

Corporate Office Properties Trust

PROPERTY TOUR

> The National Business Park
Annapolis Junction, Maryland

June 2023



COPT

CORPORATE OFFICE
PROPERTIES TRUST

Table of Contents

THE NATIONAL BUSINESS PARK

> Park Aerial	pages 4–5
> About the Park/Market	pages 6–9
> NBP Amenities	page 10
> 2730 Hercules Road	page 11
> 2691 Technology Drive	page 11
> 2701, 2711, 2721 Technology Drive	page 12
> 308 Sentinel Drive	page 12
> 310 Sentinel Way	page 13
> 410, 420, 430 National Business Parkway	page 13
> 540, 560 National Business Parkway	page 14

The National Business Park

> Annapolis Junction, Maryland



The National Business Park

ANNAPOLIS JUNCTION, MARYLAND



TO COLUMBIA + I-95N

TO BALTIMORE

175

27

TOWNEPLACE SUITES BY MARRIOTT

FITNESS + RECREATION

DAYCARE CENTER

RESTAURANT + CREDIT UNION

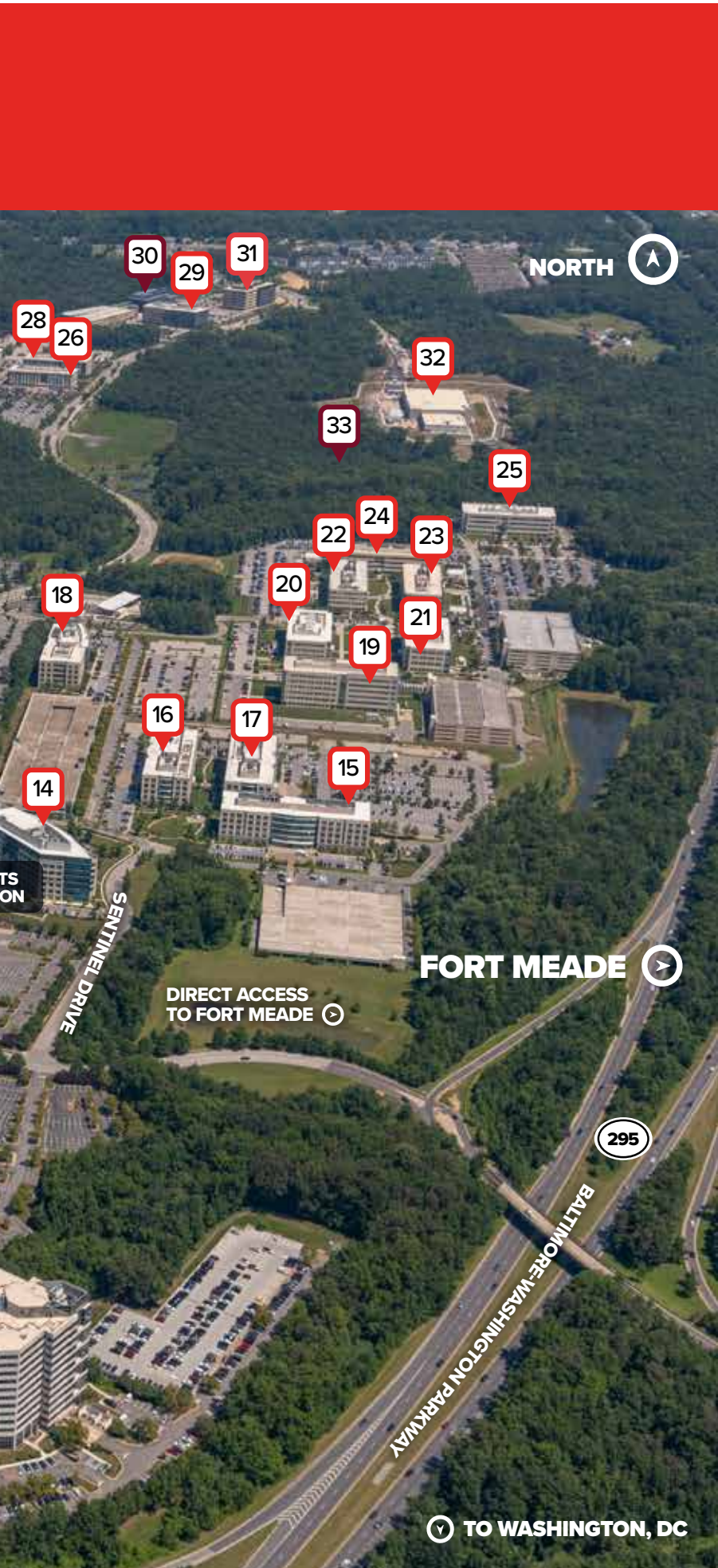
NATIONAL BUSINESS PARKWAY

TECHNOLOGY DRIVE

COURTYARD BY MARRIOTT

TO COLUMBIA + I-95S

32



PROPERTIES* + DEVELOPABLE LAND

- 1 2730 Hercules Road
- 2 2691 Technology Drive
- 3 2701 Technology Drive
- 4 2711 Technology Drive
- 5 2721 Technology Drive
- 6 2720 Technology Drive
- 7 131 National Business Parkway
- 8 132 National Business Parkway
- 9 133 National Business Parkway
- 10 134 National Business Parkway
- 11 135 National Business Parkway
- 12 140 National Business Parkway
- 13 141 National Business Parkway
- 14 300 Sentinel Drive**
- 15 302 Sentinel Drive
- 16 304 Sentinel Drive
- 17 306 Sentinel Drive
- 18 308 Sentinel Drive
- 19 310 Sentinel Way
- 20 312 Sentinel Way
- 21 316 Sentinel Way
- 22 318 Sentinel Way
- 23 320 Sentinel Way
- 24 322 Sentinel Way
- 25 324 Sentinel Way
- 26 410 National Business Parkway
- 27 420 National Business Parkway
- 28 430 National Business Parkway
- 29 540 National Business Parkway
- 30 550 National Business Parkway (under development)
- 31 560 National Business Parkway
- 32 610 Guardian Way
- 33 144 acres // 1,630,000 developable SF
(remaining undeveloped land for NBP site)

* Not highlighted: 10,100 SF retail center and a 4,500 SF visitor control center

** Restaurants + Credit Union are in the lower level

The National Business Park

SEGMENT:

Defense/IT

DEMAND DRIVER:

Fort Meade

LOCATION:

Located at the intersection of the Baltimore/Washington Parkway (MD-295) and MD Route 32 in Anne Arundel County, The National Business Park (NBP) is situated midway between Washington, DC, and Baltimore, MD.

HISTORY:

Initially called *Camp Annapolis Junction*, Fort George G. Meade (Ft. Meade) was established in 1917 as an Army training camp. The Second U.S. Army Headquarters transferred there in 1947 and, in the 1950s, the National Security Agency (NSA) headquarters moved to Ft. Meade. U.S. Cyber Command was established at Ft. Meade in 2010, and the Defense Information Systems Agency (DISA) headquarters relocated to the base in 2011 as part of the 2005 Base Realignment And Closure (BRAC). Ft. Meade is a DOD *Center of Excellence* in Information, Intelligence and Cyber and, based on its level of high-tech employment, ranks #1 in the country out of 140 defense installations.

Often referred to as Ft. Meade's "west campus," NBP is an approximate 500-acre business community 100% owned by COPT that houses the large network of government and contractor businesses serving Ft. Meade. COPT's predecessor company leased its first building (2730 Hercules Road) to the U.S. Government in 1992.

MARKET COMPARISON:

EXISTING PROPERTIES	Competitive BWI Set* (Excluding COPT)	COPT The National Business Park Portfolio ^a
Number of Properties	29	33
Total SF	3,311,426	4,108,000
% Leased	94%	98%
Direct Vacant SF	204,309	63,002
Direct Asking Rents (\$/SF)	\$25-\$27	Not Disclosed
TTM Net Absorption (SF)	73,596	178,881
UNDER DEVELOPMENT PROPERTIES		
Number of Properties	0	1
Total SF	0	186,000

* Source: CoStar & COPT's IR Department; these are a combination of 21 Class A office buildings and eight secure office buildings.
a. Includes a 10,100 SF retail center and a 4,500 SF visitor control center, both of which are 100% leased and occupied.

THE NBP TODAY:

The NBP consists of 33 buildings aggregating 4.1 million SF that are 98% leased. The NBP comprises over half of the BWI submarket's Class A space, and has consistently maintained above-market occupancies and rents.

> **Supply:** Strategically, COPT builds one new contractor building ahead of demand to accommodate fast-emerging demand from defense contractors. The Company currently has one building totaling 186,000 SF under construction that is 100% pre-leased to a defense contractor. Upon completion, the NBP's operational SF will total 4.3 million.

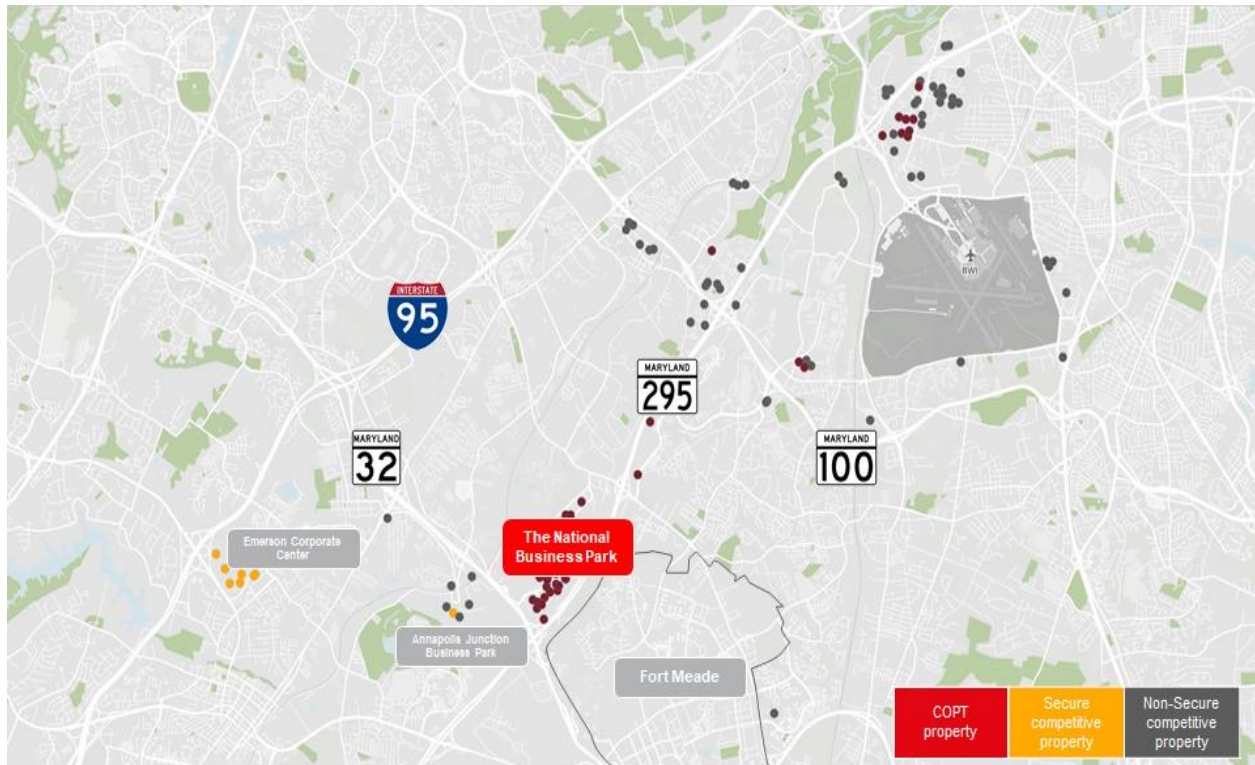
> **Demand:** The NBP continues to enjoy strong renewal rates.

- During 2020, COPT renewed 618,413 SF, representing a 91% retention rate.
- During 2021, COPT renewed 528,307 SF, representing an 89% retention rate.
- During 2022, COPT renewed 439,531 SF, representing a 91% retention rate.
- During 1Q23, COPT renewed 37,194 SF, representing a 100% retention rate.

> **Rents:** Due to the park's adjacency to Ft. Meade and the collaborative work environment enabled by its concentration of defense contractors, the NBP has maintained premium rents versus the rest of the submarket. For competitive purposes and for the privacy of its tenants, COPT elects not to disclose its asking rents at the NBP.

> **Sales:** N/A. COPT has not ever sold, and has no intention of selling any buildings associated with the NBP.

COMPETING OFFICE SUPPLY



FUN FACT:

- > Ft. Meade is named for U.S. General George G. Meade, who served as commander of the Army of the Potomac during the U.S. Civil War.
- > Big Band leader, Glenn Miller, attended Officer Training at Ft. Meade during World War II, and ultimately formed *The Glenn Miller Army Air Forces Orchestra* to provide live and radio broadcast music to support troop morale.

COMPETITIVE OFFICE MARKET OVERVIEW*

Excluding COPT's properties, the BWI commercial market contains 29 Class A buildings totaling 3.3 million SF, including eight secure buildings totaling 1 million SF. These non-COPT secure locations have no additional land for development. With the exception of the Annapolis Junction Town Center development located at the Savage MARC Rail Station, BWI supply is car-centric, with limited retail or residential amenities, neither of which is compatible with high security environments.

> **Supply:** Driven by the ramp-up of signals intelligence activities at Ft. Meade in the wake of the 9/11 Terrorist attack in 2001, the BWI Class A office market grew at a compound annual rate of 9% between 2000 and 2010. During this time frame, the NBP grew at a compound annual rate of 12%, demonstrating how its proximity to Ft. Meade enabled it to capture a disproportionate share of defense contractor and technology demand. (See **Figure 1**)

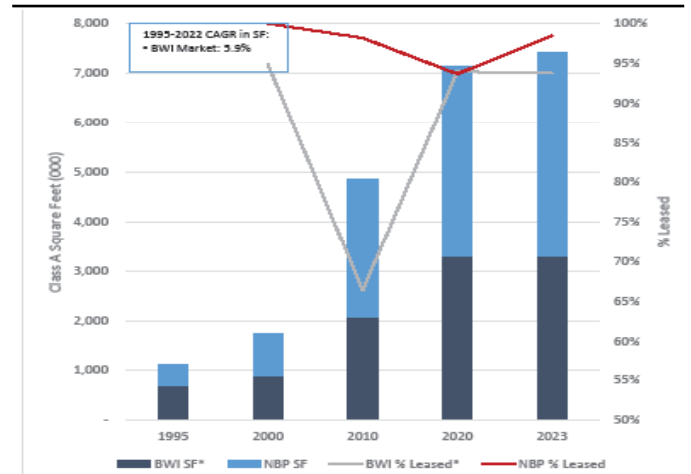


> **Demand:** Full-building occupancies from the federal government, and full-building or large block occupancies by defense contractors historically have driven development and absorption in this micromarket. The NBP has maintained significantly higher occupancies, due to its proximity to Ft. Meade and the collaborative work environment created by the density of defense contractors. (See **Figure 2**.) Additionally, the NBP experienced positive net absorption over the past 4 years, averaging 85,000 SF per year, which exceeds the market average of 55,000 SF per year.

> **Rents:** Since 2008 when its concentration of defense contractors reached a critical mass, the NBP has maintained premium rents vs. the submarket. (See **Figure 3**.) COPT does not disclose its asking rents at the NBP.

> **Sales:** There have been no asset sales comparable to the secured or non-secured buildings at the NBP.

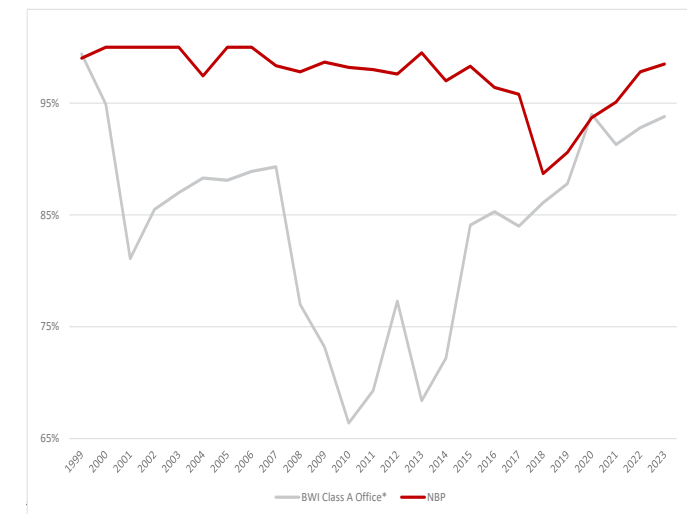
FIGURE 1: GROWTH OF THE BWI OFFICE MARKET** VS. NBP



* NBP 1 (2730 Hercules Road), NBP 141, and NBP 131 were built in 1990 by COPT's predecessor company.

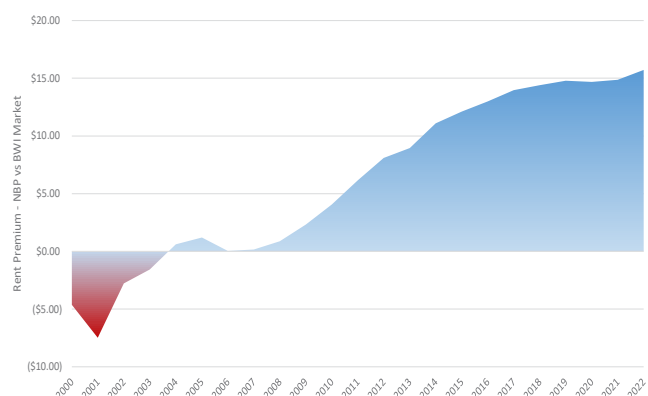
** Source: CoStar, Competitive set of Class A supply; COPT information

FIGURE 2: NBP'S OCCUPANCY VS. MARKET**



** Source: CoStar; COPT information.

FIGURE 3: NBP'S RENT SPREAD VS. MARKET*



* Source: CoStar; COPT company data

Market rents are those reported in the 4Q of each year.

THE NATIONAL BUSINESS PARK OUTLOOK

The National Business Park will continue to benefit from strong tenant retention and growing demand surrounding Fort Meade from elevated defense spending levels.

The NBP has enjoyed strong historical renewal rates:

- > Between 2012-2022, the NBP averaged an 87% renewal rate.
- > During 2020, 91% of the 680,743 SF scheduled to expire renewed.
- > During 2021, 89% of the 593,235 SF scheduled to expire renewed.
- > During 2022, 91% of the 439,531 SF scheduled to expire renewed.

The DOD's FY 2023 base budget of \$799 billion was signed into law in December 2022 and represents a ~\$100 billion increase from the fiscal year 2021 budget, which will fuel demand and drive leasing volume for both our operating and development portfolios. The growth in defense spending will continue in FY 2024, based on the ~\$825 billion proposed

budget, which equates to a 3.3% year over year increase.

Should future defense budgets be embroiled in continuing resolutions or government shutdowns, the fact that spending will continue at today's elevated levels and that the cybersecurity and signals intelligence defense missions on Ft. Meade remain priorities within the Pentagon, should support continued demand for new and expansion facilities for defense tenants.

Additionally, the ongoing expansion at Ft. Meade, including U.S. Cyber Command's recently delivered \$500 million Integrated Cyber Center (ICC) facility, will continue to generate and support defense contractor activity in the micromarket.



NBP Amenities

Given the difficulties of incorporating amenities into a high security office park environment, the NBP features only a few essential food retailers and service providers:

RETAIL

- > In 2002, COPT developed NBP 114, a 10,100 SF retail center that houses a fitness center for NBP tenant employees and Café Joe, a fast-casual restaurant that serves breakfast and lunch.
- > The street level of 300 NBP houses a credit union and two fast-casual restaurants. Fiero Mexican Grill features fresh, hand-made Tex-Mex cuisine and has been open since 2016. Subway Cafe, a national sandwich chain, has been open since 2011.

HOSPITALITY

- > Two hotels operate near the southern entrance to The National Business Park: Courtyard by Marriott and Towneplace Suites by Marriott. The hotels are not owned or operated by COPT.

DAYCARE

- > *Center for Creative Children* is an independently owned and operated daycare center for children age six weeks to five years old, located next to COPT's NBP 114.

PAVILION

- > In 2020, COPT built a 20,000 SF pavilion to better accommodate NBP tenant events and food trucks within the park.



HIGHLIGHTED COPT PROPERTIES

2730
Hercules
Road

(NBP 1)

PARK AERIAL REFERENCE: ①



BUILDING STATISTICS:

- > Year Built/Renovated: 1990
- > Rentable SF: 240,000 SF
- > Floors: 12
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: N/A

2691
Technology
Drive

(NBP 191)

PARK AERIAL REFERENCE: ②



BUILDING STATISTICS:

- > Year Built: 2005
- > Rentable SF: 104,000 SF
- > Floors: 4
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: N/A

2701, 2711 + 2721 Technology Drive

(NBP 201, 211 + 221)

PARK AERIAL REFERENCE: 3 4 5



2701 BUILDING STATISTICS:

- > Year Built: 2001
- > Rentable SF: 119,000 SF
- > Floors: 4
- > % Leased: 94%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: N/A

2711 BUILDING STATISTICS:

- > Year Built: 2002
- > Rentable SF: 152,000
- > Floors: 5
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: N/A

2721 BUILDING STATISTICS:

- > Year Built: 2000
- > Rentable SF: 117,000
- > Floors: 4
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: N/A

308 Sentinel Drive

(NBP 308)

PARK AERIAL REFERENCE: 18



BUILDING STATISTICS:

- > Year Built: 2010
- > Rentable SF: 152,000 SF
- > Floors: 5
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Gold

HIGHLIGHTED COPT PROPERTIES (CONT.)

310 Sentinel Way

(NBP 310)

PARK AERIAL REFERENCE: 19



BUILDING STATISTICS:

- > Year Built: 2016
- > Rentable SF: 191,000 SF
- > Floors: 6
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Gold

410, 420 + 430 National Business Parkway

(NBP 410, 420 + 430)

PARK AERIAL REFERENCE: 26 27 28



410 BUILDING STATISTICS:

- > Year Built: 2012
- > Rentable SF: 110,000 SF
- > Floors: 4
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Gold

420 BUILDING STATISTICS:

- > Year Built: 2013
- > Rentable SF: 139,000 SF
- > Floors: 5
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Gold

430 BUILDING STATISTICS:

- > Year Built: 2011
- > Rentable SF: 110,000 SF
- > Floors: 4
- > % Leased: 98%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Gold

540 National Business Parkway

(NBP 540)

PARK AERIAL REFERENCE: 29



BUILDING STATISTICS:

- > Year Built: 2017
- > Rentable SF: 145,000 SF
- > Floors: 5
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Silver

560 National Business Parkway

(NBP 560)

PARK AERIAL REFERENCE: 31



BUILDING STATISTICS:

- > Year Built: 2022
- > Rentable SF: 183,000 SF
- > Floors: 5
- > % Leased: 100%
- > Parking Ratio: 4:1,000 SF
- > LEED Certification: Silver

Notes:

A series of horizontal dashed lines for writing notes.

INVESTOR RELATIONS

For help with questions about the Company, or for additional corporate information, please contact:

Venkat Kommineni, CFA

Vice President, Investor Relations

Corporate Office Properties Trust
6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Telephone: 443.285.5400
Facsimile: 443.285.7650
Email: ir@copt.com

EXECUTIVE OFFICES

6711 Columbia Gateway Drive, Suite 300
Columbia, Maryland 21046
Telephone: 443.285.5400
Facsimile: 443.285.7650
www.copt.com // NYSE: OFC

