

# WASHINGTON METRO AREA MARKET WATCH

APRIL 2023



 **TRANSWESTERN**

## OFFICE MARKET INDICATORS

SUBMARKET	ALL OFFICE BUILDINGS					CLASS A: BUILDINGS BUILT 1998 - PRESENT			UNDER CONSTR.	NET ABSORPTION Q1 2023	NET ABSORPTION Q1 2023 YOY
	INVENTORY	DIRECT VACANCY SF	DIRECT VACANCY	OVERALL VACANCY	AVERAGE RATE PSF	INVENTORY	DIRECT VACANCY SF	DIRECT VACANCY			
<b>District of Columbia</b>											
<b>CBD</b>	42,852,148	6,560,455	15.3%	16.9%	\$54.08	7,831,048	889,539	11.4%	334,000	(9,000)	61,000
<b>EAST END</b>	49,022,797	6,876,826	14.0%	15.3%	\$57.66	14,762,679	2,058,866	13.9%	94,157	0	(279,000)
<b>CAPITOL HILL</b>	6,204,902	1,108,356	17.9%	19.3%	\$56.01	2,736,190	850,955	31.1%	197,324	(29,000)	34,000
<b>NOMA</b>	11,915,358	643,497	5.4%	5.7%	\$50.65	7,487,723	231,890	3.1%	32,251	19,000	(12,000)
<b>CAPITOL RIVERFRONT</b>	5,762,589	615,197	10.7%	14.8%	\$55.05	4,751,666	578,655	12.2%	0	(58,000)	(144,000)
<b>SOUTHWEST</b>	13,233,029	1,658,110	12.5%	12.6%	\$51.40	4,882,165	565,902	11.6%	0	(20,000)	445,000
<b>GEORGETOWN</b>	2,964,995	802,593	27.1%	28.4%	\$44.47	127,308	29,281	23.0%	0	(91,000)	(110,000)
<b>WEST END</b>	3,892,187	522,804	13.4%	17.2%	\$50.52	432,900	12,121	2.8%	0	(19,000)	(79,000)
<b>UPTOWN</b>	9,573,793	1,549,089	16.2%	17.1%	\$40.39	594,613	101,084	17.0%	56,476	(41,000)	37,000
<b>TOTAL</b>	<b>145,421,798</b>	<b>20,336,928</b>	<b>14.0%</b>	<b>15.3%</b>	<b>\$53.52</b>	<b>43,606,292</b>	<b>5,318,293</b>	<b>12.2%</b>	<b>714,208</b>	<b>(248,000)</b>	<b>(47,000)</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>144,194,619</b>	<b>19,178,124</b>	<b>13.3%</b>	<b>14.3%</b>	<b>\$53.73</b>	<b>42,325,545</b>	<b>5,067,258</b>	<b>12.0%</b>	<b>2,386,431</b>	<b>(365,000)</b>	<b>(876,000)</b>
<b>Northern Virginia</b>											
<b>RCB CORRIDOR</b>	24,964,552	4,965,506	19.9%	22.1%	\$40.62	9,164,999	1,251,298	13.7%	511,217	62,000	(237,000)
<b>CRYSTAL CITY/PENTAGON CITY</b>	14,339,962	2,444,964	17.1%	19.4%	\$38.33	2,750,336	715,087	26.0%	2,100,000	(36,000)	346,000
<b>OLD TOWN</b>	8,134,615	1,323,977	16.3%	17.8%	\$33.13	1,397,549	375,941	26.9%	0	4,000	32,000
<b>EISENHOWER AVE CORRIDOR</b>	8,343,378	614,073	7.4%	7.9%	\$33.89	4,747,626	123,438	2.6%	0	(9,000)	(31,000)
<b>SPRINGFIELD/HUNTINGTON/I-95</b>	8,550,670	1,945,277	22.8%	22.9%	\$30.17	3,170,220	909,853	28.7%	0	(34,000)	(81,000)
<b>BAILEY'S/FALLS CHURCH/ANNANDALE</b>	6,342,695	1,262,196	19.9%	20.1%	\$29.05	715,940	138,176	19.3%	0	(6,000)	(57,000)
<b>MERRIFIELD</b>	9,247,243	1,118,916	12.1%	13.0%	\$32.48	2,614,975	392,246	15.0%	125,000	83,000	60,000
<b>RESTON</b>	20,777,227	3,212,988	15.5%	17.4%	\$35.70	9,876,652	1,353,585	13.7%	1,029,412	(112,000)	(649,000)
<b>HERNDON</b>	12,029,084	2,541,298	21.1%	22.2%	\$32.66	7,441,429	1,614,165	21.7%	0	(18,000)	(125,000)
<b>TYSONS CORNER</b>	30,171,909	3,964,036	13.1%	14.6%	\$37.37	10,978,017	984,294	9.0%	850,000	(106,000)	(40,000)
<b>MCLEAN/VIENNA</b>	2,388,725	592,940	24.8%	25.5%	\$28.59	235,000	0	0.0%	0	(369,000)	(373,000)
<b>OAKTON/FAIRFAX CITY</b>	5,725,889	1,147,135	20.0%	20.3%	\$24.86	499,139	123,585	24.8%	0	11,000	(72,000)
<b>FAIRFAX CENTER</b>	7,254,955	1,631,011	22.5%	23.5%	\$30.53	1,107,106	218,708	19.8%	0	11,000	33,000
<b>RT. 28 SOUTH/CHANTILLY</b>	14,492,593	1,941,300	13.4%	14.2%	\$28.71	9,423,587	1,198,037	12.7%	0	(80,000)	94,000
<b>LOUDOUN COUNTY</b>	16,597,058	2,461,028	14.8%	15.8%	\$28.36	10,825,775	1,398,135	12.9%	0	28,000	58,000
<b>PRINCE WILLIAM COUNTY</b>	6,694,183	1,282,419	19.2%	19.6%	\$26.14	1,748,188	251,944	14.4%	0	(4,000)	(108,000)
<b>TOTAL</b>	<b>196,054,738</b>	<b>32,449,064</b>	<b>16.6%</b>	<b>17.8%</b>	<b>\$33.47</b>	<b>76,696,538</b>	<b>11,048,493</b>	<b>14.4%</b>	<b>4,615,629</b>	<b>(575,000)</b>	<b>(1,150,000)</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>196,571,375</b>	<b>31,713,302</b>	<b>16.1%</b>	<b>17.2%</b>	<b>\$33.25</b>	<b>75,854,421</b>	<b>10,264,766</b>	<b>13.5%</b>	<b>4,034,238</b>	<b>278,000</b>	<b>186,000</b>

Note: All data is updated monthly, except for net absorption which is updated quarterly.  
Source: CoStar, Transwestern.



OFFICE MARKET INDICATORS

SUBMARKET	ALL OFFICE BUILDINGS					CLASS A: BUILDINGS BUILT 1998 - PRESENT			UNDER CONSTR.	NET ABSORPTION Q1 2023	NET ABSORPTION Q1 2023 YOY
	INVENTORY	DIRECT VACANCY SF	DIRECT VACANCY	OVERALL VACANCY	AVERAGE RATE PSF	INVENTORY	DIRECT VACANCY SF	DIRECT VACANCY			
<b>Suburban Maryland</b>											
BETHESDA/CHEVY CHASE	13,170,201	2,166,140	16.4%	18.6%	\$41.00	4,184,351	734,407	17.6%	0	(81,000)	505,000
NORTH BETHESDA	10,897,353	1,900,193	17.4%	18.6%	\$31.49	1,557,340	37,603	2.4%	276,000	22,000	9,000
ROCKVILLE	8,436,869	1,493,973	17.7%	18.4%	\$30.72	2,978,003	416,864	14.0%	0	(34,000)	(114,000)
NORTH ROCKVILLE	12,623,350	1,492,480	11.8%	13.3%	\$31.23	5,182,223	250,804	4.8%	97,196	19,000	32,000
GAITHERSBURG	5,939,217	499,609	8.4%	10.8%	\$25.76	2,010,867	130,706	6.5%	177,000	(15,000)	(83,000)
GERMANTOWN	2,730,085	577,413	21.2%	24.7%	\$27.29	1,102,063	144,370	13.1%	73,166	(1,000)	20,000
KENSINGTON/WHEATON	1,641,234	231,818	14.1%	15.7%	\$28.44	373,000	41,030	11.0%	0	(23,000)	(31,000)
SILVER SPRING	6,973,396	986,537	14.1%	14.6%	\$31.25	900,144	171,027	19.0%	0	(76,000)	(39,000)
NORTH SILVER SPRING/RT. 29	3,661,988	399,199	10.9%	12.0%	\$27.15	484,538	41,630	8.6%	0	(2,000)	46,000
<b>TOTAL - MONTGOMERY COUNTY</b>	<b>66,073,693</b>	<b>9,747,362</b>	<b>14.8%</b>	<b>16.2%</b>	<b>\$32.21</b>	<b>18,772,529</b>	<b>1,968,442</b>	<b>10.5%</b>	<b>623,362</b>	<b>(191,000)</b>	<b>345,000</b>
BELTSVILLE/CALVERTON/COLLEGE PARK	6,082,488	959,309	15.8%	16.1%	\$25.85	955,149	23,879	2.5%	0	13,000	16,000
LAUREL	2,579,823	523,704	20.3%	20.4%	\$23.06	185,804	87,761	47.2%	60,000	(18,000)	5,000
GREENBELT	3,016,041	841,518	27.9%	28.4%	\$23.50	234,096	41,903	17.9%	0	90,000	3,000
LANHAM/LANDOVER/LARGO	5,534,867	1,559,504	28.2%	31.4%	\$24.72	1,338,783	53,551	4.0%	125,000	318,000	258,000
BOWIE/MARLBORO/SOUTH P.G.	5,485,712	409,344	7.5%	7.8%	\$27.02	1,629,951	35,869	2.2%	0	7,000	75,000
<b>TOTAL - PRINCE GEORGE'S COUNTY</b>	<b>22,698,931</b>	<b>4,293,379</b>	<b>18.9%</b>	<b>19.9%</b>	<b>\$25.23</b>	<b>4,343,783</b>	<b>242,964</b>	<b>5.6%</b>	<b>185,000</b>	<b>410,000</b>	<b>357,000</b>
FREDERICK COUNTY	6,905,734	964,985	14.0%	15.0%	\$24.60	1,783,835	138,688	7.8%	111,000	(3,000)	(14,000)
<b>TOTAL</b>	<b>95,678,358</b>	<b>15,005,726</b>	<b>15.7%</b>	<b>17.0%</b>	<b>\$29.68</b>	<b>24,900,147</b>	<b>2,350,094</b>	<b>9.4%</b>	<b>919,362</b>	<b>216,000</b>	<b>688,000</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>95,387,108</b>	<b>14,517,890</b>	<b>15.2%</b>	<b>16.4%</b>	<b>\$29.17</b>	<b>24,585,147</b>	<b>2,432,369</b>	<b>9.9%</b>	<b>2,190,180</b>	<b>342,000</b>	<b>(319,000)</b>

Note: All data is updated monthly, except for net absorption which is updated quarterly.

Source: CoStar, Transwestern.



**INDUSTRIAL MARKET INDICATORS**

SUBMARKET	INVENTORY	DIRECT VACANCY SF	DIRECT VACANCY	OVERALL VACANCY	AVERAGE RATE PSF	UNDER CONSTRUCTION	NET ABSORPTION Q1 2023	NET ABSORPTION Q1 2023 YOY
<b>District of Columbia</b>								
<b>TOTAL</b>	9,366,241	412,115	4.4%	4.9%	\$15.54	0	(74,000)	8,000
<b>TOTAL - ONE YEAR PRIOR</b>	9,393,510	460,282	4.9%	5.0%	\$14.80	32,835	73,000	83,000
<b>Northern Virginia</b>								
<b>BELTWAY (I-495)</b>	3,851,727	178,843	4.6%	5.0%	\$16.77	0	(10,000)	(17,000)
<b>I-95 CORRIDOR</b>	24,918,111	413,857	1.7%	1.8%	\$12.99	0	32,000	176,000
<b>RESTON/HERNDON</b>	2,194,337	160,187	7.3%	7.3%	\$18.74	0	2,000	25,000
<b>DULLES CORRIDOR</b>	38,013,403	2,472,801	6.5%	6.6%	\$13.84	207,348	118,000	794,000
<b>PRINCE WILLIAM COUNTY</b>	21,286,576	1,184,621	5.6%	5.6%	\$11.17	723,536	154,000	525,000
<b>TOTAL</b>	90,264,154	4,410,307	4.9%	5.0%	\$13.20	930,884	296,000	1,503,000
<b>TOTAL - ONE YEAR PRIOR</b>	88,777,097	4,503,293	5.1%	5.2%	\$11.57	1,333,548	653,000	1,772,000
<b>Suburban Maryland</b>								
<b>PRINCE GEORGE'S COUNTY</b>	58,455,578	3,716,195	6.4%	6.7%	\$10.17	1,411,901	(136,000)	1,078,000
<b>MONTGOMERY COUNTY</b>	22,702,236	1,830,683	8.1%	8.3%	\$15.43	866,540	(116,000)	(101,000)
<b>FREDERICK COUNTY</b>	18,952,362	1,019,562	5.4%	5.8%	\$10.52	1,714,254	121,000	462,000
<b>TOTAL</b>	100,110,176	6,566,440	6.6%	6.9%	\$11.42	3,992,695	(131,000)	1,439,000
<b>TOTAL - ONE YEAR PRIOR</b>	98,705,892	6,316,680	6.4%	6.7%	\$10.11	3,936,132	196,000	1,926,000

Note: All data is updated monthly, except for net absorption which is updated quarterly.  
 Source: CoStar, Transwestern.



## RESEARCH METHODOLOGY

The information in this report is the result of a compilation of information on office and industrial properties located in the Washington Metro Area. This report includes single tenant, multi-tenant and owner-user properties 15,000 SF and larger, excluding those properties owned by a government agency.

## ABOUT TRANSWESTERN

The privately held Transwestern companies have been delivering a higher level of personalized service and innovative real estate solutions since 1978. Through an integrated, customized approach that begins with good ideas, the firm drives value for clients across commercial real estate services, development, investment management, and opportunistic endeavors for high-net-worth investors. Operating from 33 U.S. offices, Transwestern extends its platform capabilities globally through strategic alliance partners whose unique geographic, cultural, and business expertise fuels creative solutions. Learn more at [transwestern.com](https://transwestern.com) and [@Transwestern](https://twitter.com/Transwestern).

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