

# WASHINGTON METRO AREA MARKET WATCH

JUNE 2023



## OFFICE MARKET INDICATORS

SUBMARKET	ALL OFFICE BUILDINGS					CLASS A: BUILDINGS BUILT 1998 - PRESENT			UNDER CONSTR.	NET ABSORPTION Q2 2023	NET ABSORPTION Q2 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	6,513,526	15.2%	15.5%	\$53.95	7,831,048	853,584	10.9%	334,000	26,000	133,000
<b>EAST END</b>	48,752,797	7,108,158	14.6%	15.6%	\$57.53	14,762,679	2,243,927	15.2%	493,774	(446,000)	(564,000)
<b>CAPITOL HILL</b>	6,204,902	1,042,424	16.8%	18.2%	\$55.95	2,736,190	820,857	30.0%	192,156	72,000	180,000
<b>NOMA</b>	11,915,358	691,544	5.8%	6.0%	\$50.52	7,487,723	293,804	3.9%	32,251	(108,000)	(90,000)
<b>CAPITOL RIVERFRONT</b>	5,762,589	599,309	10.4%	14.0%	\$54.89	4,751,666	532,187	11.2%	0	29,000	(81,000)
<b>SOUTHWEST</b>	13,153,644	1,631,052	12.4%	12.5%	\$51.26	4,882,165	590,742	12.1%	0	(43,000)	(5,000)
<b>GEORGETOWN</b>	2,964,995	839,094	28.3%	29.6%	\$44.42	127,308	100,553	79.0%	0	(101,000)	(213,000)
<b>WEST END</b>	3,892,187	541,014	13.9%	18.1%	\$50.30	432,900	12,121	2.8%	0	(4,000)	(74,000)
<b>UPTOWN</b>	9,573,793	1,491,597	15.6%	16.6%	\$40.46	594,613	101,084	17.0%	56,476	3,000	17,000
<b>TOTAL</b>	<b>145,072,413</b>	<b>20,457,718</b>	<b>14.1%</b>	<b>15.0%</b>	<b>\$53.40</b>	<b>43,606,292</b>	<b>5,548,860</b>	<b>12.7%</b>	<b>1,108,657</b>	<b>(572,000)</b>	<b>(697,000)</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>144,799,116</b>	<b>19,488,032</b>	<b>13.5%</b>	<b>14.6%</b>	<b>\$53.66</b>	<b>42,930,042</b>	<b>5,164,516</b>	<b>12.0%</b>	<b>1,781,934</b>	<b>77,000</b>	<b>(79,000)</b>
<b>Northern Virginia</b>											
<b>RCB CORRIDOR</b>	24,820,704	4,782,950	19.3%	21.5%	\$40.58	9,164,999	1,218,945	13.3%	511,217	54,000	(84,000)
<b>NATIONAL LANDING</b>	16,439,962	2,564,634	15.6%	17.8%	\$38.24	4,850,336	727,550	15.0%	0	2,009,000	2,432,000
<b>OLD TOWN</b>	8,134,615	1,313,740	16.2%	17.5%	\$33.21	1,397,549	373,975	26.8%	0	16,000	37,000
<b>EISENHOWER AVE CORRIDOR</b>	8,343,378	671,642	8.1%	8.6%	\$33.77	4,747,626	142,429	3.0%	0	(33,000)	(79,000)
<b>SPRINGFIELD/HUNTINGTON/I-95</b>	8,329,354	1,688,360	20.3%	20.3%	\$30.21	2,948,904	692,992	23.5%	0	10,000	(37,000)
<b>BAILEY'S/FALLS CHURCH/ANNANDALE</b>	6,342,695	1,274,882	20.1%	20.2%	\$29.00	715,940	136,745	19.1%	0	6,000	(22,000)
<b>MERRIFIELD</b>	9,247,243	1,093,949	11.8%	12.6%	\$32.38	2,614,975	387,016	14.8%	125,000	25,000	127,000
<b>RESTON</b>	20,777,227	3,295,268	15.9%	18.0%	\$35.68	9,876,652	1,432,115	14.5%	1,029,412	(137,000)	(376,000)
<b>HERNDON</b>	12,029,084	2,603,777	21.6%	22.8%	\$32.79	7,441,429	1,649,808	22.2%	0	(54,000)	(203,000)
<b>TYSONS CORNER</b>	30,171,909	3,967,606	13.2%	14.6%	\$37.17	10,978,017	999,000	9.1%	850,000	(45,000)	(148,000)
<b>MCLEAN/VIENNA</b>	2,388,725	611,514	25.6%	25.9%	\$29.06	235,000	0	0.0%	0	(14,000)	(387,000)
<b>OAKTON/FAIRFAX CITY</b>	5,725,889	1,116,548	19.5%	19.7%	\$24.88	499,139	123,585	24.8%	0	(17,000)	(80,000)
<b>FAIRFAX CENTER</b>	7,254,955	1,559,815	21.5%	22.7%	\$30.41	1,107,106	197,065	17.8%	0	62,000	109,000
<b>RT. 28 SOUTH/CHANTILLY</b>	14,492,593	1,920,269	13.3%	14.2%	\$28.73	9,423,587	1,152,538	12.2%	0	22,000	145,000
<b>LOUDOUN COUNTY</b>	16,597,058	2,472,962	14.9%	15.8%	\$28.25	10,825,775	1,293,680	12.0%	0	80,000	43,000
<b>PRINCE WILLIAM COUNTY</b>	6,694,183	1,291,977	19.3%	19.6%	\$26.05	1,748,188	261,246	14.9%	0	1,000	(102,000)
<b>TOTAL</b>	<b>197,789,574</b>	<b>32,229,892</b>	<b>16.3%</b>	<b>17.6%</b>	<b>\$33.42</b>	<b>78,575,222</b>	<b>10,788,689</b>	<b>13.7%</b>	<b>2,515,629</b>	<b>1,985,000</b>	<b>1,375,000</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>196,198,903</b>	<b>32,012,467</b>	<b>16.3%</b>	<b>17.5%</b>	<b>\$33.39</b>	<b>76,269,574</b>	<b>10,746,360</b>	<b>14.1%</b>	<b>3,953,572</b>	<b>(541,000)</b>	<b>(221,000)</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 Q2 2023	NET ABSORPTION Q2 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	2,199,424	16.7%	18.8%	\$40.92	4,184,351	750,673	17.9%	0	(12,000)	(250,000)
NORTH BETHESDA	10,897,353	1,896,139	17.4%	18.5%	\$31.56	1,557,340	38,934	2.5%	276,000	(11,000)	(19,000)
ROCKVILLE	8,436,869	1,510,200	17.9%	18.8%	\$30.79	2,978,003	416,920	14.0%	0	(17,000)	(93,000)
NORTH ROCKVILLE	12,623,350	1,540,049	12.2%	13.6%	\$31.32	5,182,223	264,293	5.1%	97,196	(63,000)	(76,000)
GAITHERSBURG	5,939,217	448,411	7.6%	9.8%	\$25.81	2,010,867	128,695	6.4%	177,000	9,000	(56,000)
GERMANTOWN	2,730,085	636,110	23.3%	26.8%	\$27.34	1,102,063	176,330	16.0%	73,166	(59,000)	(33,000)
KENSINGTON/WHEATON	1,641,234	223,826	13.6%	15.1%	\$28.44	373,000	41,030	11.0%	0	(9,000)	(38,000)
SILVER SPRING	6,973,396	1,007,656	14.5%	15.0%	\$31.23	900,144	171,026	19.0%	20,000	(17,000)	(101,000)
NORTH SILVER SPRING/RT. 29	3,661,988	391,833	10.7%	11.8%	\$27.21	484,538	41,630	8.6%	0	9,000	66,000
<b>TOTAL - MONTGOMERY COUNTY</b>	<b>66,073,693</b>	<b>9,853,646</b>	<b>14.9%</b>	<b>16.4%</b>	<b>\$32.24</b>	<b>18,772,529</b>	<b>2,029,531</b>	<b>10.8%</b>	<b>643,362</b>	<b>(170,000)</b>	<b>(600,000)</b>
BELTSVILLE/CALVERTON/COLLEGE PARK	6,082,488	962,858	15.8%	16.1%	\$25.86	955,149	23,879	2.5%	0	4,000	17,000
LAUREL	2,579,823	533,306	20.7%	20.8%	\$23.08	185,804	94,954	51.1%	60,000	(10,000)	(21,000)
GREENBELT	3,016,041	841,174	27.9%	28.3%	\$23.52	234,096	51,197	21.9%	0	(3,000)	9,000
LANHAM/LANDOVER/LARGO	5,534,867	1,580,205	28.6%	32.0%	\$24.76	1,338,783	52,213	3.9%	125,000	19,000	275,000
BOWIE/MARLBORO/SOUTH P.G.	5,485,712	427,886	7.8%	8.3%	\$27.06	1,629,951	37,489	2.3%	0	(15,000)	30,000
<b>TOTAL - PRINCE GEORGE'S COUNTY</b>	<b>22,698,931</b>	<b>4,345,428</b>	<b>19.1%</b>	<b>20.2%</b>	<b>\$25.26</b>	<b>4,343,783</b>	<b>259,731</b>	<b>6.0%</b>	<b>185,000</b>	<b>(5,000)</b>	<b>310,000</b>
FREDERICK COUNTY	6,905,734	970,256	14.1%	15.1%	\$24.66	1,783,835	151,626	8.5%	111,000	15,000	(23,000)
<b>TOTAL</b>	<b>95,678,358</b>	<b>15,169,330</b>	<b>15.9%</b>	<b>17.2%</b>	<b>\$29.71</b>	<b>24,900,147</b>	<b>2,440,889</b>	<b>9.8%</b>	<b>939,362</b>	<b>(160,000)</b>	<b>(313,000)</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>95,387,108</b>	<b>14,566,009</b>	<b>15.3%</b>	<b>16.4%</b>	<b>\$29.17</b>	<b>24,585,147</b>	<b>2,317,364</b>	<b>9.4%</b>	<b>1,861,616</b>	<b>842,000</b>	<b>817,000</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 Q2 2023	NET ABSORPTION Q2 2023 YOY
<b>District of Columbia</b>								
<b>TOTAL</b>	9,366,241	411,178	4.4%	4.9%	\$16.30	0	4,000	(16,000)
<b>TOTAL - ONE YEAR PRIOR</b>	9,393,510	422,708	4.5%	4.6%	\$14.80	32,835	28,000	82,000
<b>Northern Virginia</b>								
<b>BELTWAY (I-495)</b>	3,851,727	175,254	4.6%	4.6%	\$16.91	0	6,000	(2,000)
<b>I-95 CORRIDOR</b>	24,918,111	326,427	1.3%	1.4%	\$13.32	0	57,000	60,000
<b>RESTON/HERNDON</b>	2,194,337	157,992	7.2%	7.2%	\$18.74	0	2,000	15,000
<b>DULLES CORRIDOR</b>	38,013,403	2,337,824	6.2%	6.3%	\$14.31	207,348	160,000	1,006,000
<b>PRINCE WILLIAM COUNTY</b>	21,654,622	1,169,350	5.4%	5.5%	\$11.52	355,490	472,000	945,000
<b>TOTAL</b>	90,632,200	4,166,847	4.6%	4.7%	\$13.57	562,838	697,000	2,024,000
<b>TOTAL - ONE YEAR PRIOR</b>	88,777,097	4,336,070	4.9%	5.0%	\$11.95	1,532,948	175,000	1,652,000
<b>Suburban Maryland</b>								
<b>PRINCE GEORGE'S COUNTY</b>	58,455,578	3,355,350	5.7%	6.2%	\$10.42	1,411,901	(34,000)	576,000
<b>MONTGOMERY COUNTY</b>	22,900,036	1,964,823	8.6%	9.2%	\$15.79	669,140	37,000	(76,000)
<b>FREDERICK COUNTY</b>	19,125,564	1,147,534	6.0%	6.4%	\$10.91	1,541,052	195,000	623,000
<b>TOTAL</b>	100,481,178	6,467,707	6.4%	6.9%	\$11.74	3,622,093	198,000	1,123,000
<b>TOTAL - ONE YEAR PRIOR</b>	99,031,594	6,141,324	6.2%	6.6%	\$10.47	3,510,430	512,000	1,734,000

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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## FOR MORE INFORMATION

### Elizabeth Norton

Senior Managing Research Director  
Research Services  
[Elizabeth.Norton@transwestern.com](mailto:Elizabeth.Norton@transwestern.com)  
202-775-7026

### Robert Wells

Senior Researcher | Mid-Atlantic  
[Robert.Wells@transwestern.com](mailto:Robert.Wells@transwestern.com)  
202-775-7015

### Jared Reinson

Research Analyst | Mid-Atlantic  
[Jared.Reinson@transwestern.com](mailto:Jared.Reinson@transwestern.com)  
202-775-7030