



Tyler Donegan Duncan Real Estate Services
1st Quarter 2018 Newsletter

Table of Contents

- 1. Featured Properties**
- 2. Recent Transactions**
- 3. General Economic Overview**
- 4. Metro Washington Commercial Overview**
- 5. National Residential Overview**

Featured Properties

46-48 South Market Street

Frederick, MD 21701

TDD proudly presents for lease 46-48 S Market St, located at the intersection of the Carroll Creek Linear Park and Market St. At one of the premier locations in Frederick, this property boasts 1,500 square feet of outdoor patio right on the Creek and would make an ideal restaurant location.

For more information, please contact: Brian Duncan at 240.436.6417 or Joe Donegan at 240.436.6434.



Royal Oaks, New Market

TDD is pleased to announce 8 newly completed residential listings for sale in the Royal Oaks subdivision of New Market, Maryland. Developed by Oak Hill Properties and located inside New Market's historic town limits, Royal Oaks is comprised of 120 homes on large lots in a beautiful setting. Residents enjoy small town charm and enjoy access to all Frederick has to offer. Prices start in the low \$500,000s.

For more information, please contact: Brian Duncan at 240.436.6417

<http://royaloaksatnewmarket.com/>



3619 Buckeystown Pike (The former Alexander's at Buckeystown)

This 5 building “For Sale” portfolio sits on 3.67 acres and includes the beautiful and historic former Alexander’s Restaurant. The property also includes

- the former main residence which dates back to **1780**, as well as
- a 5,000 square feet event center, an
- 8 unit Inn, and
- several cozy cottages.

The property has ample parking, and can accommodate events for all occasions.



Recent Transactions

Tyler Donegan Duncan congratulates Tim Shanklin on his award-winning deal representing RoosterBio in their lease of 14,500 square feet at 5295 Westview Drive in Frederick. Tim, who recently rejoined TDD, was recognized by his peers at the Fred Awards for *The Most Creative Deal of 2017*. RoosterBio is a cutting-edge biotechnical company specializing in stem cell product platforms and related stem cell products.



RoosterBio

Tyler Donegan Duncan Real Estate, in conjunction with Transwestern, represented Goodwill Industries of Monocacy Valley in the sale of their property located at 400 E. Church Street in the

city of Frederick, Maryland. The 80,000 sq. ft. building sits on 2.7 acres and settled in March of this year. The property was added to the list of properties protected by the Historical Commission of Frederick in 2017. It was purchased by Hook Properties of Washington and Hook Properties plan to re-develop the property into residential units.

Joe Donegan of Tyler Donegan Duncan Real Estate and Julian Etches of Transwestern represented the seller, Goodwill Industries of Monocacy Valley Hook Properties represented themselves in this transaction.

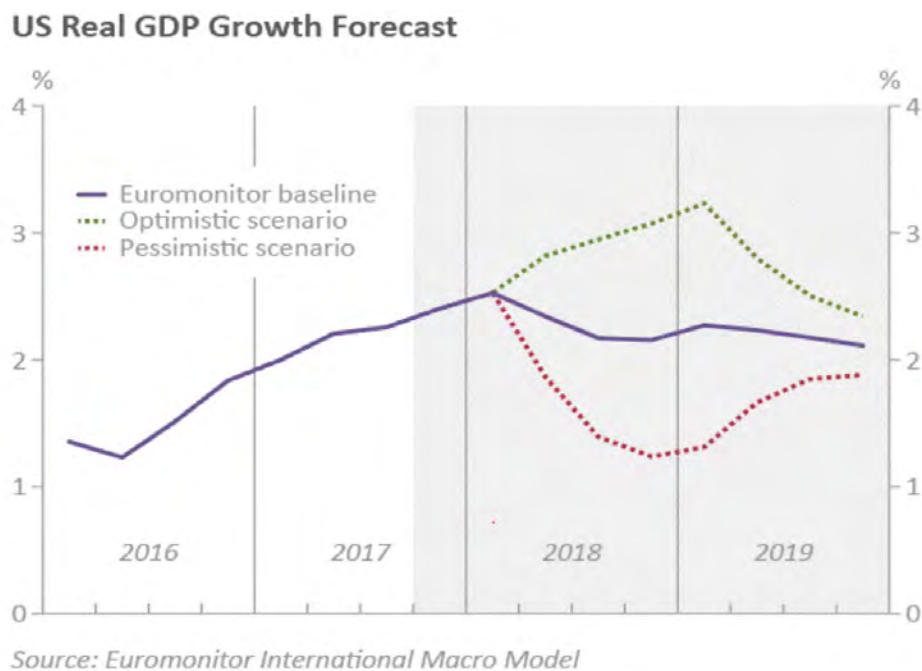


Columbia Biosciences recently renewed its lease at 4985 Winchester Blvd in Frederick for another five years and expanded its footprint by 20%. Columbia Biosciences provides functional cell based assays for pre-clinical drug development in oncology and immunology, as well as expertise and consulting services for designing a wide range of biological and biochemical assays. Brian Duncan brokered the transaction.

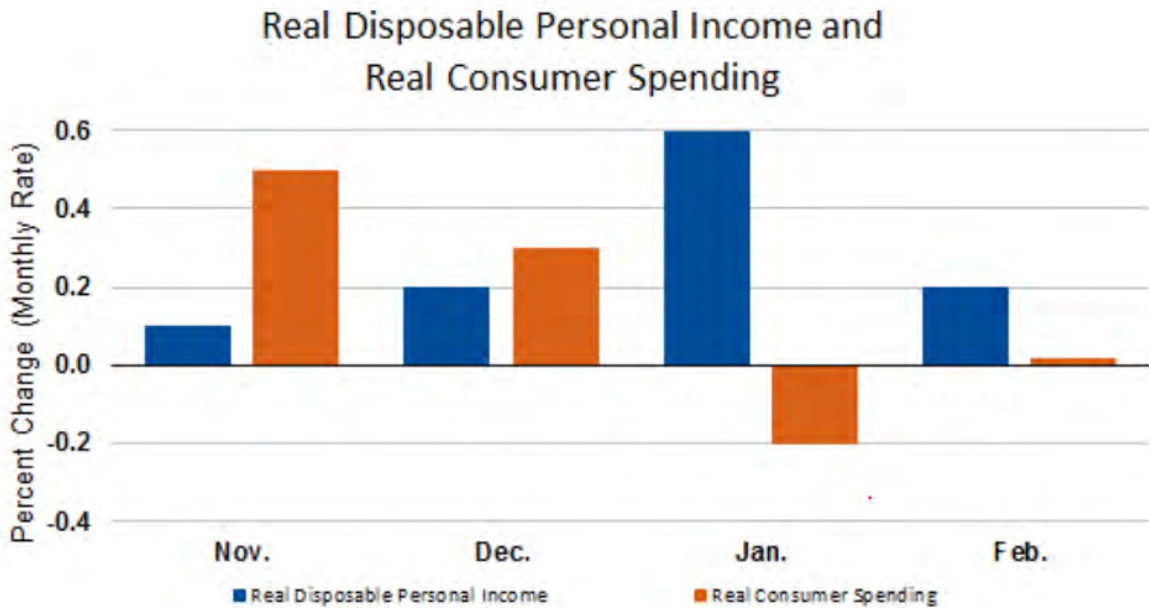


General Economic Overview

The United States economy is performing strongly thus far in 2018. Unemployment has remained low, hovering around 4.1%. Forecasters anticipate GDP growth to continue at well over 2%- in the optimistic look of some organizations, such as Euromonitor International (see below), GDP growth could reach 3%.



According to the Bureau of Economic Analysis, personal income, or the income received by or on behalf of all persons from all sources, increased by .4% to \$67.3 billion in February 2018. The increase reflects higher wages and salaries and nonfarm proprietor's income. Disposable personal income also increased by .4%, to \$53.9 billion in the same month, and personal consumption expenditures increased .2% to \$27.7 billion. The Bureau has not yet released gross domestic product reports for Q1 2018.



Metro Washington Commercial Overview

Industrial

Vacancy rates remained low in both the flex and warehouse sectors at the end of Q1 2018. The vacancy rate for flex properties was 8.4% and for warehouse was 5.8%; the blended rate was 6.5%

The Q1 2018 average quoted asking rental rate was \$8.91 per square foot, 1.2% higher than the prior quarter. Flex rates were \$13.27 per square foot, while warehouse rates were \$7.42. (source: CoStar)

Office

Office vacancy rates in the Greater Washington market varied considerably according to building class. For class A properties, the reported vacancy rate was 15.5%; classes B and C finished at

12.3% and 5.9%, respectively. The central business district rate was 12.3%. The overall vacancy rate was 13.4%, up .1% over Q4 2017, while for the suburban markets the rate was 13.8%. The suburban markets have seen very little change in vacancy rates over the prior year.

Net absorption (the net change in occupied space) for the overall Washington market was positive 143,646 in Q1 2018. All office classes experienced positive absorption. Net absorption for the suburban markets was positive 391,695 square feet.

The average quoted asking rental rate for the overall office market was \$35.56 per square foot in Q1 2018, up .9% from Q4 2017. Class A asking rates were \$39.80, class B rates were \$30.62, and class C at \$24.74. The average rate for the suburban market was \$31.07, while the central business district of Washington, DC finished at \$52.97.

Retail

The Greater Washington retail market posted an overall vacancy rate of 4.4% for Q1 2018. The rate has been slowly but steadily increasing since Q1 2017 when it was 3.8%. Within the retail subtypes, specialty centers (i.e. airport retail, theme or festival centers) had the highest vacancy rate at 8.6%. General retail (freestanding buildings not within a shopping center) posted the lowest vacancy at 2.9%.

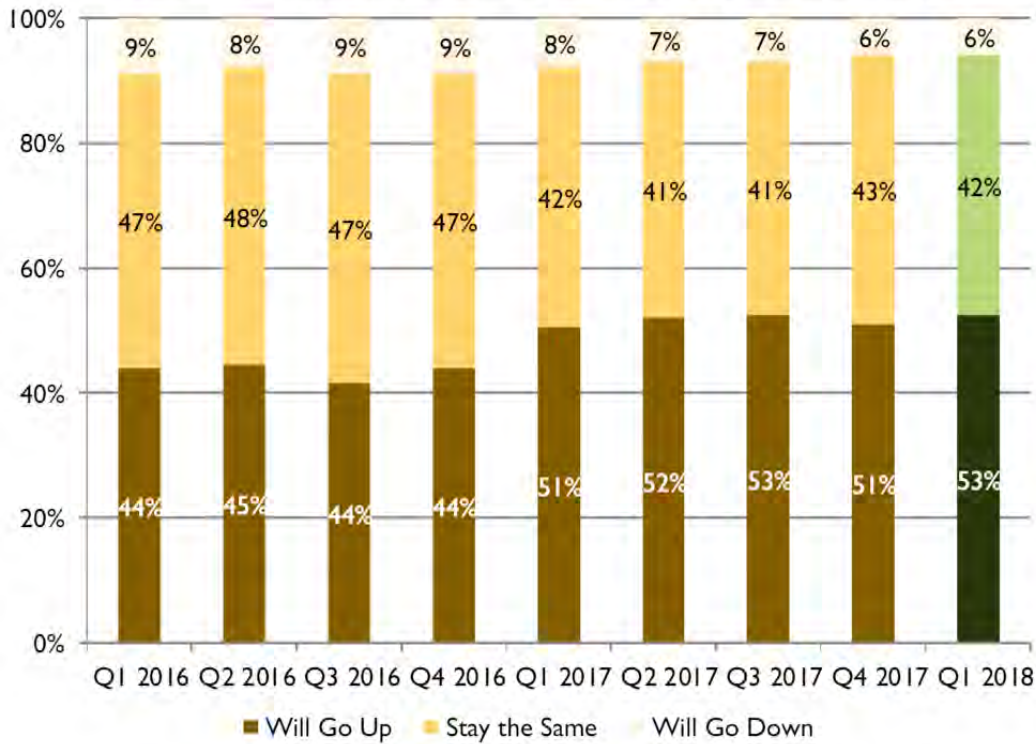
Absorption remained negative for the third straight quarter, finishing Q1 2018 at negative 493,446 square feet.

Overall quoted asking retail rates ended Q1 2018 at \$24.68 per square foot per year, or a 1% increase over the prior quarter. The lowest rates were for specialty centers and strip centers (small neighborhood centers), where asking was \$21.24 and \$21.70, respectively. The highest rates in the quarter were for general freestanding retail at \$28.36, corresponding with the very low vacancy rates. (source: CoStar Realty Information, Inc.)

National Residential Overview

The general residential market remains optimistic. According to the National Association of Realtor's- Q1 2018 Home Survey, 68% of people now believe it is a good time to buy a home. 74% of people now believe it is a good time to sell a home, up from 71% in Q4 2017 and a drastic increase up from 56% in Q1 2016. Respondents feel confident going forward (see chart below). (Copyright 2018 "2018 Q1 Homeownership Opportunities and Market Experience (HOME) Survey." *National Association of Realtors*. All rights reserved. Reprinted with permission. Published March 2018 and accessed 4/13/2018 <https://www.nar.realtor/research-and-statistics/research-reports/homeownership-opportunities-and-market-experience-survey/2018-q1-homeownership-opportunities-and-market-experience-home-survey>)

Home Prices in the Next 6 Months In Local Community



Home prices increased 7.8 percent year over year to a national median sale price of \$280,500 in January. Sales volume is generally the lowest in January, and January 2018 was no different with the number of homes for sale January dropping 14.4 percent, the largest year-over-year decline in 28 consecutive months of falling supply. The typical Redfin home spent 53 days on the market in January 2018, - six days faster than January 2017. Inventory is low nationwide, and especially in metro Washington. San Jose remains the country’s hottest residential market- the typical Redfin home there lasts 12 days on the market and sells for 9% over asking price. (source: Redfin)

For more information on how Tyler Donegan Duncan Real Estate (“TDD”) can assist you in the sale and/or leasing of your commercial building, land, residential property and real estate investments contact:

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