

WASHINGTON METRO AREA MARKET WATCH

AUGUST 2023



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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			
District of Columbia											
CBD	42,852,148	6,541,185	15.3%	16.4%	\$53.95	7,831,048	815,412	10.4%	334,000	26,000	133,000
EAST END	48,752,797	7,646,175	15.7%	16.8%	\$57.53	14,762,679	2,179,572	14.8%	493,774	(446,000)	(564,000)
CAPITOL HILL	6,204,902	1,046,656	16.9%	18.1%	\$55.95	2,736,190	810,446	29.6%	192,156	72,000	180,000
NOMA	11,915,358	695,996	5.8%	6.0%	\$50.52	7,487,723	303,728	4.1%	32,251	(108,000)	(90,000)
CAPITOL RIVERFRONT	5,762,589	603,239	10.5%	14.0%	\$54.89	4,751,666	535,456	11.3%	0	29,000	(81,000)
SOUTHWEST	13,153,644	1,640,167	12.5%	12.6%	\$51.26	4,882,165	597,193	12.2%	0	(43,000)	(5,000)
GEORGETOWN	2,964,995	836,658	28.2%	29.4%	\$44.42	127,308	100,553	79.0%	0	(101,000)	(213,000)
WEST END	3,892,187	538,603	13.8%	17.7%	\$50.30	432,900	12,121	2.8%	0	(4,000)	(74,000)
UPTOWN	9,573,793	1,453,782	15.2%	16.2%	\$40.46	594,613	101,084	17.0%	56,476	3,000	17,000
TOTAL	145,072,413	21,002,460	14.5%	15.6%	\$53.40	43,606,292	5,455,566	12.5%	1,108,657	(572,000)	(697,000)
TOTAL - ONE YEAR PRIOR	145,279,116	19,849,531	13.7%	14.9%	\$53.66	43,412,042	5,165,273	11.9%	1,567,410	77,000	(79,000)
Northern Virginia											
RCB CORRIDOR	24,820,704	4,841,075	19.5%	21.4%	\$40.58	9,164,999	1,195,176	13.0%	511,217	54,000	(84,000)
NATIONAL LANDING	16,439,962	2,465,994	15.0%	17.0%	\$38.24	4,850,336	727,550	15.0%	0	2,009,000	2,432,000
OLD TOWN	8,134,615	1,416,826	17.4%	18.8%	\$33.21	1,397,549	373,975	26.8%	0	16,000	37,000
EISENHOWER AVE CORRIDOR	8,343,378	696,672	8.4%	8.9%	\$33.77	4,747,626	156,672	3.3%	0	(33,000)	(79,000)
SPRINGFIELD/HUNTINGTON/I-95	8,329,354	1,688,360	20.3%	20.3%	\$30.21	2,948,904	684,146	23.2%	0	10,000	(37,000)
BAILEY'S/FALLS CHURCH/ANNANDALE	6,342,695	1,268,539	20.0%	20.4%	\$29.00	715,940	127,437	17.8%	0	6,000	(22,000)
MERRIFIELD	9,247,243	1,095,536	11.8%	12.9%	\$32.38	2,614,975	392,177	15.0%	125,000	25,000	127,000
RESTON	20,777,227	3,120,536	15.0%	16.9%	\$35.68	9,876,652	1,277,165	12.9%	568,925	(137,000)	(376,000)
HERNDON	12,029,084	2,776,815	23.1%	24.2%	\$32.79	7,441,429	1,631,664	21.9%	0	(54,000)	(203,000)
TYSONS CORNER	31,021,909	4,250,292	13.7%	15.0%	\$37.17	11,828,017	1,259,581	10.6%	0	(45,000)	(148,000)
MCLEAN/VIENNA	2,388,725	603,020	25.2%	25.7%	\$29.06	235,000	0	0.0%	0	(14,000)	(387,000)
OAKTON/FAIRFAX CITY	5,725,889	1,082,096	18.9%	19.0%	\$24.88	499,139	123,585	24.8%	0	(17,000)	(80,000)
FAIRFAX CENTER	7,254,955	1,586,470	21.9%	23.4%	\$30.41	1,107,106	195,412	17.7%	0	62,000	109,000
RT. 28 SOUTH/CHANTILLY	14,492,593	1,827,504	12.6%	13.5%	\$28.73	9,423,587	1,208,331	12.8%	0	22,000	145,000
LOUDOUN COUNTY	16,597,058	2,553,491	15.4%	16.3%	\$28.25	10,825,775	1,346,822	12.4%	0	80,000	43,000
PRINCE WILLIAM COUNTY	6,694,183	1,218,744	18.2%	18.5%	\$26.05	1,748,188	260,383	14.9%	0	1,000	(102,000)
TOTAL	198,639,574	32,491,972	16.4%	17.6%	\$33.42	79,425,222	10,960,076	13.8%	1,205,142	1,985,000	1,375,000
TOTAL - ONE YEAR PRIOR	196,198,903	31,911,642	16.3%	17.4%	\$33.39	76,269,574	10,677,632	14.0%	3,951,048	(541,000)	(221,000)

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 Q2 2023	NET ABSORPTION Q2 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	2,271,811	17.2%	19.0%	\$40.92	4,184,351	798,914	19.1%	0	(12,000)	(250,000)
NORTH BETHESDA	10,897,353	1,957,603	18.0%	19.2%	\$31.56	1,557,340	38,934	2.5%	276,000	(11,000)	(19,000)
ROCKVILLE	8,436,869	1,543,549	18.3%	19.0%	\$30.79	2,978,003	436,996	14.7%	0	(17,000)	(93,000)
NORTH ROCKVILLE	12,623,350	1,569,484	12.4%	13.5%	\$31.32	5,182,223	279,909	5.4%	97,196	(63,000)	(76,000)
GAITHERSBURG	6,074,217	490,910	8.1%	12.4%	\$25.81	2,145,867	137,335	6.4%	42,000	9,000	(56,000)
GERMANTOWN	2,730,085	645,132	23.6%	26.4%	\$27.34	1,102,063	181,998	16.5%	73,166	(59,000)	(33,000)
KENSINGTON/WHEATON	1,641,234	222,590	13.6%	14.9%	\$28.44	373,000	41,030	11.0%	0	(9,000)	(38,000)
SILVER SPRING	6,973,396	1,011,761	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	391,939	10.7%	11.6%	\$27.21	484,538	41,630	8.6%	0	9,000	66,000
TOTAL - MONTGOMERY COUNTY	66,208,693	10,104,780	15.3%	16.8%	\$32.24	18,907,529	2,127,772	11.3%	508,362	(170,000)	(600,000)
BELTSVILLE/CALVERTON/COLLEGE PARK	6,082,488	959,175	15.8%	16.8%	\$25.86	955,149	23,879	2.5%	0	4,000	17,000
LAUREL	2,579,823	553,067	21.4%	21.6%	\$23.08	185,804	91,664	49.3%	60,000	(10,000)	(21,000)
GREENBELT	3,016,041	846,063	28.1%	28.4%	\$23.52	234,096	51,197	21.9%	0	(3,000)	9,000
LANHAM/LANDOVER/LARGO	5,534,867	1,562,590	28.2%	31.6%	\$24.76	1,338,783	62,185	4.6%	125,000	19,000	275,000
BOWIE/MARLBORO/SOUTH P.G.	5,485,712	476,403	8.7%	9.0%	\$27.06	1,629,951	69,530	4.3%	0	(15,000)	30,000
TOTAL - PRINCE GEORGE'S COUNTY	22,698,931	4,397,298	19.4%	20.6%	\$25.26	4,343,783	298,455	6.9%	185,000	(5,000)	310,000
FREDERICK COUNTY	6,938,134	889,817	12.8%	14.0%	\$24.66	1,783,835	124,868	7.0%	78,600	15,000	(23,000)
TOTAL	95,845,758	15,391,895	16.1%	17.5%	\$29.71	25,035,147	2,551,095	10.2%	771,962	(160,000)	(313,000)
TOTAL - ONE YEAR PRIOR	95,387,108	14,725,043	15.4%	16.4%	\$29.17	24,585,147	2,341,441	9.5%	1,936,616	842,000	817,000

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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
District of Columbia								
TOTAL	9,366,241	412,115	4.4%	4.9%	\$16.30	0	4,000	(16,000)
TOTAL - ONE YEAR PRIOR	9,393,510	413,314	4.4%	4.5%	\$14.80	32,835	28,000	82,000
Northern Virginia								
BELTWAY (I-495)	3,851,727	185,298	4.8%	4.9%	\$16.91	0	6,000	(2,000)
I-95 CORRIDOR	24,918,111	292,396	1.2%	1.2%	\$13.32	0	57,000	60,000
RESTON/HERNDON	2,194,337	176,058	8.0%	8.4%	\$18.74	0	2,000	15,000
DULLES CORRIDOR	38,085,125	2,387,478	6.3%	6.3%	\$14.31	173,500	160,000	1,006,000
PRINCE WILLIAM COUNTY	21,654,622	1,209,350	5.6%	5.6%	\$11.52	446,662	472,000	945,000
TOTAL	90,703,922	4,250,580	4.7%	4.8%	\$13.57	620,162	697,000	2,024,000
TOTAL - ONE YEAR PRIOR	89,253,114	4,197,199	4.7%	4.8%	\$11.95	1,297,930	175,000	1,652,000
Suburban Maryland								
PRINCE GEORGE'S COUNTY	58,557,955	3,598,596	6.1%	6.6%	\$10.42	1,309,524	(34,000)	576,000
MONTGOMERY COUNTY	22,900,036	1,965,110	8.6%	9.2%	\$15.79	669,140	37,000	(76,000)
FREDERICK COUNTY	20,037,242	1,337,712	6.7%	6.8%	\$10.91	629,374	195,000	623,000
TOTAL	101,495,233	6,901,418	6.8%	7.2%	\$11.74	2,608,038	198,000	1,123,000
TOTAL - ONE YEAR PRIOR	99,031,594	6,167,552	6.2%	6.5%	\$10.47	3,620,188	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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