

WASHINGTON METRO AREA MARKET WATCH

MAY 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			
District of Columbia											
CBD	42,852,148	6,319,613	14.7%	16.2%	\$54.08	7,831,048	843,470	10.8%	334,000	(9,000)	61,000
EAST END	49,022,797	7,137,415	14.6%	15.8%	\$57.66	14,762,679	2,114,318	14.3%	94,157	0	(279,000)
CAPITOL HILL	6,204,902	1,080,819	17.4%	18.8%	\$56.01	2,736,190	838,569	30.6%	192,156	(29,000)	34,000
NOMA	11,915,358	691,544	5.8%	6.0%	\$50.65	7,487,723	293,804	3.9%	32,251	19,000	(12,000)
CAPITOL RIVERFRONT	5,762,589	590,422	10.2%	14.2%	\$55.05	4,751,666	520,584	11.0%	0	(58,000)	(144,000)
SOUTHWEST	13,233,029	1,657,968	12.5%	12.6%	\$51.40	4,882,165	580,868	11.9%	0	(20,000)	445,000
GEORGETOWN	2,964,995	762,842	25.7%	27.0%	\$44.47	127,308	29,281	23.0%	0	(91,000)	(110,000)
WEST END	3,892,187	537,122	13.8%	18.0%	\$50.52	432,900	12,121	2.8%	0	(19,000)	(79,000)
UPTOWN	9,573,793	1,478,824	15.4%	16.4%	\$40.39	594,613	101,084	17.0%	56,476	(41,000)	37,000
TOTAL	145,421,798	20,256,570	13.9%	15.2%	\$53.52	43,606,292	5,334,100	12.2%	709,040	(248,000)	(47,000)
TOTAL - ONE YEAR PRIOR	144,833,572	19,084,330	13.2%	14.2%	\$53.73	42,964,498	5,212,497	12.1%	1,692,684	(365,000)	(876,000)
Northern Virginia											
RCB CORRIDOR	24,964,552	4,942,283	19.8%	22.0%	\$40.62	9,164,999	1,234,149	13.5%	511,217	62,000	(237,000)
NATIONAL LANDING	16,439,962	2,392,014	14.6%	16.5%	\$38.33	4,850,336	771,203	15.9%	0	(36,000)	346,000
OLD TOWN	8,134,615	1,200,961	14.8%	16.1%	\$33.13	1,397,549	375,941	26.9%	0	4,000	32,000
EISENHOWER AVE CORRIDOR	8,343,378	605,729	7.3%	7.8%	\$33.89	4,747,626	128,186	2.7%	0	(9,000)	(31,000)
SPRINGFIELD/HUNTINGTON/I-95	8,550,670	1,936,727	22.7%	22.8%	\$30.17	3,170,220	938,385	29.6%	0	(34,000)	(81,000)
BAILEY'S/FALLS CHURCH/ANNANDALE	6,342,695	1,268,539	20.0%	20.1%	\$29.05	715,940	117,414	16.4%	0	(6,000)	(57,000)
MERRIFIELD	9,247,243	1,118,427	12.1%	13.0%	\$32.48	2,614,975	391,877	15.0%	125,000	83,000	60,000
RESTON	20,777,227	3,382,032	16.3%	18.3%	\$35.70	9,876,652	1,386,044	14.0%	1,029,412	(112,000)	(649,000)
HERNDON	12,029,084	2,590,205	21.5%	22.6%	\$32.66	7,441,429	1,637,996	22.0%	0	(18,000)	(125,000)
TYSONS CORNER	30,171,909	3,994,124	13.2%	14.7%	\$37.37	10,978,017	992,261	9.0%	850,000	(106,000)	(40,000)
MCLEAN/VIENNA	2,388,725	581,731	24.4%	25.0%	\$28.59	235,000	0	0.0%	0	(369,000)	(373,000)
OAKTON/FAIRFAX CITY	5,725,889	1,128,171	19.7%	19.8%	\$24.86	499,139	123,585	24.8%	0	11,000	(72,000)
FAIRFAX CENTER	7,254,955	1,621,995	22.4%	23.5%	\$30.53	1,107,106	218,708	19.8%	0	11,000	33,000
RT. 28 SOUTH/CHANTILLY	14,492,593	1,918,489	13.2%	14.1%	\$28.71	9,423,587	1,147,049	12.2%	0	(80,000)	94,000
LOUDOUN COUNTY	16,597,058	2,416,806	14.6%	15.5%	\$28.36	10,825,775	1,346,918	12.4%	0	28,000	58,000
PRINCE WILLIAM COUNTY	6,694,183	1,284,979	19.2%	19.5%	\$26.14	1,748,188	256,534	14.7%	0	(4,000)	(108,000)
TOTAL	198,154,738	32,383,212	16.3%	17.6%	\$33.47	78,796,538	11,066,251	14.0%	2,515,629	(575,000)	(1,150,000)
TOTAL - ONE YEAR PRIOR	196,931,612	31,574,564	16.0%	17.2%	\$33.25	76,214,658	10,235,057	13.4%	4,008,488	278,000	186,000

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			
Suburban Maryland											
BETHESDA/CHEVY CHASE	13,170,201	2,197,071	16.7%	18.8%	\$41.00	4,184,351	766,016	18.3%	0	(81,000)	505,000
NORTH BETHESDA	10,897,353	1,869,259	17.2%	18.3%	\$31.49	1,557,340	37,603	2.4%	276,000	22,000	9,000
ROCKVILLE	8,436,869	1,498,651	17.8%	18.5%	\$30.72	2,978,003	417,026	14.0%	0	(34,000)	(114,000)
NORTH ROCKVILLE	12,623,350	1,506,751	11.9%	13.2%	\$31.23	5,182,223	244,179	4.7%	97,196	19,000	32,000
GAITHERSBURG	5,939,217	406,602	6.8%	9.2%	\$25.76	2,010,867	130,706	6.5%	177,000	(15,000)	(83,000)
GERMANTOWN	2,730,085	618,614	22.7%	26.0%	\$27.29	1,102,063	171,978	15.6%	73,166	(1,000)	20,000
KENSINGTON/WHEATON	1,641,234	244,034	14.9%	16.3%	\$28.44	373,000	41,030	11.0%	0	(23,000)	(31,000)
SILVER SPRING	6,973,396	977,182	14.0%	14.6%	\$31.25	900,144	171,026	19.0%	20,000	(76,000)	(39,000)
NORTH SILVER SPRING/RT. 29	3,661,988	396,506	10.8%	11.9%	\$27.15	484,538	41,630	8.6%	0	(2,000)	46,000
TOTAL - MONTGOMERY COUNTY	66,073,693	9,714,669	14.7%	16.1%	\$32.21	18,772,529	2,021,194	10.8%	643,362	(191,000)	345,000
BELTSVILLE/CALVERTON/COLLEGE PARK	6,082,488	962,972	15.8%	16.1%	\$25.85	955,149	23,879	2.5%	0	13,000	16,000
LAUREL	2,579,823	520,909	20.2%	20.3%	\$23.06	185,804	87,761	47.2%	60,000	(18,000)	5,000
GREENBELT	3,016,041	825,907	27.4%	27.7%	\$23.50	234,096	41,903	17.9%	0	90,000	3,000
LANHAM/LANDOVER/LARGO	5,534,867	1,544,196	27.9%	31.3%	\$24.72	1,338,783	55,070	4.1%	125,000	318,000	258,000
BOWIE/MARLBORO/SOUTH P.G.	5,485,712	424,545	7.7%	8.1%	\$27.02	1,629,951	35,869	2.2%	0	7,000	75,000
TOTAL - PRINCE GEORGE'S COUNTY	22,698,931	4,278,529	18.8%	19.9%	\$25.23	4,343,783	244,482	5.6%	185,000	410,000	357,000
FREDERICK COUNTY	6,905,734	973,708	14.1%	15.1%	\$24.60	1,783,835	156,977	8.8%	111,000	(3,000)	(14,000)
TOTAL	95,678,358	14,966,906	15.6%	17.0%	\$29.68	24,900,147	2,422,654	9.7%	939,362	216,000	688,000
TOTAL - ONE YEAR PRIOR	95,387,108	14,947,088	15.7%	16.8%	\$29.17	24,585,147	2,470,926	10.1%	2,190,180	342,000	(319,000)

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
District of Columbia								
TOTAL	9,366,241	421,481	4.5%	4.9%	\$15.54	0	(74,000)	8,000
TOTAL - ONE YEAR PRIOR	9,393,510	450,888	4.8%	4.9%	\$14.80	32,835	73,000	83,000
Northern Virginia								
BELTWAY (I-495)	3,851,727	166,642	4.3%	4.7%	\$16.77	0	(10,000)	(17,000)
I-95 CORRIDOR	24,918,111	426,338	1.7%	1.9%	\$12.99	0	32,000	176,000
RESTON/HERNDON	2,194,337	131,457	6.0%	6.0%	\$18.74	0	2,000	25,000
DULLES CORRIDOR	38,013,403	2,490,932	6.6%	6.7%	\$13.84	207,348	118,000	794,000
PRINCE WILLIAM COUNTY	21,495,769	1,181,754	5.5%	5.6%	\$11.17	514,343	154,000	525,000
TOTAL	90,473,347	4,397,122	4.9%	5.0%	\$13.20	721,691	296,000	1,503,000
TOTAL - ONE YEAR PRIOR	88,777,097	4,461,656	5.0%	5.2%	\$11.57	1,532,948	653,000	1,772,000
Suburban Maryland								
PRINCE GEORGE'S COUNTY	58,455,578	3,252,131	5.6%	6.0%	\$10.17	1,411,901	(136,000)	1,078,000
MONTGOMERY COUNTY	22,899,636	1,787,940	7.8%	8.4%	\$15.43	669,140	(116,000)	(101,000)
FREDERICK COUNTY	18,952,362	1,206,892	6.4%	6.8%	\$10.52	1,714,254	121,000	462,000
TOTAL	100,307,576	6,246,964	6.2%	6.7%	\$11.42	3,795,295	(131,000)	1,439,000
TOTAL - ONE YEAR PRIOR	98,705,892	6,456,095	6.5%	6.9%	\$10.11	3,720,632	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.

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