)
Department of Homeland Security
Department of the Interior
Department of Justice (Bureau of Alcohol, Tobacco, Firearms and Explosives)
Department of Labor
Department of the Treasury (Internal Revenue Service)
Department of Veterans Affairs (Veterans Health Administration)
U.S. District Court for the District of Maryland
Food and Drug Administration⁴
National Oceanic and Atmospheric Administration⁵

City

Greenbelt
College Park
Suitland, Seabrook
Beltsville, Laurel, Riverdale, Upper Marlboro
Suitland
Camp Springs
Adelphi
Laurel
Laurel, Fort Washington, Greenbelt, Accokeek, Oxon Hill
Lanham, Greenbelt, Beltsville
Beltsville and Laurel
Landover
Camp Springs
Greenbelt
College Park
College Park

² National Capital Planning Commission and the Metropolitan Washington Council of Governments. Workplace Scenario Planning Study: Analysis & Tools to Understand the Implications of Federal Telework on the Region. February 2024, 39. https://www.ncpc.gov/docs/Workplace_Scenario_Planning_Study_February2024.pdf.

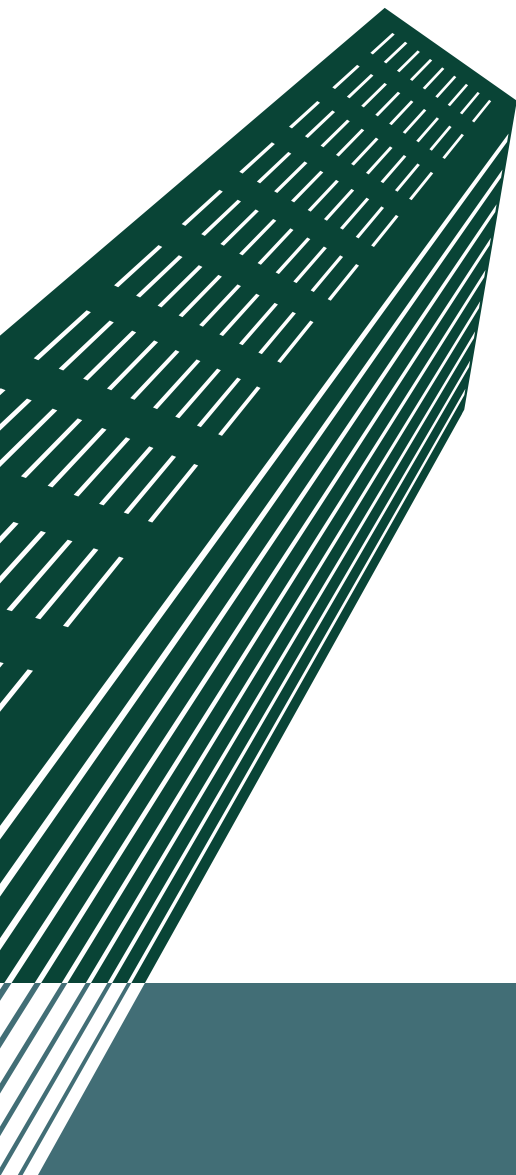
³ "U.S. Government Agencies in Prince George's County," Maryland State Archives. Maryland Manual On-Line. <https://msa.maryland.gov/msa/mdmanual/36loc/pg/html/pgus.html>.

⁴ <https://www.fda.gov/about-fda/fda-organization/center-food-safety-and-applied-nutrition-cfsan>.

⁵ <https://www.arl.noaa.gov/about/arl-divisions/directions-ncwcp/>.

PRINCE GEORGE'S COUNTY OFFICE MARKET

CHARACTERISTICS & TRENDS



The background features a dark teal header and footer. A thin orange line runs horizontally across the top. Abstract geometric patterns of parallel lines in teal and white are positioned on the left and right sides, creating a sense of depth and architectural structure.

Diverse Building Types

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Within Prince George's County, there are 1,167 office buildings (**Table 2**). The number of Class C office buildings is the largest, followed by the number of Class B office buildings. The number of Class A office buildings is significantly lower than those of Classes B or C. In terms of space inventory, Class B offices have the largest square footage. Class A ranks second. Class C offices occupy the fewest number of spaces.

Table 3 and its associated **Maps 1, 2, and 3** display the number of buildings or rentable building areas (RBA) by office building class and County Council District (District). The three subsections below discuss the characteristics of office buildings by class and highlight the significant uses of some office buildings.

Table 2. Key Performance Indicators

Office Class	Number of Buildings	Space Inventory (SF)	Vacancy Rate	Market Asking Rent per SF	Market Sale Price per SF
Class A	69	9.4 million	17.20%	27.25	180
Class B	429	14.4 million	12.00%	25.06	150
Class C	669	4.8 million	3.20%	24.17	133
All Classes	1,167	28.6 million	12.20%	25.83	153

Percent share of all classes

Class A	5.9%	32.8%	141.0%	105.5%	117.6%
Class B	36.8%	50.2%	98.4%	97.0%	98.0%
Class C	57.3%	16.7%	26.2%	93.6%	86.9%

SF: square feet

SOURCE: COSTAR

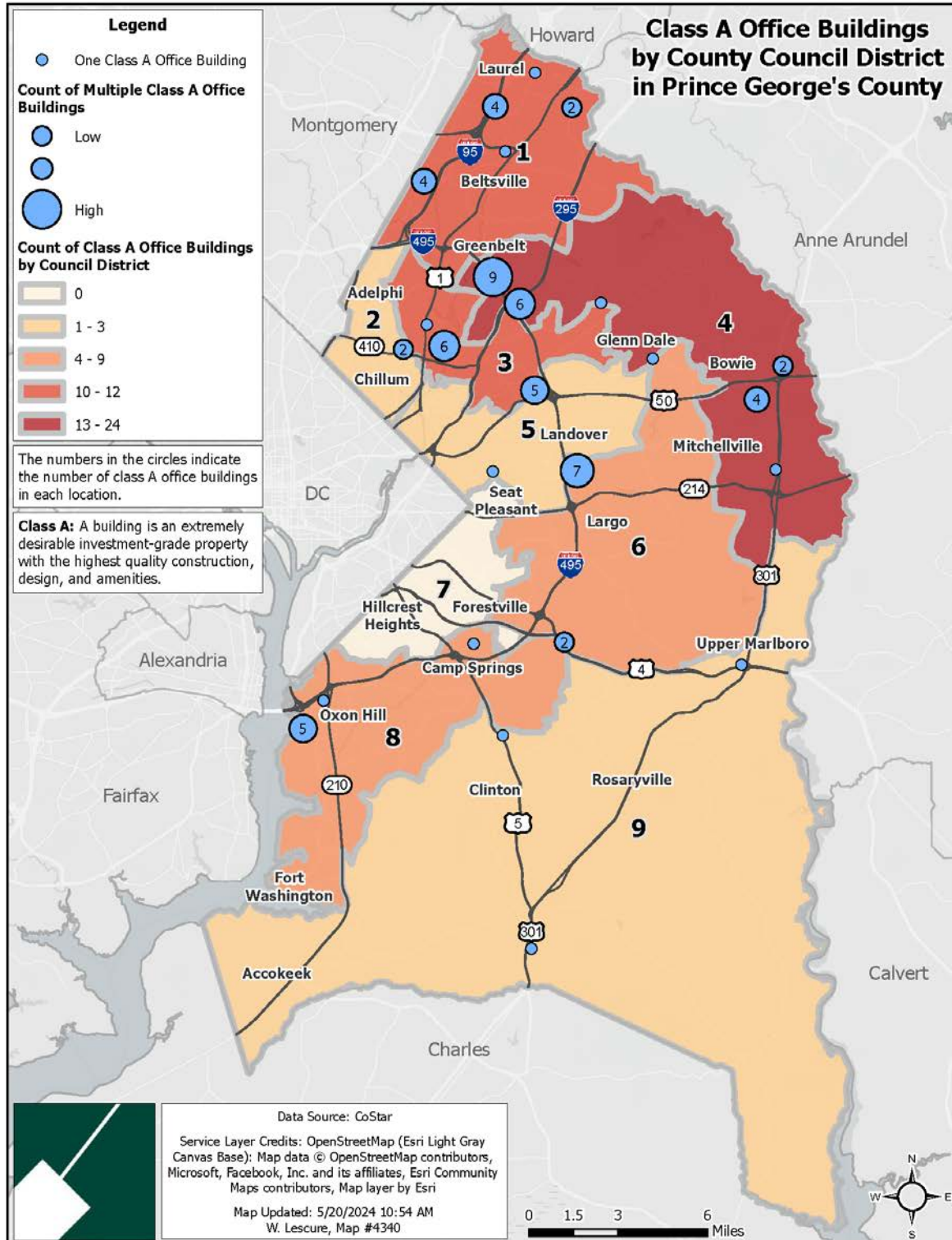
Table 3. Existing Office Buildings by County Council District

Council District	Class A			Class B			Class C		
	Number of Buildings	RBA (SF)	% Total RBA	Number of Buildings	RBA (SF)	% Total RBA	Number of Buildings	RBA (SF)	% Total RBA
1	11	1,792,228	18.97%	96	2,598,385	18.05%	92	670,163	13.99%
2	2	245,505	2.60%	21	1,342,309	9.32%	66	434,724	9.08%
3	10	1,768,667	18.72%	52	1,712,380	11.89%	78	663,721	13.86%
4	24	2,827,369	29.92%	77	2,516,800	17.48%	24	381,436	7.96%
5	3	396,667	4.20%	54	2,507,123	17.41%	93	686,307	14.33%
6	9	1,179,091	12.48%	35	1,199,592	8.33%	55	389,659	8.14%
7	0	0	0.00%	12	261,395	1.82%	87	493,800	10.31%
8	7	1,068,491	11.31%	41	1,278,440	8.88%	61	543,593	11.35%
9	3	170,973	1.81%	41	982,014	6.82%	113	526,195	10.99%
Total	69	9,448,991	100.00%	429	14,398,438	100.00%	669	4,789,598	100.00%

SF: square feet. RBA: Rentable building area.

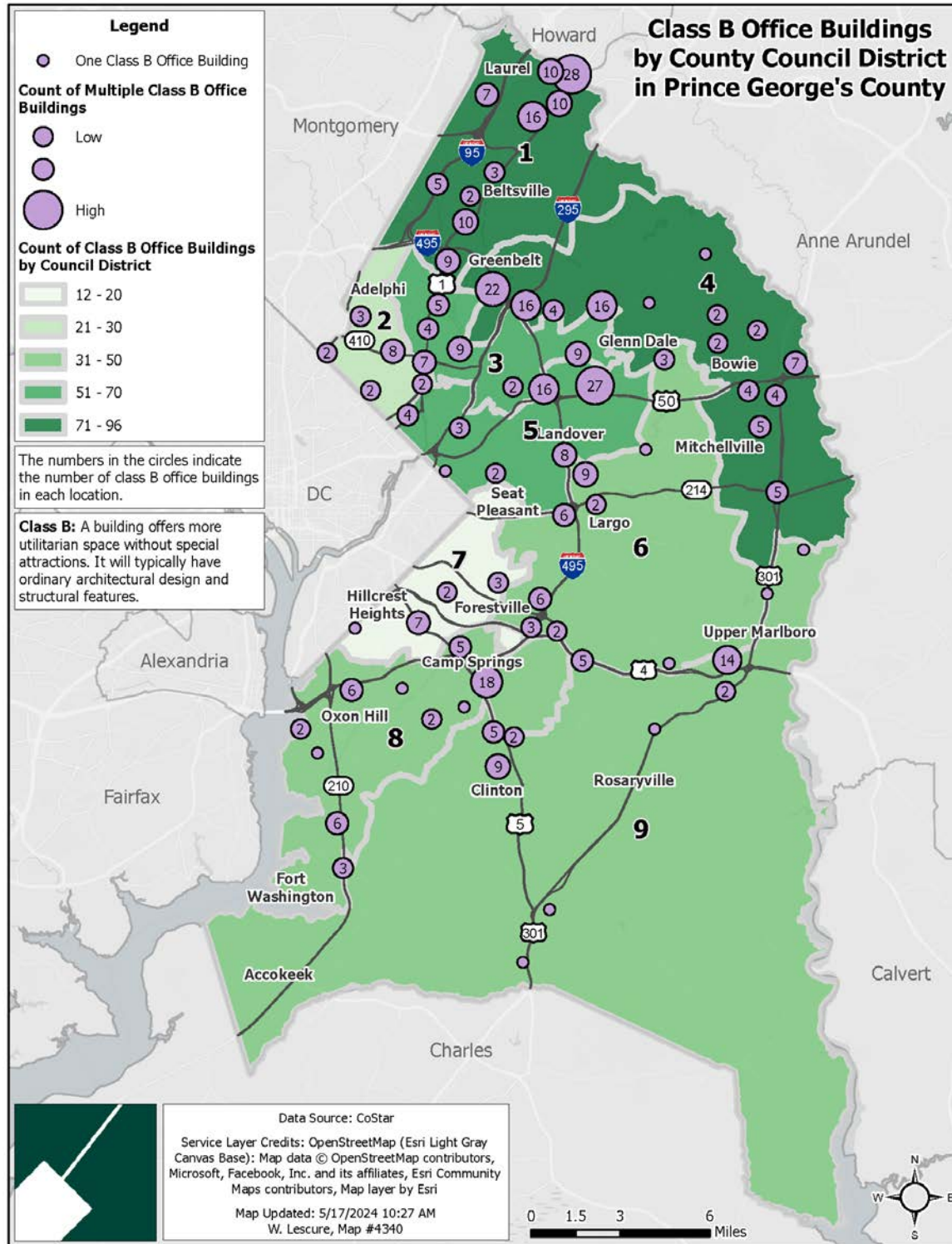
SOURCE: COSTAR

Map 1. Class A Office Buildings by County Council District

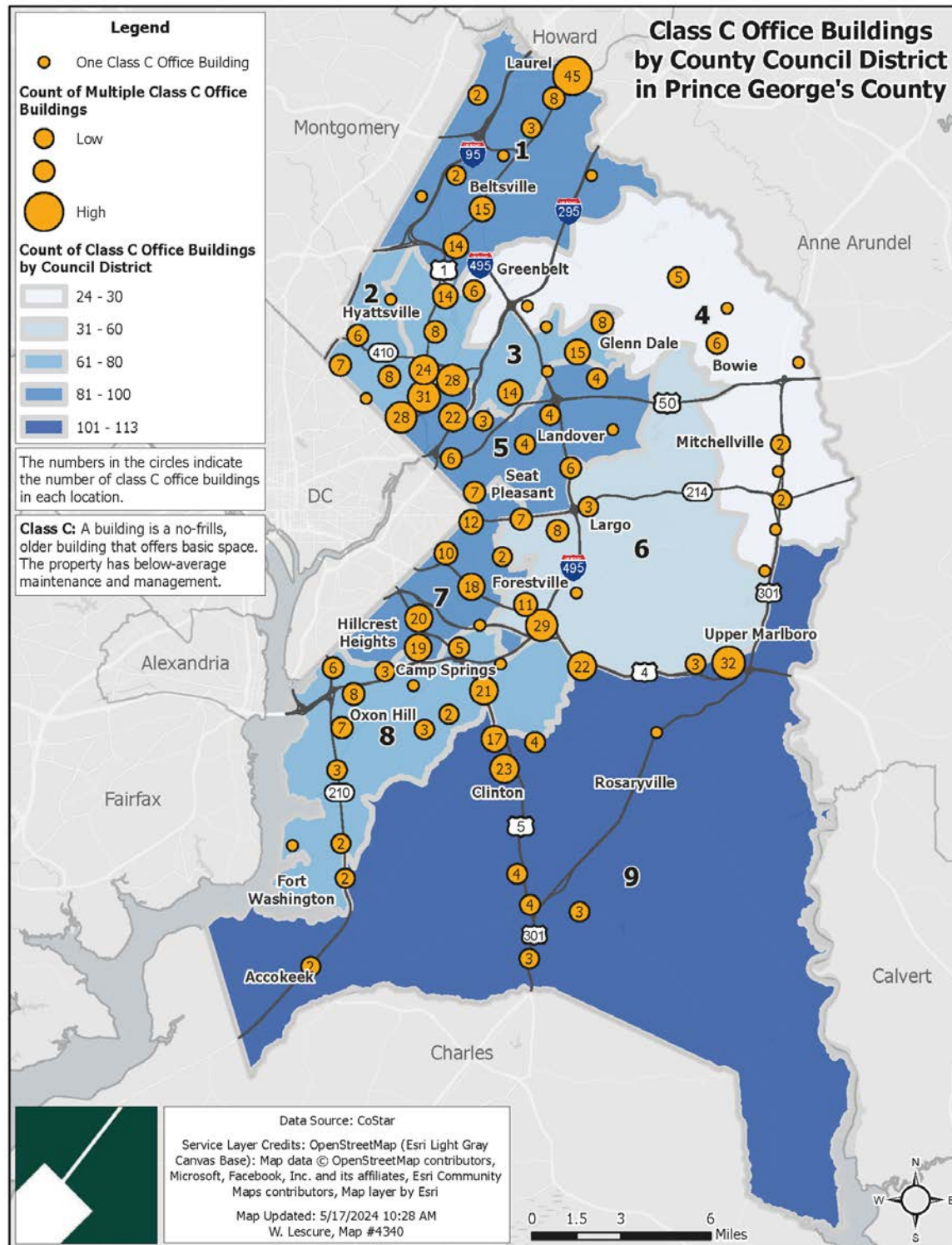


PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Map 2. Class B Office Buildings by County Council District



Map 3. Class C Office Buildings by County Council District



PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Class A Buildings

Of the 1,167 existing office buildings throughout Prince George's County, 69, or nearly 5.9%, are Class A. These Class A office buildings occupy 9,448,991 square feet (**Table 4**). District 4 has the highest number of Class A buildings and the largest RBA, followed by District 1 (**Table 3** and **Map 1**).

As of the date of this report, rent for Class A buildings ranges from \$16 per square foot to about \$40 per square foot. The specific Market Asking Rent by office class is discussed in the Relatively Low Vacancy section of this report.

Table 4 portrays the ranges of RBAs for Class A office buildings. The largest building was constructed in 2021 for the U.S. Department of Homeland Security along the Branch Avenue corridor in Camp Springs, where the Blue Line-Branch Avenue Sector Plan update is ongoing and a sustainable community application is being prepared by

the Prince George's County Planning Department for the Maryland state government designation.

There is a range of heights for Class A buildings in Prince George's County. Eight buildings have 10 to 17 stories, occupying 1,675,609 square feet (or 17.7% of all 9,448,991 Class A office building square feet); 29 buildings have 5 to 9 stories, totaling 4,241,480 square feet (or 44.9% of the total); and the remaining 32 buildings take up 3,531,902 square feet (37.4% of the total).

The tallest Class A office building is Calverton Tower in the Calverton Office Park on Beltsville Drive. According to CoStar, the four-star building is available for sale or lease. It was built in 1990 and renovated in 2018. In 2017, the U.S. Food and Drug Administration (FDA) leased nearly 100,000 square feet of this building. True North Management put Calverton Tower up for sale in May 2020. As of summer 2022, the FDA still occupied this building. There is currently no additional information available.

Table 4. Class A Office Building Inventory

Rentable Building Area (RBA)	Number of Buildings	Rentable Building Area (SF)	Median Year Built
>= 200,000 SF	9	2,997,938	1994
>=100,000 SF to 199,999 SF	33	4,630,769	1989
>=50,000 SF to 99,999 SF	20	1,578,040	2007
<=50,000 SF	7	242,244	2008
Total	69	9,448,991	1995

SF: square feet

SOURCE: COSTAR

Class B Buildings

Prince George's County has 429 existing Class B office buildings that occupy 14,398,438 square feet, which is the largest square footage compared to the County's Class A and Class C office buildings. For Class B office buildings, District 1 has the highest number of buildings and largest RBA; Districts 4 and 5 rank second and third, respectively (**Table 3** and **Map 2**).

As of the date of this report, rent for Class B buildings in the County ranges from \$10 to about \$41 per square foot. The Market Asking Rent by office class is discussed in the Relatively Low Vacancy section of this report.

The highest asking rent in the County is \$99 per square foot for the Berkshire Building on Kenilworth Avenue in Riverdale. This four-story building was built and renovated in 1975 and 1995, respectively. This building is in an economically strategic location that is part of the well-established Calvert Metro Park; it is close to the Maryland-National Capital Park and Planning Commission headquarters, the University of Maryland (UMD), Raytheon, the National Oceanic and Atmospheric Administration (NOAA), the FDA, and the upcoming Purple Line station in Riverdale. The Berkshire building has quick access to I-495, I-95, and MD 295.

The Class B office buildings by RBA (in square feet) are shown in **Table 5**. The four largest buildings are used by government entities. The RBA of each is 297,927; 547,470; 315,000; and 201,975 square feet, respectively. Among the four largest buildings, three are Washington Metropolitan Area Transit Authority (WMATA) offices, and the fourth is the County Administration Building in Upper Marlboro. Two WMATA buildings on Belcrest Road are located near the Hyattsville Crossing Metro Station and The Mall at Prince George's. The WMATA headquarters are situated on Garden City Drive in New Carrollton.

There are four Class B office buildings that are ten stories or higher. Two WMATA buildings are 11 stories in height. The tallest Class B office building, at 13 stories, is the Carrollton Corporate Center in Landover, which was built in 1982 and renovated in 2019. Located across Garden City Drive from WMATA's New Carrollton Metro Station offices, its RBA is 186,343 square feet, with 74.07% of its space leased. In addition, a 10-story building is the 116,874-square-foot Southern Maryland Regional Office of Maryland Developmental Disabilities Administration at 312 Marshall Avenue in Laurel. This state office building was constructed in 1979 and renovated in 2012.

Table 5. Class B Office Building Inventory

Rentable Building Area (RBA)	Number of Buildings	Rentable Building Area (SF)	Median Year Built
>= 200,000 SF	4	1,362,372	1971
100,000 SF to 199,999 SF	21	2,541,893	1989
50,000 SF to 99,999 SF	68	4,520,251	1986
25,000 SF to 49,999 SF	93	3,363,428	1986
10,000 SF to 24,999 SF	138	2,105,945	1988
5,000 SF to 10,000 SF	44	318,178	1987
< 5,000 SF	61	186,371	1968
Total	429	14,398,438	1986

SF: square feet

SOURCE: COSTAR

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Class C Buildings

Of the 1,167 existing office buildings throughout Prince George's County, 669, or nearly 57.3%, were Class C. Class C office buildings occupy 4,789,598 square feet in total. The number of Class C office buildings is significantly larger than the number of Class A or B buildings, but the total square footage of RBA for Class C buildings is the smallest. The majority of Class C buildings are in District 9; however, the largest square footage of the RBA is in District 5, followed by Districts 1 and 3 (*Table 3* and *Map 3*).

As of the date of this report, rent for Class C buildings in Prince George's County ranges from \$10 per square foot to about \$35.97 per square foot. The Market Asking Rent by office class is discussed in the Relatively Low Vacancy section of this report.

Table 6 portrays the ranges of RBAs of Class C office buildings. There are four buildings that have an RBA above 100,000 square feet. The largest building is the 145,000-square-foot John J. Flynn BAC/IMI International Training Center in Bowie, built in 2007. The second

largest, at 121,000 square feet, is a flex building in Largo across Lottsford Road from the Wayne K. Curry Administration Building. The third largest building is Iverson Medical Center, which is 110,000 square feet and is located on Branch Avenue adjacent to The Shops at Iverson. The fourth building, at 107,274 square feet, houses the American Institute of Physics and the American Physical Society and is located near NOAA in College Park. The second and third buildings are currently for lease.

The tallest Class C buildings are the 7-floor New Hampshire Business Center Building II in Hyattsville and the 8-floor Beltway Plaza South building. The New Hampshire Business Center was built in 1964 and is located at 6495 New Hampshire Avenue on MD 650 near the DC border and across MD 650 from the Takoma South Neighborhood Park. It has an RBA of 67,533 square feet, which is 79.76% leased. The 8-floor Beltway Plaza South at 4710 Auth Place in Camp Springs is situated near Branch Avenue Metro Station. It was built in 1975 and currently is 100% leased.

Table 6. Class C Office Building Inventory

Rentable Building Area (RBA)	Number of Buildings	Rentable Building Area (SF)	Median Year Built
>= 200,000 SF	0	0	-
100,000 SF to 199,999 SF	4	483,274	1991
50,000 SF to 99,999 SF	7	475,289	1973
25,000 SF to 49,999 SF	24	810,412	1974
10,000 SF to 24,999 SF	91	1,390,237	1975
5,000 SF to 10,000 SF	86	605,508	1974
< 5,000 SF	457	1,024,878	1949
Total	669	4,789,598	1958

SF: square feet

SOURCE: COSTAR

Lifecycle of Office Buildings



PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Year Built

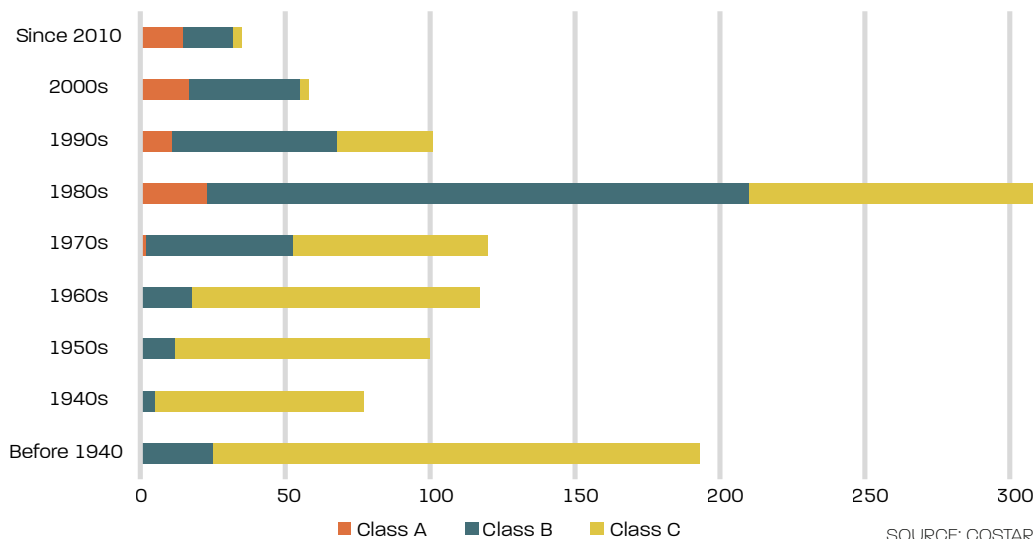
The median year built for the County's 1,167 office buildings is 1975. The median year built for Class A, B, and C buildings is 1995, 1986, and 1958, respectively. **Chart 1** shows that the majority of the Class A and B office buildings were constructed in the 1980s. This is particularly true for Class B office buildings. For Class C office buildings, the largest numbers were constructed before 1940, with construction being relatively high from the 1940s through the 1980s.

Among the County's 69 Class A office buildings, 15 have been built since 2010, including 5 since 2020. The square

footage for these 15 buildings is 2,014,220 (or 21.3% of the total 9,448,991 square feet of Class A office buildings). The 5 new office buildings in the 2020s occupy 989,767 square feet (or 10.5% of the total 9,448,991 square feet of Class A office buildings).

There are also 4 Class F office buildings in the County, and all are fully occupied. The newest Class F building was constructed in 1979. Two others were built in 1890 and 1940, respectively. There is no record of the year built for the fourth building. The total RBA for Class F buildings is 13,110 square feet.

Chart 1. Number of Office Buildings by Class by Decade of Construction



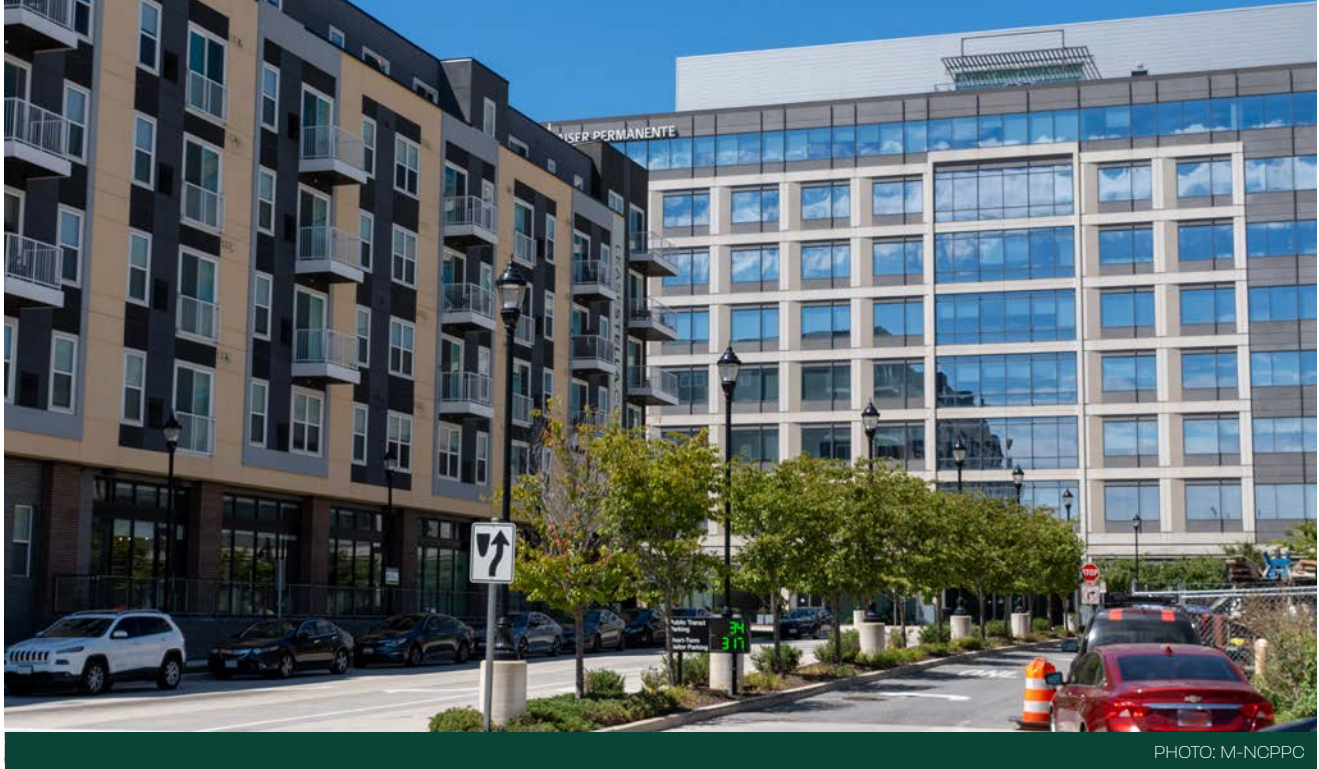


PHOTO: M-NOPPO

Among the County's 69 Class A office buildings, 15 have been built since 2010, including five since 2020. This development features Kaiser Permanente's new corporate building in New Carrollton, MD.

Demolition Activities

In Prince George's County, 22 office buildings were demolished, totaling 552,281 square feet in the RBA (**Table 7**) as of the first quarter of 2024. The majority of the demolitions are Class C office buildings. Districts 8 and 3 have the largest square footage of demolished office buildings at 141,946 square feet and 136,531 square feet, respectively.

Table 7 also shows that some of the demolished office buildings were redeveloped for residential or nonresidential uses. The total floor area for nonresidential

uses is 400,067 square feet. The number of housing units is 904, including 860 apartment units and 44 subsidized housing units.

Table 7 also indicates that six redevelopment projects are located within the County's General Plan 2035 centers.⁶ Those six centers are all transit oriented. General Plan 2035 provides policies and locations of all designated centers to promote sustainable development while preserving farmland and resources.

⁶ The Maryland-National Capital Park and Planning Commission, Plan Prince George's 2035 Approved General Plan (May 2014), <https://planpgc2035.org/>.

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Table 7. Demolitions of Office Buildings

Property Address	City and Zip Code	Council District	Building Class	Demolition Year	RBA (SF)	Year Built	Current Use	Year Built of New Use	Floor Area (SF)	Number of Units	Plan 2035 Center
20 C St	Laurel, MD 20707	1	B	NA	18,750	1962	Garden apartments	2015	-	142	Out
5200 Auth Rd	Camp Springs, MD 20746	8	B	NA	140,000	1973	Convenience store and gas station	2022	15,643	-	Branch Avenue Metro
4321 Hartwick Rd	College Park, MD 20742	3	B	2021	50,221	1968	Apartments	2023	-	50	Future Purple Line - UMD East
5050 Powder Mill Rd	Beltsville, MD 20705	1	B	2018	36,000	1972	Storage	2019	146,954	-	Out
6017 Allentown Rd	Camp Springs, MD 20746	8	C	2020	1,946	1951	Vacant land		-	-	Out
6132 Baltimore Ave	Riverdale, MD 20737	3	C	NA	1,430	1915	Retail store	1998	10,136	-	Riverdale MARC
6231 Baltimore Ave	Riverdale, MD 20737	3	C	NA	2,500	NA	Bank branch	2009	10,886	-	Riverdale MARC
9909 Baltimore Ave	College Park, MD 20740	1	C	2019	1,836	1923	Vacant land		-	-	Riverdale MARC
7110 Central Ave	Capitol Heights, MD 20743	7	C	NA	2,344	1966	Vacant land		-	-	Out
16005 S Crain Hwy	Brandywine, MD 20613	9	C	NA	1,903	NA	Retail store	circa 2018	7,936	-	Out
8601 Martin Luther King Jr Hwy	Lanham, MD 20706	5	C	NA	3,870	1973	Retail store	2015	10,356	-	Out
716 Ritchie Rd	Capitol Heights, MD 20743	6	C	2020	1,400	1980	Warehouse	2020	159,120	-	Out
5801 Annapolis Rd	Bladensburg, MD 20710	5	C	NA	31,920	1964	Vacant land		-	-	Out
10529 Baltimore Ave	Beltsville, MD 20705	1	C	2011	10,000	1944	Fast food restaurant	2013	4,488	-	Out
4700 Berwyn House Rd	College Park, MD 20740	3	C	2015	33,180	1984	Apartments	2019	-	275	Out
3700 Donnell Dr	District Heights, MD 20747	6	C	NA	14,600	1972	Convenience store and gas station	2019	5,000	-	Out
4401 Hartwick Rd	College Park, MD 20740	3	C	2020	9,200	1987	Apartments	circa 2023	-	393	Future Purple Line - UMD East
5809 Annapolis Rd	Cheverly, MD 20784	5	C	NA	46,900	1969	Vacant land		-	-	Out
4307 Jefferson St	Hyattsville, MD 20781	2	C	1999	45,000	1962	Subsidized housing	2008	-	44	Out
6715 Kenilworth Ave	Riverdale, MD 20737	3	C	2022	40,000	1975	Abandoned vacant building		-	-	Out
5408 Silver Hill Rd	District Heights, MD 20747	7	C	NA	57,481	1975	Church	circa 1980	22,640	-	Out
7401 Moores Rd	Brandywine, MD 20613	9	F	2017	1,800	1970	Convenience store and gas station	2020	6,908	-	Out
Sum					552,281			Sum	400,067	904	

SF: square feet. Circa: No year built is available in PropertyInfo. Aerial imageries are analyzed for estimating the year.

SOURCE: COSTAR

Relatively Low Vacancy



PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

As indicated previously, Prince George's County's vacancy rate is the lowest among the jurisdictions in the region at 12.2% (**Table 1**). Within the County, Class A office buildings have the highest vacancy rate, followed by Class B. Class C shows a significantly low vacancy rate of 3.2% (**Table 2**).

The Metropolitan Washington Council of Governments (MWCOC) reported in 2022 on the changes in vacancy office rates from 2020 to Q2 2021, stating "In 2022, the vacancy rate has fallen in DC, stabilized in Maryland

jurisdictions, but continues to rise in Northern Virginia."⁷ The MWCOC report also indicates that the vacancy of Class A office buildings had the highest vacancy rate as compared to other class office buildings.

CoStar data show that there are 12 single tenancy office buildings in Class A, 63 single tenancy office buildings in Class B, and 284 single tenancy office buildings in Class C. **Table 8** proves this conclusive statement regardless of the class type or decade of office building construction.

Table 8. Vacancy Rate (%) by Office Class by Decade by Tenancy

Office Class	Class A		Class B		Class C	
Tenancy	Multi	Single	Multi	Single	Multi	Single
Before 1940	NA	NA	1.4	0.0	1.6	2.6
1940s	NA	NA	0.0	0.0	1.7	2.5
1950s	NA	NA	5.1	0.0	0.2	0.0
1960s	NA	NA	4.3	0.0	5.5	0.0
1970s	31.8	NA	7.9	0.0	1.6	0.0
1980s	19.2	NA	8.8	5.3	2.4	0.0
1990s	13.6	0.0	8.1	0.0	1.4	0.0
2000s	12.0	0.0	13.2	0.0	0.0	0.0
2010s	6.3	0.0	0.0	0.0	0.0	0.0
2020s	37.2	0.0	NA	0.0	NA	NA

NA: Not in existence.

SOURCE: COSTAR

⁷ John Kent, Metropolitan Washington Council of Governments Planning Directors Technical Advisory Committee Meeting, July 12, 2022.

Charts 2 through 5 portray vacancy rates for all office buildings and office buildings by class between 2014 and 2024 (year to date). **Chart 2** shows that the vacancy rates for all office buildings in Prince George's County were high before the impact of the COVID-19 pandemic. Those rates were even higher than the ones during COVID years (2020, 2021, and 2022).

Charts 3, 4, and 5 display that during the 2014-2024 period, the vacancy rate for Class A office buildings has been higher than for Class B every year, although the rates for the latter have been noticeably high as well. The yearly vacancy rate for Class C office buildings has been considerably low (below 5%), probably because Class C office buildings are more affordable than Class A and Class B office buildings.

Chart 2. Vacancy Rate and Market Asking Rent (All Offices)

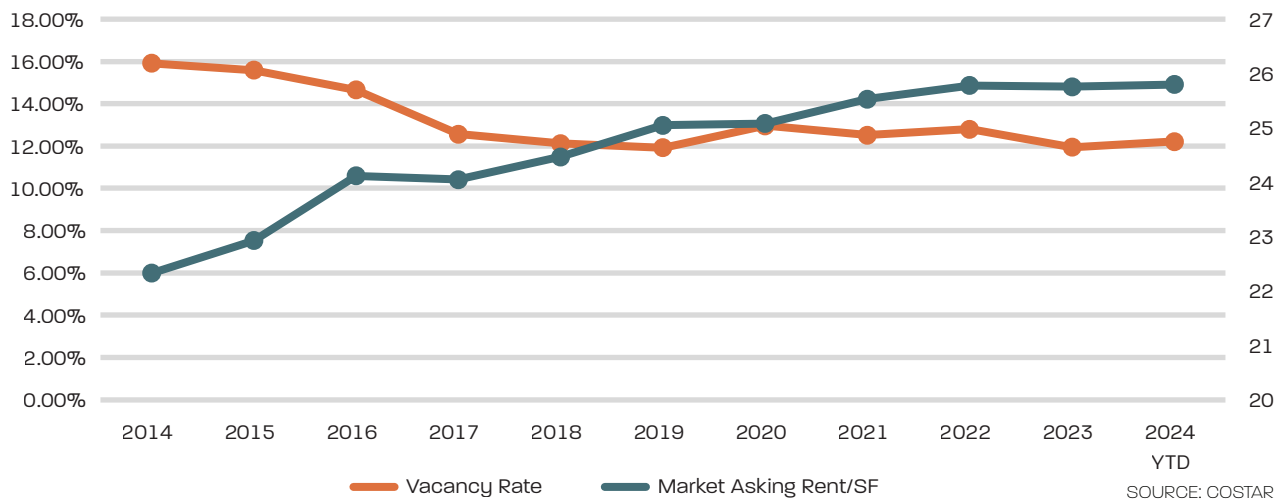
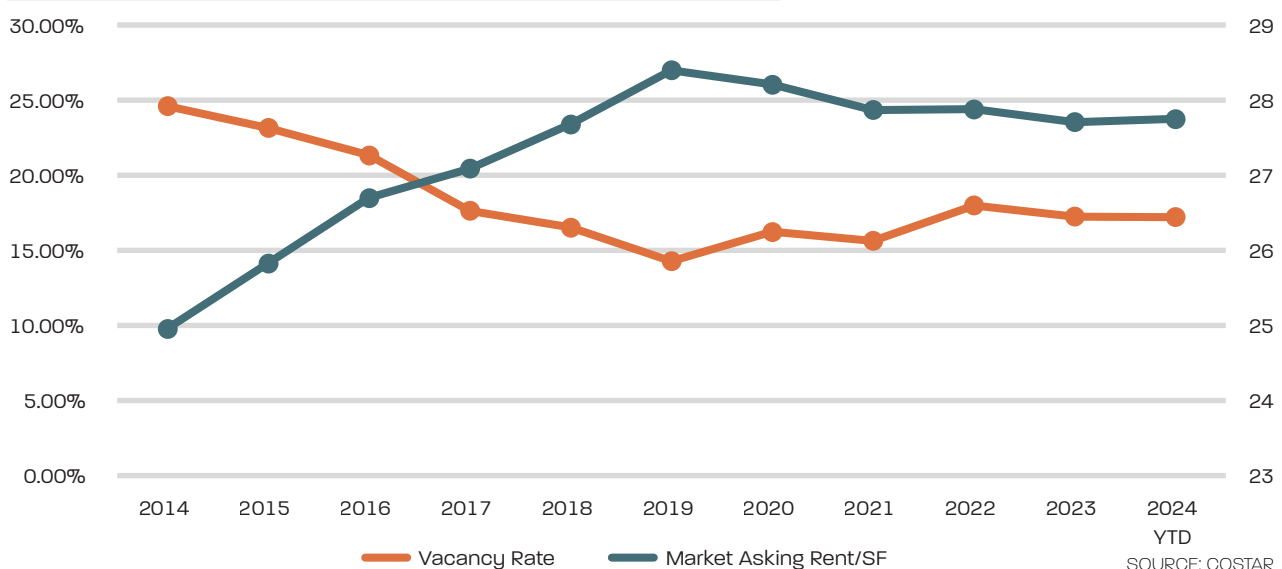


Chart 3. Vacancy Rate and Market Asking Rent (Class A Offices)



PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Maps 4, 5, and 6 illustrate average vacancy rates by County Council District and office class. The maps show that Class A office buildings have the highest vacancy rate, followed by Class B. Class C shows a significantly low vacancy rate.

The maps, including the map legend, present different perspectives of office vacancy conditions by office class in all nine districts. For instance, the vacancy rate for Class A office buildings is the highest in District 4, followed by

District 5. For Class B office buildings, the vacancy rate is the highest in District 5 and then District 7. For Class C buildings, the highest vacancy rate is in District 2.

Charts 2 through 5 further show that the Market Asking Rent was negatively correlated with the vacancy rate between 2014 and 2024 (YTD). This phenomenon is particularly true for Class A office buildings. The asking rent stands for the dollar amount that a landlord is asking for.

Chart 4. Vacancy Rate and Market Asking Rent (Class B Offices)

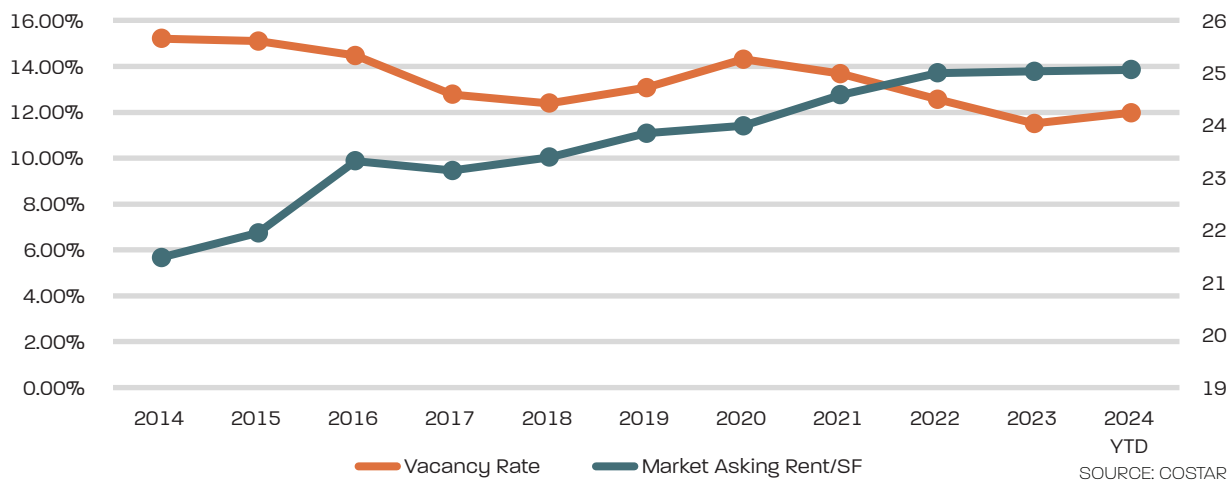
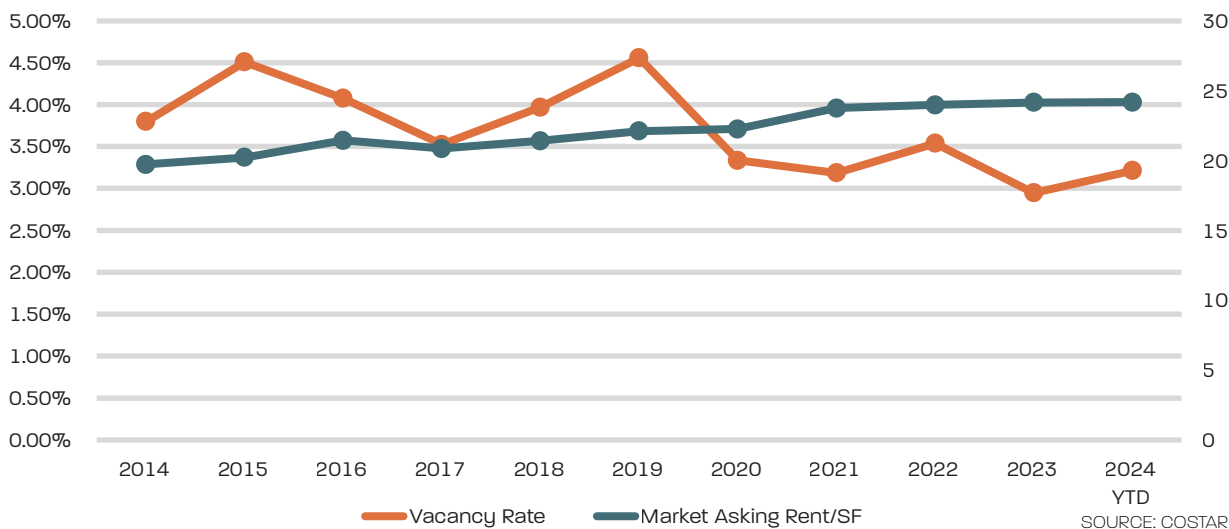
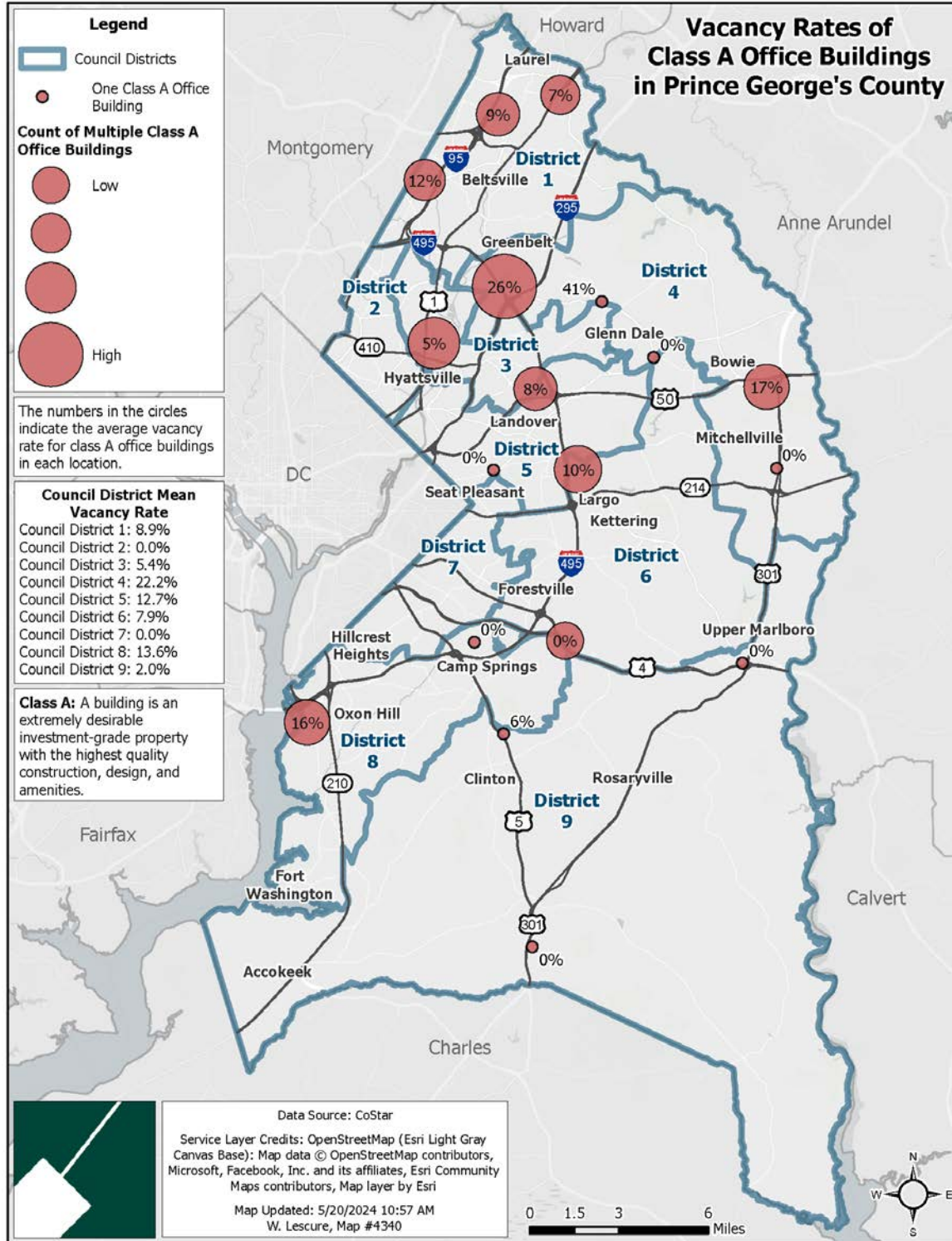


Chart 5. Vacancy Rate and Market Asking Rent (Class C Offices)

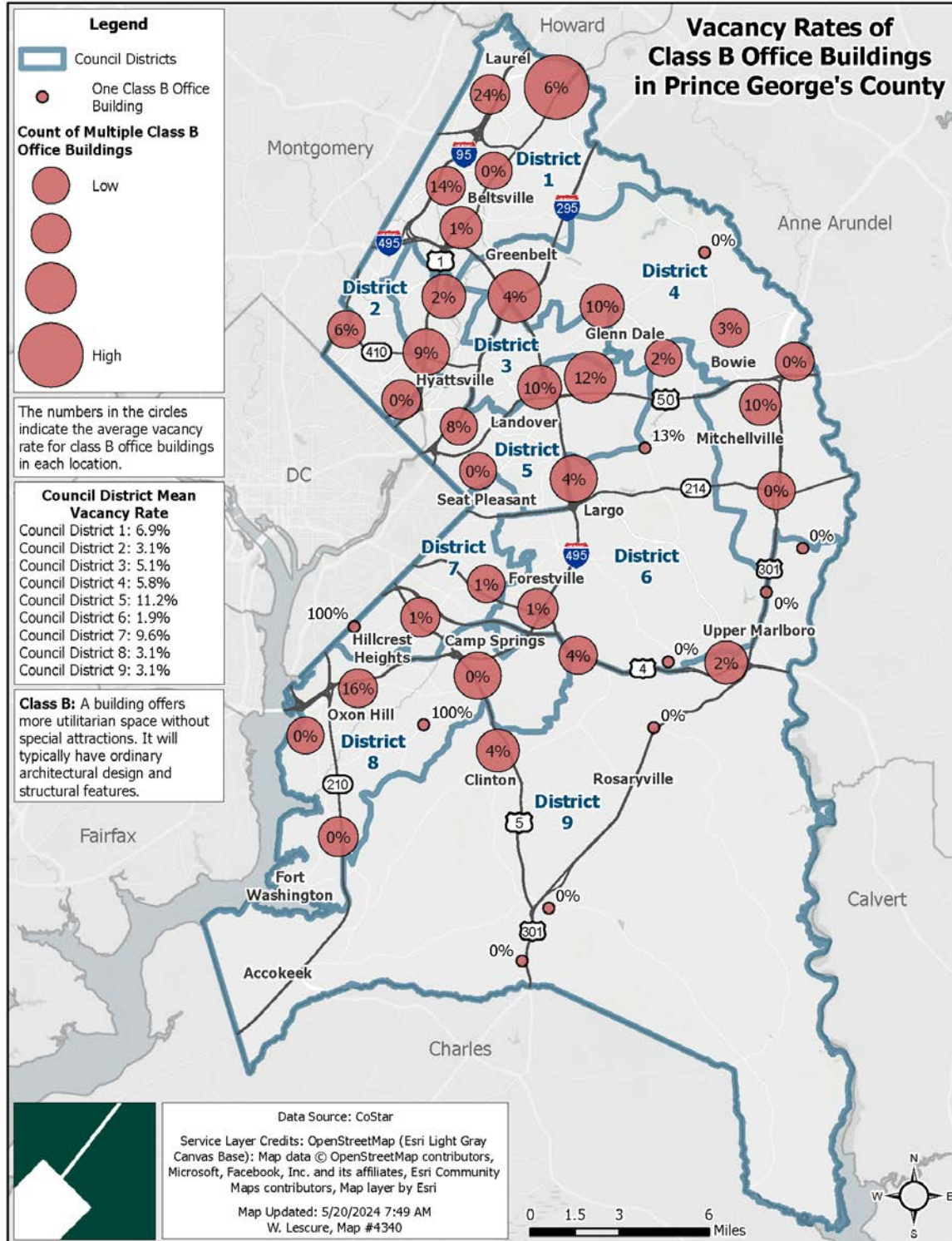


Map 4. Class A Office Buildings Vacancy Rate by County Council District

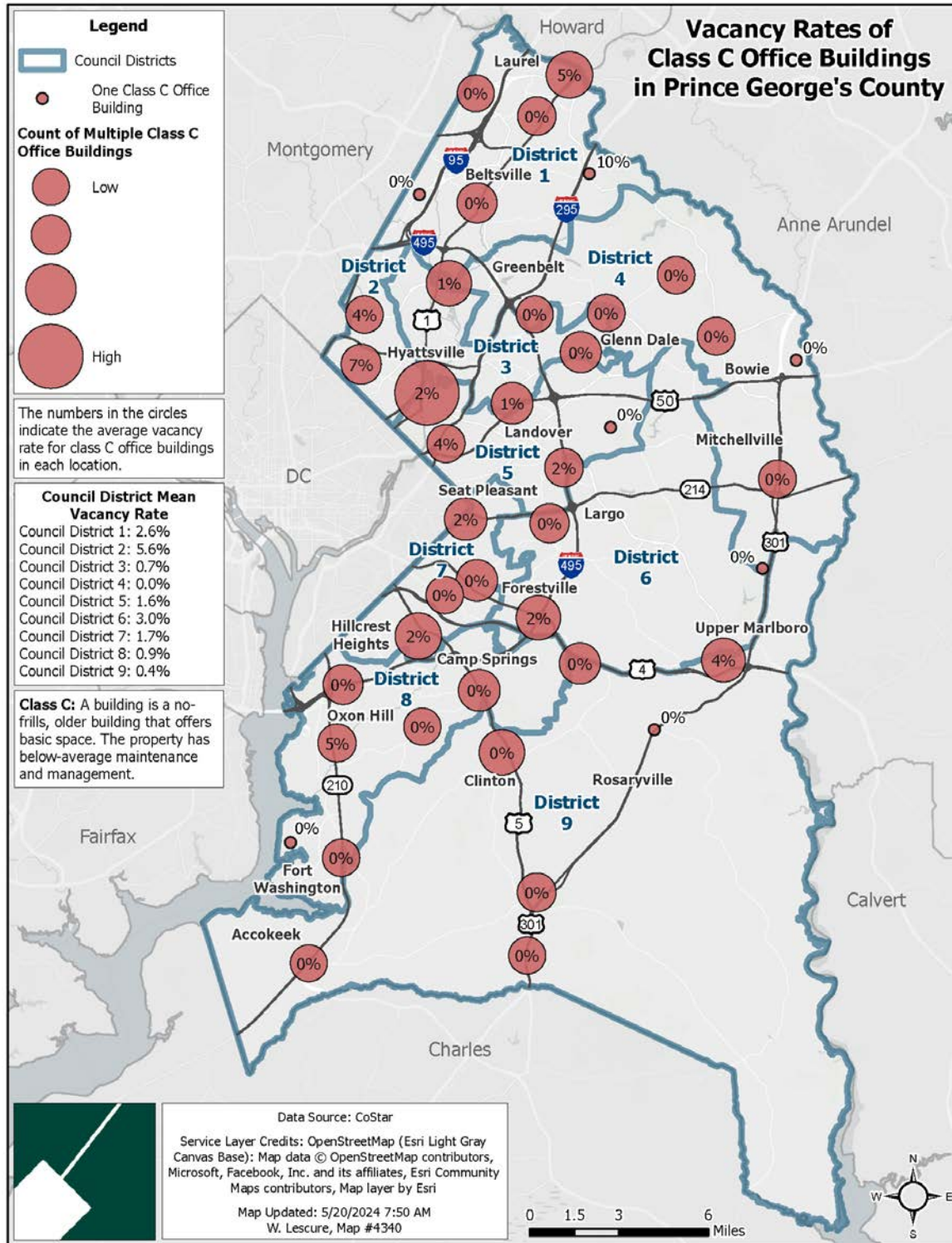


PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Map 5. Class B Office Buildings Vacancy Rate by County Council District



Map 6. Class C Office Buildings Vacancy Rate by County Council District



PRINCE GEORGE'S COUNTY OFFICE MARKET

CHARACTERISTICS & TRENDS



Sales Volume Trends



PHOTO: M-NCPPC

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Sales Volume

CoStar, known as the industry-leader in providing the most comprehensive database of real estate data throughout the US and Canada, defines sales volume as “the total sales volume of actual transactions and includes allocated prices for portfolio properties.”⁸

Within Prince George's County, the average sales volume of office buildings, regardless of class, is \$152,256,149. Specifically, the sales volumes for Class A, B, and C office buildings is \$69,468,001, \$67,081,798, and \$15,706,350, respectively, between 2014 and 2023 (data for 2024 YTD are not available for Class A office buildings).

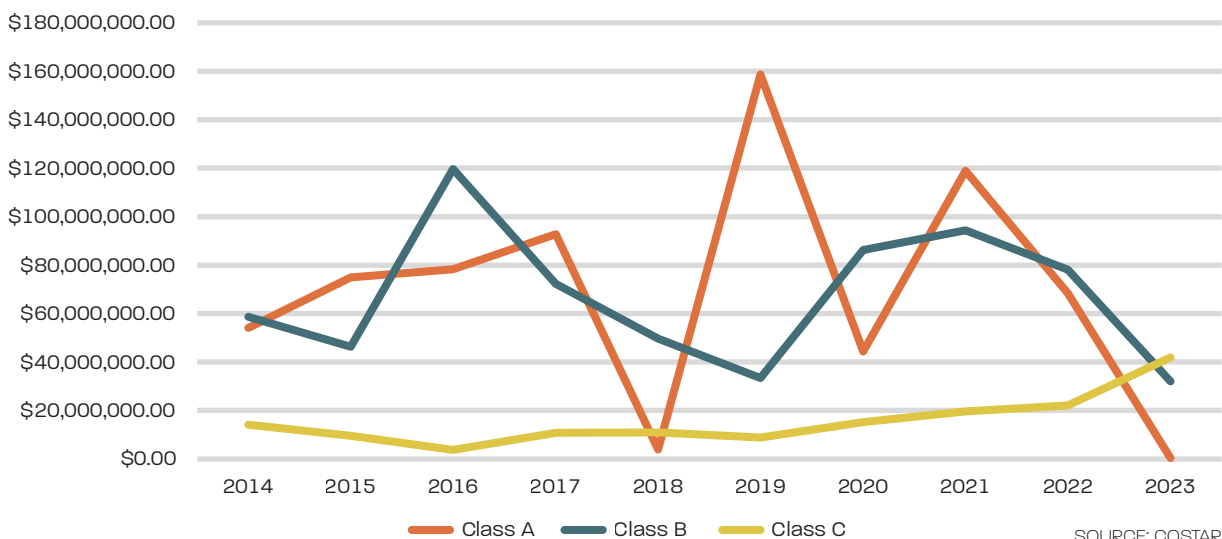
While the number of Class C office buildings in the County is the highest among all classes (**Table 3**), sales volumes for Class C buildings are the lowest. Notwithstanding, the sales volumes for Class C buildings have been on the rise, and in 2023, the sales volumes for Class C buildings was higher than for Class A and Class B buildings.

As **Chart 6** shows, sales volumes for Class C office buildings are significantly lower than those for Class A or Class B, except in 2018 and 2023 for Class A office buildings and 2023 for Class B office buildings.⁹

Furthermore, sales volumes for Class A or Class B offices fluctuate. The sales volumes for Class B have been higher than the sales volumes for Class A in 2014, 2016, 2018, 2020, 2022, and 2023.

In Prince George's County in 2023, office building sales declined significantly for Class A and Class B buildings, and the shift may continue into 2024. “The Federal Reserve played a pivotal role in this trend by raising interest rates four times during 2023, starting from March 2022.”

Chart 6. Sales Volumes by Office Building Class



⁸ “CoStar Data Export Field Definitions – USA,” CoStar.com. Subscription Required.

⁹ “6 Factors That Fueled the Stock Market Dive in 2018,” PBS, <https://www.pbs.org/newshour/economy/making-sense/6-factors-that-fueled-the-stock-market-dive-in-2018>.

Buyers and Sellers

Tables 9 and **10** provide a glimpse of the top ten buyers and sellers for Prince George's County office buildings and their associated sales volumes between 2014 and 2024 (YTD).

In **Table 9**, among the top ten (10) buyers for all office buildings by office building class, eight (8) out of ten (10) are Class A. The sales volumes of six (6) buyers in the top ten (10) are exactly from Class A office buildings. Those six (6) firms include:

- KAWA Capital Management
- NGP Group
- Seavest, Inc
- Easterly Government Properties, Inc.
- Boyd Watterson Asset Management LLC
- US General Services Administration

For the remaining two, Morning Calm Management and Kayne Anderson Capital Advisors, L.P., total sales volumes are the sum of Class A and Class B office buildings. In addition, the sales volume for Physicians Realty Trust and Children's National are from Class B office buildings.

Table 9. Top Buyers of Office Buildings by Class

All offices	Sales Volume
Morning Calm Management	\$124,579,977
KAWA Capital Management	\$82,000,000
NGP Group	\$66,183,492
Seavest, Inc	\$57,000,000
Physicians Realty Trust	\$47,650,000
Children's National	\$39,300,000
Kayne Anderson Capital Advisors, L.P.	\$39,125,000
Easterly Government Properties, Inc.	\$37,000,000
Boyd Watterson Asset Management LLC	\$36,000,000
US General Services Administration	\$30,600,000
Class A	Sales Volume
Morning Calm Management	\$84,924,160
KAWA Capital Management	\$82,000,000
NGP Group	\$66,183,492
Seavest, Inc	\$57,000,000
Easterly Government Properties, Inc.	\$37,000,000
Boyd Watterson Asset Management LLC	\$36,000,000
US General Services Administration	\$30,600,000
C & K Properties	\$27,726,250
Grupo Haddad	\$24,750,000
Kayne Anderson Capital Advisors, L.P.	\$24,400,000
Class B	Sales Volume
Physicians Realty Trust	\$47,650,000
Morning Calm Management	\$39,655,817
Children's National	\$39,300,000
Winthrop Investment Group Inc.	\$25,070,000
The Fallstaff Group	\$16,875,000
Remedy Medical Properties	\$14,725,000
Kayne Anderson Capital Advisors, L.P.	\$14,725,000
MCF Capital Inc.	\$14,361,600
Bristol Capital Corporation	\$13,175,000
Guardian Realty Investors	\$12,549,093
Class C	Sales Volume
Integrity Church International	\$27,680,800
The Law Offices of Kirk Halpin & Associates, P.A.	\$6,000,000
Pyramid Healthcare, Inc.	\$4,195,000
Target Corporation	\$4,164,064
Bristol Capital Corporation	\$3,400,000
Insurance Auto Auctions, Inc.	\$3,070,397
John & Harris Hanifi	\$3,009,834
EXIT Community Realty	\$2,575,000
Mt Joy Baptist Church	\$2,125,000
The Home Team Realty Group, LLC	\$2,100,000

SOURCE: COSTAR

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Table 10 shows that except for Heritage Partners and JPMorgan Chase & Co., top sellers for all offices and those for Class A office buildings are the same, although the sales volume ranking is slightly different. **Table 10** also shows that six out of the top ten sellers for Class A are the same. The remaining sellers—Morning Calm and Veris Residential, Inc.—are in Class B. The six sellers are listed as follows:

- C&K Properties
- Government Investment Partners
- Saban Capital Group, Inc.
- True North Management Group
- The RMR Group
- Meadow Partners

Table 10. Top Sellers of Office Buildings by Class

All offices	Sales Volume
C & K Properties	\$98,050,000
Morning Calm Management	\$72,107,841
Veris Residential, Inc.	\$56,950,000
Government Investment Partners	\$45,000,000
Heritage Partners	\$39,300,000
Trammell Crow Company	\$37,172,565
Saban Capital Group, Inc.	\$37,000,000
True North Management Group	\$36,000,000
The RMR Group	\$30,600,000
Meadow Partners	\$28,500,000
Class A	Sales Volume
C & K Properties	\$98,050,000
Morning Calm Management	\$46,307,064
Government Investment Partners	\$45,000,000
Veris Residential, Inc.	\$42,659,168
Saban Capital Group, Inc.	\$37,000,000
Trammell Crow Company	\$36,678,960
True North Management Group	\$36,000,000
The RMR Group	\$30,600,000
Meadow Partners	\$28,500,000
JPMorgan Chase & Co.	\$24,750,000
Class B	Sales Volume
Heritage Partners	\$39,300,000
Heitman	\$26,750,000
MCF Capital Inc.	\$26,125,000
Morning Calm Management	\$25,800,777
Persimmon Capital Partners	\$25,070,000
Guardian Realty Investors	\$24,999,093
Greater Metropolitan Orthopaedic Institute	\$20,900,000
Remedy Medical Properties	\$17,000,000
Wells Fargo & Company	\$16,000,000
Veris Residential, Inc.	\$14,290,832
Class C	Sales Volume
Integrity Church International	\$27,680,800
Bristol Capital Corporation	\$6,000,000
Ardmore Enterprises, Inc.	\$4,195,000
Albertsons Companies, Inc.	\$4,164,064
Property Investments	\$3,400,000
Brandywine Investment Properties, LLC	\$3,070,397
The Korth Companies, Inc.	\$3,009,834
Exit Landmark Realty	\$2,575,000
Bormel, Grice & Hugett, P.A.	\$2,500,000
HFI Companies	\$2,125,000

SOURCE: COSTAR

Table 11. Sales Volume by Buyer or Seller Origin by Class

	All Offices	Class A	Class B	Class C
Buyer Origin	Sales Volume Percent	Sales Volume Percent	Sales Volume Percent	Sales Volume Percent
National	58%	68%	50%	55%
Local	41%	30%	49%	44%
Foreign	1%	2%	1%	1%

	All Offices	Class A	Class B	Class C
Seller Origin	Sales Volume Percent	Sales Volume Percent	Sales Volume Percent	Sales Volume Percent
National	70%	84%	62%	36%
Local	29%	15%	37%	63%
Foreign	1%	1%	1%	1%

SOURCE: COSTAR

Table 11 shows that, for Class A and Class B offices, buyers from nationwide firms have the largest share of sales volume in terms of buyer origin. On the seller's side, the majority of the sales volumes for Class A and Class B office buildings also come from buyers of other areas

in the nation. The percentage share of sales volumes by buyer or seller origin is higher among Class A than Class B. For Class C office buildings, local sellers are largely responsible for sales volumes.

PRINCE GEORGE'S COUNTY OFFICE MARKET

CHARACTERISTICS & TRENDS



Construction Activity



PHOTO: M-NCPPC

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

A CoStar report states there has been “a lack of new construction” and it “could portend a shortage of high-quality options”. Elevated borrowing costs and extended work-from-home policies have resulted in a dwindling amount of office space moving through the development pipeline”¹⁰.

According to the Metropolitan Washington Council of Governments (MWCOC), “office construction was the second largest sector, primarily in DC and near Metrorail stations”¹¹. In the Washington, DC region, “The largest (office) project was the four-story headquarters building for the US Citizenship and Immigration Services near the Branch Avenue Metrorail Station in Prince George’s County”¹².

Table 12 and **Chart 7** show that the most office construction (in terms of square feet) occurred in 2020, followed by 2017 and 2018, respectively. After the construction peak in 2020, the overall office construction in square feet plummeted significantly. For Class A office buildings, the most construction by square footage occurred in 2017 and 2018. The construction for Class B office buildings was considerably higher in 2020 and 2021

than in previous years. The only new construction for Class C occurred in 2017 with a 5,340-square-foot office building. With the exception of 2021 and 2023, the vast majority of the office building new construction over the past ten years took place in the Class A category.

Among the 1,167 office buildings in Prince George’s County, 84 were renovated: 15 Class A buildings, 43 Class B buildings, and 26 Class C buildings. The overall median year for renovation was 2006. The median years for renovation of Class A, B, and C buildings were 2009, 2006, and 2002, respectively. Thirty office buildings have been renovated since 2010, including 7 in Class A, 17 in Class B, and 6 in Class C. Five buildings were renovated in or after 2020—all in Class B.

Table 13 and **Map 7** show that seven office-use developments have been approved since 2020. Most have not started construction. One project that is under construction is the Laurel Hospital Property (or the Laurel Medical Center affiliated with University of Maryland). It includes a 70,200-square-foot freestanding medical facility and a 79,900-square-foot medical office building on the existing hospital site.

Table 12. Office Buildings Under Construction, 2014 to 2024 (YTD)

Year	All Office			Class A			Class B			Class C		
	Square Feet	% Total		Square Feet	% Total	% Annual Tally	Square Feet	% Total	% Annual Tally	Square Feet	% Total	% Annual Tally
2014	193,690	3.2%		115,000	2.3%	59.4%	78,690	6.6%	40.6%	0	0.0%	0.0%
2015	718,125	11.8%		646,526	13.2%	90.0%	71,599	6.0%	10.0%	0	0.0%	0.0%
2016	635,607	10.4%		574,767	11.7%	90.4%	60,840	5.1%	9.6%	0	0.0%	0.0%
2017	990,424	16.3%		985,084	20.1%	99.5%	0	0.0%	0.0%	5,340	100.0%	0.5%
2018	955,418	15.7%		885,295	18.1%	92.7%	70,123	5.9%	7.3%	0	0.0%	0.0%
2019	739,767	12.2%		679,767	13.9%	91.9%	60,000	5.1%	8.1%	0	0.0%	0.0%
2020	1,174,767	19.3%		759,767	15.5%	64.7%	415,000	35.0%	35.3%	0	0.0%	0.0%
2021	544,000	8.9%		125,000	2.6%	23.0%	419,000	35.3%	77.0%	0	0.0%	0.0%
2022	132,300	2.2%		125,000	2.6%	94.5%	7,300	0.6%	5.5%	0	0.0%	0.0%
2023	4,000	0.1%		0	0.0%	0.0%	4,000	0.3%	100.0%	0	0.0%	0.0%
Total	6,088,098	100.0%		4,896,206	100.0%	80.4%	1,186,552	100.0%	19.5%	5,340	100.0%	0.1%

YTD: Year to date

SOURCE: COSTAR

10 “Lack of New Office Construction May Help Boost Occupancy in Top-Tier Buildings,” CoStar.com, July 19, 2024, <https://www.costar.com/article/1801041694/lack-of-new-office-construction-may-help-boost-occupancy-in-top-tier-buildings>.

11 Kent, MWCOG Directors Technical Advisory Committee Meeting.

12 Kent, MWCOG Directors Technical Advisory Committee Meeting.

Other major development projects for office uses include Two Town Center expedited transit-oriented developments (ETOD),¹³ Brandywine Village, and M Square of the University of Maryland (UMD) Research Park. M Square is a public-private partnership between UMD and the Corporate Office Properties Trust, located adjacent to the university's main campus. The development will include "approximately 1.5 million square feet of new office and research space planned for the 124-acre park."¹⁴

Table 13 shows that among the seven approved development projects, three are within the County's General Plan 2035 designated centers; among the three, two are in the Regional Transit Centers.

The Purple Line is a light rail line that will extend from New Carrollton in Prince George's County to Silver Spring and Bethesda in Montgomery County. The Purple Line is scheduled for completion in 2027. Five of the line's 21 stations will be located on or around the UMD campus,

providing more accessible and reliable transportation for students, faculty, and staff.¹⁵ "The Purple Line will play a key role in attracting businesses and improving access to campus and the surrounding area. Already, the university has considered proximity to the new line when constructing new buildings, and restaurants, housing and retail could soon follow suit." By creating mixed-use, vibrant locations that attract social, cultural, and commercial activities, the Purple Line will "enhance public- and private-sector job creation and enhance opportunities for UMD and [its] neighbors."¹⁶

The Washington Business Journal reports, "Atlantic and its joint venture partner Brookfield Properties are about halfway done building up one of Prince George's biggest and most strategically important developments. Covering 40 acres, New Carrollton is anticipated at buildout to weigh in at nearly 3 million square feet anchored by Kaiser Permanente, including 1,500 residential units, "1.1 million square feet [of] offices, and retail and perhaps a hotel..."¹⁷

Chart 7. Office Buildings Under Construction (Square Feet)



13 "Expedited Transit-Oriented Development Application," Maryland-National Capital Park and Planning Commission, Prince George's County Planning Department, <https://pgplan.org/ETOD>.

14 Corporate Office Properties Trust and The University of Maryland College Park, M Square, https://images1.loopnet.com/d2/2IGMnoQscPyhwTiLqXT__iuktP-xpUHYT9f5oF7XmBLc/document.pdf.

15 "The Purple Line," University of Maryland Division of Administration, <https://admin.umd.edu/initiatives-and-projects/purple-line>.

16 "The Promise (and Pain) of the Purple Line," Maryland Today, University of Maryland Office of Marketing and Communications, April 18, 2023, <https://today.umd.edu/the-promise-and-pain-of-the-purple-line>.

17 Dan Brendel, "How a 3M-Square-Foot Redevelopment at the New Carrollton Metro Station Has Evolved," The Washington Business Journal, April 30, 2024, <https://www.bizjournals.com/washington/news/2024/04/30/urban-atlantic-brookfield-new-carrollton-mixed-use.html>.

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Table 13. Approved Development for Office Use, 2020 to Present

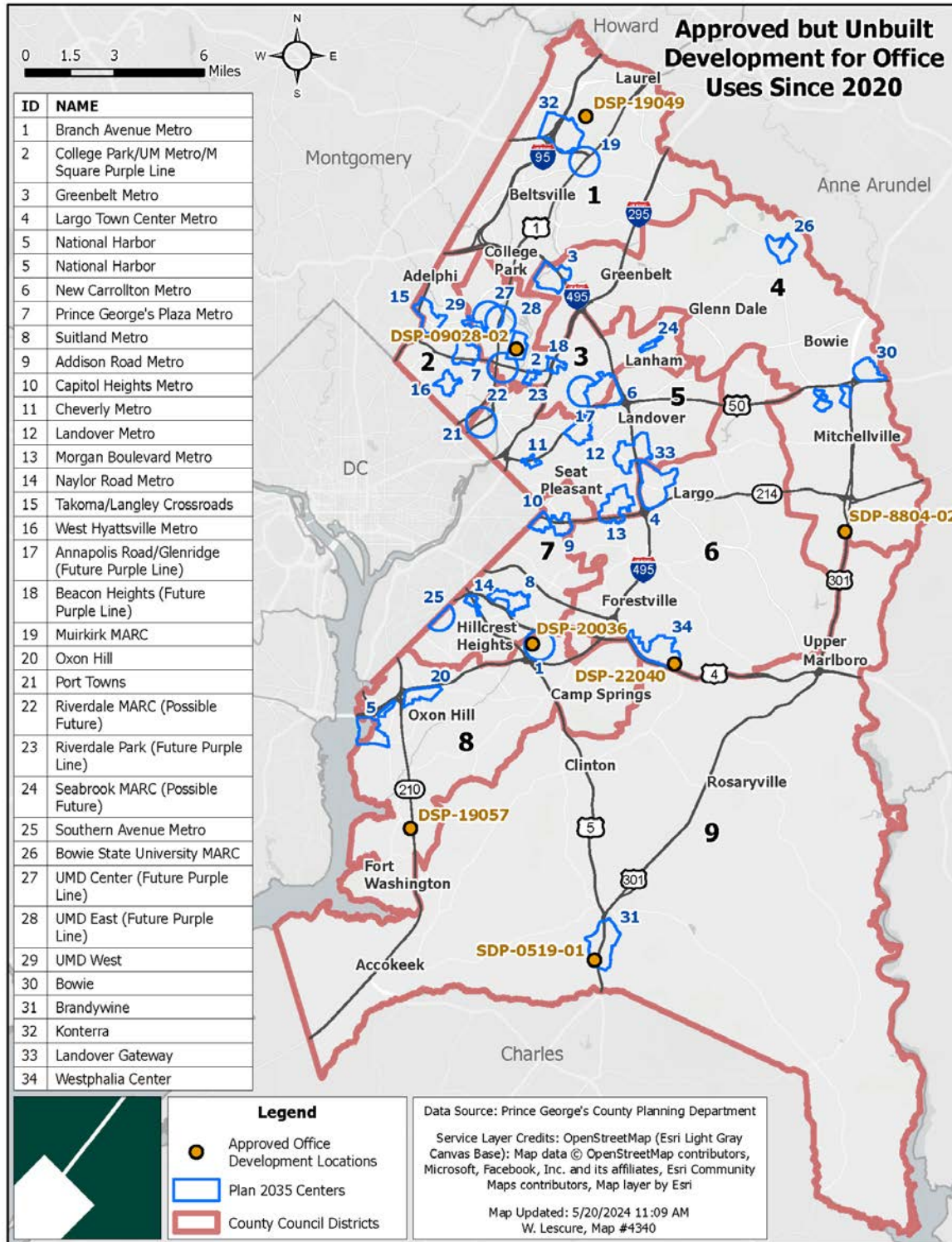
Case Number	Council District	Development Case Title	Work Description	Case Type	Approval Date	Plan 2035 Center
DSP-19049	1	Laurel Hospital Property	Development a 70,200 square-foot freestanding medical facility and 79,900 square-foot medical office building on the site of the existing laurel hospital	DSP	5/14/2020	Out
DSP-20036	8	Two Town Center (Expedited Transit-Oriented Development or ETOD)	Detailed site plan for a 260,360-square-foot, two-story office building, a 290-space parking garage, and associated site improvements	DSP	12/17/2020	Branch Avenue Metro
DSP-09028-02	3	M Square - University of Maryland Research Park	Re-orient two previously approved five-story commercial office buildings and garage to be perpendicular to River road and adjust on-site circulation accordingly.	DSP	12/21/2022	UMD Purple Line Metro - M Square
DSP-19057	8	Liw Ironworks	Construct a office with an accessory warehouse	DSP	2/2/2023	Out
DSP-22040	6	Walker Mill Business Park, lots 6 & 7	Development of a 4,900 square foot contractors office building	DSP	3/28/2024	Out
SDP-0519-01	9	Brandywine Village	Construction of approximately 97,597 square feet of office and retail uses in an integrated shopping center.	SDP	2/17/2022	Brandywine
SDP-8804-02	4	Collington Center (NASA Federal Credit Union)	Construction of two four story office buildings and associated site improvements.	SDP	9/8/2022	Out

Case Number	Council District	Development Case Title	Development Location	Acres	Gross Floor Area (SF)
DSP-19049	1	Laurel Hospital Property	The northeast quadrant of the intersection of Van Dusen Road and Contee Road	48.02	151,651
DSP-20036	8	Two Town Center (ETOD)	The north side of Capital Gateway Drive, in the northeast quadrant of its intersection with Britannia Way	9.05	260,360
DSP-09028-02	3	M Square University of Maryland Research Park	The east side of River Road, approximately 1,900 feet south of Campus Drive	13.43	NA
DSP-19057	8	Liw Ironworks	The west side of MD 210, approximately 1,400 north of Arogona Boulevard	1.50	NA
DSP-22040	6	Walker Mill Business Park, lots 6 & 7	The west side of Walker Mill approximately 650 feet north of its intersection with Rochelle Avenue	3.68	4,900
SDP-0519-01	9	Brandywine Village	Located in the southwestern quadrant of the intersection of Crain Highway and Chadds Ford Drive	18.37	NA
SDP-8804-02	4	Collington Center (NASA Federal Credit Union)	The eastern side of Prince George's Center Boulevard, 400' north of intersection with Trades Zone Avenue	11.01	42,284

DSP: Detailed Site Plan. SDP: Specific Design Plan.

SOURCE: PRINCE GEORGE'S COUNTY PLANNING DEPARTMENT

Map 7. Prince George's County Approved Office Developments



PRINCE GEORGE'S COUNTY OFFICE MARKET

CHARACTERISTICS & TRENDS



Office Zoning & Land Use



PHOTO: M-NCPPC

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Table 14 shows that there are 14 zoning classifications that allow office use by right, with a special exception, or under a conditional use. **Map 8** displays the geographic locations of all the 14 zoning classifications.

Table 14 indicates that about half of the land zones for office use are in the Legacy Comprehensive Design (LCD) Zone, accounting for 49.91% of the total 27,239.13 acres.

The legislative intent behind the LCD zone “is to recognize comprehensive design zones established prior to April 1, 2022.” The LCD Zone, “which requires three-phase development plan review,” provides for “increases in base density and intensity within the limits prescribed ... in return for public benefit features provided by the developer.”¹⁸

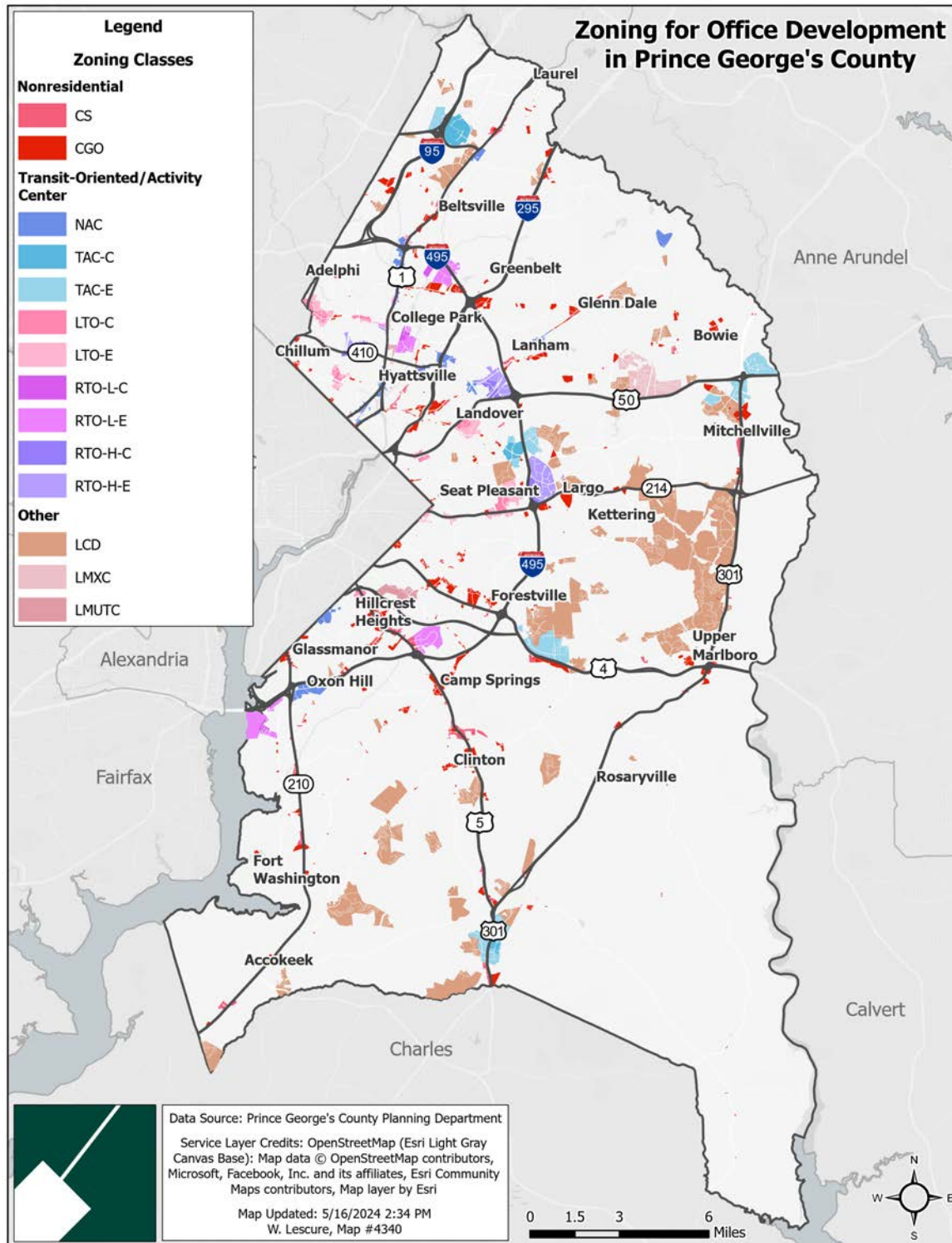
Table 14. Zoning Classifications for Office Uses

Zoning Classification	Zone Description	Total Office Zoned Acreage	% Total Office Zoned Land	Office Land Use Acreage	Office in Mixed Use Land Use Acreage	Total Office Land Use Acreage	% Total Office Land Use	% Office Land Use Acreage of Total Office Zoned Land
CGO	Commercial, General and Office	3,542.21	13.00%	436.48	5.31	441.79	36.34%	12.47%
CS	Commercial, Service	1,034.68	3.80%	61.86	1.07	62.93	5.18%	6.08%
LCD	Legacy Comprehensive Design	13,594.12	49.91%	91.97	0.00	91.97	7.57%	0.68%
LMUTC	Legacy Mixed-Use Town Center	216.71	0.80%	15.27	0.28	15.55	1.28%	7.18%
LMXC	Legacy Mixed-Use Community Zone	839.53	3.08%	3.53	0.00	3.53	0.29%	0.42%
LTO-C	Local Transit-Oriented (Core)	560.34	2.06%	3.21	0.96	4.17	0.34%	0.74%
LTO-E	Local Transit-Oriented (Edge)	893.81	3.28%	14.24	0.00	14.24	1.17%	1.59%
NAC	Neighborhood Activity Center	1,080.45	3.97%	55.37	3.40	58.77	4.83%	5.44%
RTO-H-C	Regional Transit-Oriented, High Intensity (Core)	440.70	1.62%	21.43	3.93	25.36	2.09%	5.75%
RTO-H-E	Regional Transit-Oriented, High Intensity (Edge)	750.16	2.75%	191.99	0.00	191.99	15.79%	25.59%
RTO-L-C	Regional Transit-Oriented, Low Intensity (Core)	193.10	0.71%	14.23	0.51	14.74	1.21%	7.63%
RTO-L-E	Regional Transit-Oriented, Low Intensity (Edge)	1,168.23	4.29%	157.97	0.00	157.97	12.99%	13.52%
TAC-C	Town Activity Center (Core)	706.95	2.60%	19.48	0.00	19.48	1.60%	2.76%
TAC-E	Town Activity Center (Edge)	2,218.14	8.14%	113.19	0.00	113.19	9.31%	5.10%
Total		27,239.13	100.00%	1,200.22	15.46	1,215.68	100.00%	4.46%

SOURCE: PRINCE GEORGE'S COUNTY PLANNING DEPARTMENT

18 “Legacy Zones,” <https://pgplan.org/legacyzones>.

Map 8. Prince George's County Office Zones



PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

Among all the office land uses, the Commercial, General and Office (CGO) Zone occupies 441.79 acres or 36.34% of the total 1,215.68 office-use acreage.

Moreover, 6 transit-oriented zones take up a combined 408.47 acres, or 33.6%, of the total 1,215.68 office land use acreage. Furthermore, the total area of those 6 transit-oriented zoned lands is 4,006.34 acres, amounting to 14.7% of the total land area zoned for office uses (27,239.13 acres).

Map 9 depicts the current office land use of the County. Office land uses appear to be near municipalities or along transportation corridors. The office land use may have retail components, other commercial uses, or a residential mix. The County's General Plan 2035 outlines the future land use for continuing to achieve sustainable development while preserving farmland and resources in the County and on a regional scale.

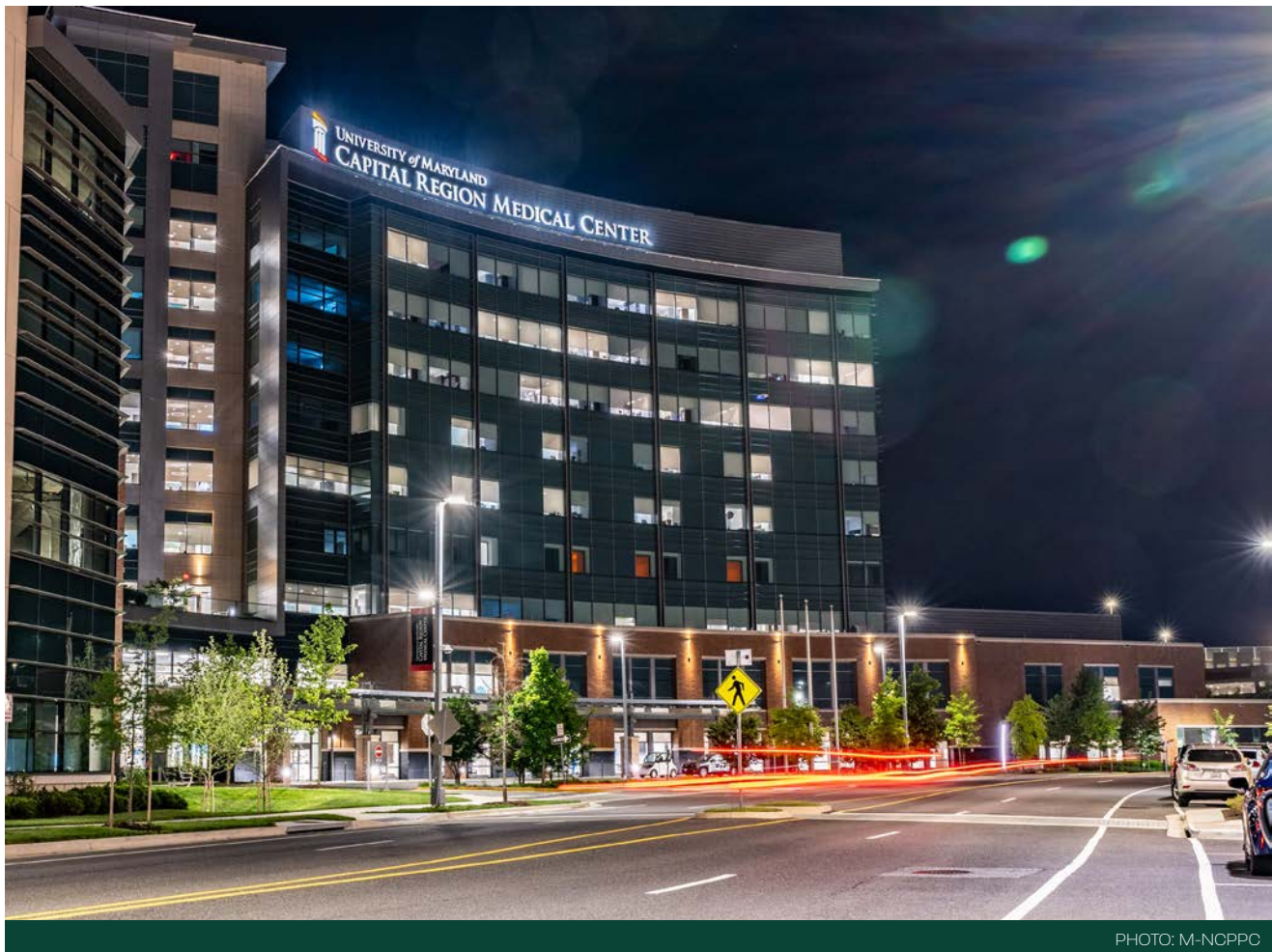
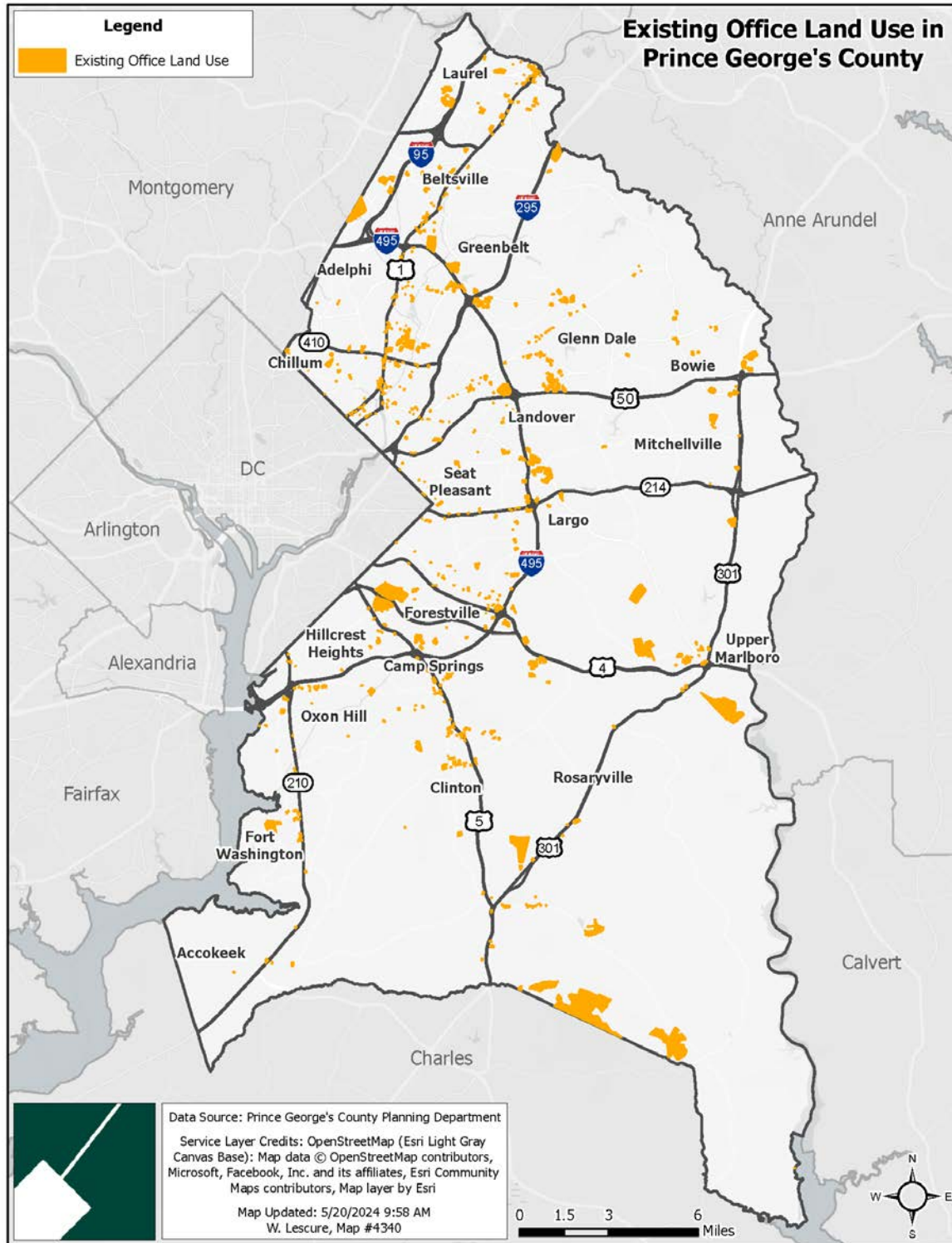


PHOTO: M-NOPPO

The Regional Transit-Oriented, High Intensity-Edge Zone occupies the most extensive office land use within each of the zoning classifications that grant office uses. The University of Maryland Capital Region Medical Center in Largo, MD.

Map 9. Prince George's County Office Land Use



Conclusion and Summary

This report provides a comprehensive overview of main characteristics of the office buildings in Prince George's County and serves as a reference for economic development, reuse of vacant office properties, and comprehensive rezoning in the foreseeable future.

Prince George's County's vacancy is the lowest among the selected jurisdictions in the region at about 12%. The vacancy rate is the highest among Class A offices and lowest for Class C offices at 5%. The County's vacancy rates reflect the national phenomenon of office space surplus, which is mainly due to the shift to telework during the COVID-19 pandemic as well as overbuilding in the 1980s and 1990s. In addition, like some other places in the nation, single-tenant buildings are likely to be fully occupied.

Office buildings in Prince George's County are relatively affordable. The Market Asking Rent per square foot and Market Sale Price per square foot are the lowest as compared with nearby jurisdictions in the region. In the County, the Market Asking Rent fluctuates with the vacancy rate, and the two were negatively correlated between 2014 and 2024 (YTD); this is particularly true for Class A office buildings.

Of the 1,167 office buildings in the County, the number of Class C office buildings is the largest, followed by the number of Class B office buildings. The number of Class A office buildings is the smallest. In terms of space inventory, Class B offices have the largest square footage, Class A ranks second, and Class C offices occupy the fewest spaces.

In Prince George's County, office construction (as measured in square feet) peaked in 2020 after considerable building periods in 2017 and 2018. After 2020, office construction plummeted significantly. Class A buildings made up most of the new office construction over the past ten years took place for Class A, with the exception of 2021 and 2023. Since 2020, seven developments for office uses have been approved, though most have not started construction. One project that is under construction is the Laurel Medical Center (affiliated with UMD).

Other major office-use development projects include Two Town Center ETOD, Brandywine Village, and M Square of the UMD Research Park. Furthermore, a mixed-use, compact development in the New Carrollton regional transit hub that includes 1.1 million square feet of offices is 50% complete.

Major economic projects are in the planning stages or under construction in Prince George's County to enhance the vibrancy of the County's communities; these projects include millions of square feet of offices. The developments will also ensure that the County remains a key hub in the region.

The significant shift in the office market has posed challenges and opportunities for economic development, transportation, environment, technology, and housing. The COVID-19 pandemic has accelerated the remote working trend (by necessity or by choice) that commenced in some federal agencies and the private sector prior to the worldwide public health crisis. This shift has become prevalent at local and regional scales across the nation. The National Association of Realtors comments, "The COVID-19 pandemic and the resulting work-from-home orders have greatly affected every facet of real estate, and many office buildings are taking on new lives," even after Covid.¹⁹

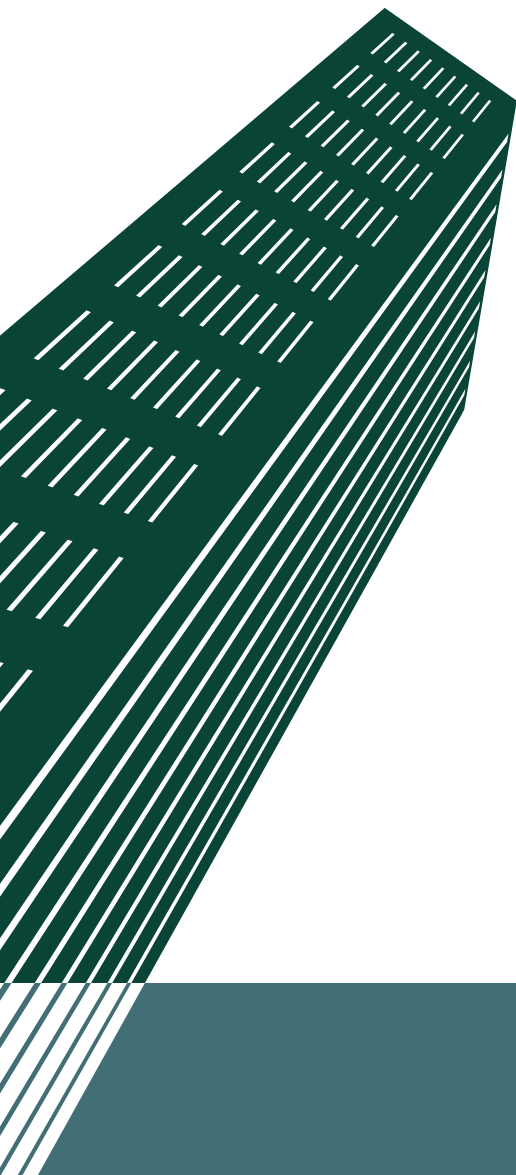
Vacant office complexes have the potential to be reused creatively, including conversions to a range of housing options, retail or restaurants, community facilities, or vibrant mixed uses. Detailed or reliable data on conversions do not currently exist.

In addition, there is a national shortage of housing. According to Angela Brooks, president of the American Planning Association, housing production is continuing to get worse, and there is a shortage of 7 million units. By using former office buildings as an alternate housing solution, planners play a vital role in promoting and providing decent housing for all.

¹⁹ National Association of Realtors, "Office Property," <https://www.nar.realtor/office-property>.

PRINCE GEORGE'S COUNTY OFFICE MARKET

CHARACTERISTICS & TRENDS



An abstract graphic on the left side of the page depicts a skyscraper using numerous parallel lines of varying lengths and thicknesses, creating a sense of height and architectural structure. The lines are dark green and extend from the bottom dark teal band towards the top of the page.

Appendix

Office Building Class Definitions

PRINCE GEORGE'S COUNTY OFFICE MARKET CHARACTERISTICS & TRENDS

CoStar²⁰

Class A Office

A Class A building is an extremely desirable investment-grade property with the highest quality construction and workmanship, materials and systems, significant architectural features, the highest quality/expensive finish and trim, abundant amenities, and first-rate maintenance and management. Class A buildings are usually in excellent locations with exceptional accessibility and are occupied by prestigious tenants who pay above-average rental rates.

Class B Office

A Class B building offers more utilitarian space than a Class A building but without special attractions. It will typically have ordinary architectural design and structural features, with average interior finishes, systems, floor plans, adequate systems, and overall condition. Class B buildings typically will not have the abundant amenities and desired location that a Class A building will have. The maintenance, management, and tenants are average or good.

Class C Office

In general, a Class C building is a no-frills, older building that offers basic space. The property has below-average maintenance and management, as well as inferior elevators and mechanical/electrical systems. As with Class B buildings, they lack prestige and must depend chiefly on lower prices to attract tenants and investors.

LinkedIn²¹

Class A

“These buildings represent the highest quality buildings in their market. They are generally the best-looking buildings with the best construction, and possess high quality building infrastructure. Class A buildings are also well-located, have good access, and are professionally managed. As a result of this, they attract the highest quality tenants, and also command the highest rents.”

Class B

“Class B buildings are generally a little older, but still have good quality management and tenants. Often times, value-added investors target these buildings as investments since well-located Class B buildings can be returned to their Class A glory through renovation such as facade and common area improvements. Class B buildings should generally not be functionally obsolete, and should be well maintained.”

Class C

“These are older buildings (usually more than 20 years) and are located in less desirable areas and are in need of extensive renovation. Architecturally, these buildings are the least desirable and building infrastructure and technology is outdated. As a result, Class C buildings have the lowest rental rates, take the longest time to lease, and are often targeted as redevelopment opportunities.”

20 “CoStar Glossary,” Costar Group. <https://www.costar.com/about/costar-glossary>.

21 Perez, Andy, “A Guide to Office Building Classifications: Class A+, Class A, Class B, Class C.” LinkedIn, June 5, 2015. <https://www.linkedin.com/pulse/guide-office-building-classifications-class-b-c-andy>.

Acknowledgments

Senior Management Team

Lakisha Hull, AICP, LEED AP BD+C	Planning Director
James R. Hunt, MPA	Acting Deputy Director for Operations
James Cannistra, C.P., GISP	Division Chief, Information Management

Production Team

Kui Zhao, AICP	Planning Supervisor
William Lescure, GISP	Senior GIS Specialist
Emma Walker	Graduate Assistant
Charles Wade, PhD.	Demographic Planner

Publications Team

Tamu Wright	Publications Specialist
Thi-Lai Simpson	Publications Design Specialist

