

# WASHINGTON METRO AREA MARKET WATCH

DECEMBER 2023



## OFFICE MARKET INDICATORS

SUBMARKET	ALL OFFICE BUILDINGS					CLASS A: BUILDINGS BUILT 1998 - PRESENT			UNDER CONSTR.	NET ABSORPTION Q4 2023	NET ABSORPTION Q4 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	6,757,784	15.8%	16.9%	\$53.80	7,831,048	836,356	10.7%	334,000	(141,000)	(227,000)
<b>EAST END</b>	48,752,797	7,512,806	15.4%	16.5%	\$57.34	14,762,679	2,207,021	15.0%	441,617	(10,000)	(851,000)
<b>CAPITOL HILL</b>	6,397,058	1,250,625	19.6%	20.7%	\$55.79	2,928,346	1,004,423	34.3%	0	(17,000)	27,000
<b>NOMA</b>	11,915,358	881,736	7.4%	7.5%	\$50.40	7,487,723	482,958	6.5%	32,251	(12,000)	(279,000)
<b>CAPITOL RIVERFRONT</b>	5,762,589	576,259	10.0%	13.4%	\$54.83	4,751,666	508,428	10.7%	0	(15,000)	(6,000)
<b>SOUTHWEST</b>	13,153,644	1,558,707	11.9%	12.0%	\$51.01	4,882,165	519,951	10.7%	0	(4,000)	9,000
<b>GEORGETOWN</b>	2,964,995	945,833	31.9%	32.2%	\$44.83	127,308	100,553	79.0%	0	(44,000)	(298,000)
<b>WEST END</b>	3,892,187	548,798	14.1%	18.0%	\$49.94	432,900	32,900	7.6%	0	0	(31,000)
<b>UPTOWN</b>	9,573,793	1,450,430	15.2%	16.2%	\$40.57	594,613	72,543	12.2%	56,476	26,000	3,000
<b>TOTAL</b>	<b>145,264,569</b>	<b>21,482,978</b>	<b>14.8%</b>	<b>15.9%</b>	<b>\$53.26</b>	<b>43,798,448</b>	<b>5,765,132</b>	<b>13.2%</b>	<b>864,344</b>	<b>(217,000)</b>	<b>(1,653,000)</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>145,475,366</b>	<b>20,041,172</b>	<b>13.8%</b>	<b>15.1%</b>	<b>\$53.53</b>	<b>43,606,292</b>	<b>5,291,825</b>	<b>12.1%</b>	<b>700,960</b>	<b>195,000</b>	<b>(166,000)</b>
<b>Northern Virginia</b>											
<b>RCB CORRIDOR</b>	24,820,704	4,859,894	19.6%	21.5%	\$40.36	9,164,999	1,091,551	11.9%	545,576	(114,000)	39,000
<b>NATIONAL LANDING</b>	16,439,962	2,633,682	16.0%	17.7%	\$38.17	4,850,336	693,598	14.3%	0	(39,000)	1,904,000
<b>OLD TOWN</b>	8,068,615	1,355,527	16.8%	18.6%	\$33.25	1,397,549	364,760	26.1%	0	15,000	(87,000)
<b>EISENHOWER AVE CORRIDOR</b>	8,343,378	617,410	7.4%	8.2%	\$33.95	4,747,626	113,943	2.4%	0	94,000	13,000
<b>SPRINGFIELD/HUNTINGTON/I-95</b>	8,329,354	1,878,269	22.6%	22.6%	\$30.27	2,948,904	734,277	24.9%	0	(21,000)	(214,000)
<b>BAILEY'S/FALLS CHURCH/ANNANDALE</b>	6,342,695	1,293,910	20.4%	20.9%	\$29.11	715,940	136,745	19.1%	0	(11,000)	(19,000)
<b>MERRIFIELD</b>	9,372,243	1,173,405	12.5%	13.3%	\$32.23	2,739,975	468,536	17.1%	0	0	154,000
<b>RESTON</b>	20,777,227	3,293,190	15.9%	17.9%	\$35.40	9,876,652	1,328,410	13.5%	568,925	(148,000)	(247,000)
<b>HERNDON</b>	12,029,084	2,983,213	24.8%	24.6%	\$32.55	7,441,429	1,860,357	25.0%	0	(180,000)	(451,000)
<b>TYSONS CORNER</b>	31,021,909	4,032,848	13.0%	14.2%	\$37.31	11,828,017	1,082,264	9.2%	0	56,000	634,000
<b>MCLEAN/VIENNA</b>	2,388,725	633,012	26.5%	26.9%	\$29.17	235,000	0	0.0%	0	(12,000)	(405,000)
<b>OAKTON/FAIRFAX CITY</b>	5,725,889	1,089,637	19.0%	19.1%	\$25.00	499,139	115,800	23.2%	0	4,000	21,000
<b>FAIRFAX CENTER</b>	7,254,955	1,547,482	21.3%	22.9%	\$30.47	1,107,106	184,887	16.7%	0	(28,000)	85,000
<b>RT. 28 SOUTH/CHANTILLY</b>	14,492,593	1,789,835	12.4%	13.2%	\$28.57	9,423,587	1,145,908	12.2%	0	(32,000)	72,000
<b>LOUDOUN COUNTY</b>	16,199,714	2,219,361	13.7%	15.1%	\$28.30	10,825,775	1,342,396	12.4%	0	(101,000)	(36,000)
<b>PRINCE WILLIAM COUNTY</b>	6,694,183	1,355,572	20.3%	20.4%	\$26.27	1,748,188	281,458	16.1%	0	(30,000)	(67,000)
<b>TOTAL</b>	<b>198,301,230</b>	<b>32,756,247</b>	<b>16.5%</b>	<b>17.7%</b>	<b>\$33.39</b>	<b>79,550,222</b>	<b>10,944,890</b>	<b>13.8%</b>	<b>1,114,501</b>	<b>(547,000)</b>	<b>1,396,000</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>196,054,738</b>	<b>31,904,402</b>	<b>16.3%</b>	<b>17.6%</b>	<b>\$33.45</b>	<b>76,696,538</b>	<b>10,932,038</b>	<b>14.3%</b>	<b>3,542,110</b>	<b>(133,000)</b>	<b>(296,000)</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 Q4 2023	NET ABSORPTION Q4 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	2,410,147	18.3%	19.5%	\$40.74	4,184,351	813,856	19.5%	0	(66,000)	(303,000)
NORTH BETHESDA	11,173,353	2,022,377	18.1%	19.2%	\$31.95	1,833,340	155,834	8.5%	0	155,000	161,000
ROCKVILLE	8,436,869	1,645,189	19.5%	19.9%	\$31.07	2,978,003	440,744	14.8%	0	(51,000)	(186,000)
NORTH ROCKVILLE	12,720,546	1,685,472	13.3%	14.4%	\$31.44	5,279,419	432,912	8.2%	0	(76,000)	(92,000)
GAITHERSBURG	6,074,217	698,535	11.5%	15.9%	\$25.94	2,145,867	266,088	12.4%	42,000	(103,000)	(121,000)
GERMANTOWN	2,803,251	709,223	25.3%	27.9%	\$27.41	1,175,229	246,798	21.0%	0	19,000	(60,000)
KENSINGTON/WHEATON	1,641,234	223,826	13.6%	15.3%	\$28.52	373,000	41,030	11.0%	0	0	(32,000)
SILVER SPRING	6,973,396	1,042,523	15.0%	15.4%	\$31.07	900,144	171,026	19.0%	0	(30,000)	(129,000)
NORTH SILVER SPRING/RT. 29	3,661,988	371,692	10.2%	11.5%	\$27.23	484,538	41,630	8.6%	0	13,000	27,000
<b>TOTAL - MONTGOMERY COUNTY</b>	<b>66,655,055</b>	<b>10,808,983</b>	<b>16.2%</b>	<b>17.6%</b>	<b>\$32.30</b>	<b>19,353,891</b>	<b>2,609,919</b>	<b>13.5%</b>	<b>42,000</b>	<b>(139,000)</b>	<b>(735,000)</b>
BELTSVILLE/CALVERTON/COLLEGE PARK	6,082,488	1,021,858	16.8%	17.9%	\$25.57	955,149	34,385	3.6%	0	(49,000)	(41,000)
LAUREL	2,579,823	544,343	21.1%	21.2%	\$23.21	185,804	91,664	49.3%	60,000	8,000	(39,000)
GREENBELT	3,016,041	871,636	28.9%	29.3%	\$23.52	234,096	51,197	21.9%	0	(36,000)	57,000
LANHAM/LANDOVER/LARGO	5,659,867	1,682,112	29.7%	32.9%	\$24.75	1,463,783	178,728	12.2%	0	1,000	360,000
BOWIE/MARLBORO/SOUTH P.G.	5,485,712	447,086	8.2%	8.4%	\$27.17	1,629,951	51,352	3.2%	0	(8,000)	(27,000)
<b>TOTAL - PRINCE GEORGE'S COUNTY</b>	<b>22,823,931</b>	<b>4,567,034</b>	<b>20.0%</b>	<b>21.2%</b>	<b>\$25.21</b>	<b>4,468,783</b>	<b>407,326</b>	<b>9.1%</b>	<b>60,000</b>	<b>(84,000)</b>	<b>310,000</b>
FREDERICK COUNTY	6,880,350	963,249	14.0%	15.2%	\$24.85	1,783,835	96,327	5.4%	78,600	(52,000)	(7,000)
<b>TOTAL</b>	<b>96,359,336</b>	<b>16,339,267</b>	<b>17.0%</b>	<b>18.3%</b>	<b>\$29.78</b>	<b>25,606,509</b>	<b>3,113,572</b>	<b>12.2%</b>	<b>180,600</b>	<b>(275,000)</b>	<b>(432,000)</b>
<b>TOTAL - ONE YEAR PRIOR</b>	<b>95,435,108</b>	<b>14,984,160</b>	<b>15.7%</b>	<b>16.9%</b>	<b>\$29.60</b>	<b>24,585,147</b>	<b>2,282,641</b>	<b>9.3%</b>	<b>1,570,879</b>	<b>(292,000)</b>	<b>815,000</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 Q4 2023	NET ABSORPTION Q4 2023 YOY
<b>District of Columbia</b>								
<b>TOTAL</b>	7,753,857	280,591	3.6%	4.0%	\$17.71	0	(15,000)	(41,000)
<b>TOTAL - ONE YEAR PRIOR</b>	7,671,488	214,400	2.8%	3.2%	\$16.46	32,835	68,000	149,000
<b>Northern Virginia</b>								
<b>BELTWAY (I-495)</b>	8,106,526	344,269	4.2%	4.2%	\$22.11	0	(29,000)	(48,000)
<b>I-95 CORRIDOR</b>	24,394,852	1,265,021	5.2%	5.3%	\$18.33	113,490	74,000	144,000
<b>DULLES CORRIDOR</b>	38,125,502	963,877	2.5%	2.6%	\$17.90	498,520	26,000	(62,000)
<b>LEESBURG/OUTLYING LOUDOUN</b>	1,444,343	75,435	5.2%	5.2%	\$18.74	56,000	0	0
<b>MANASSAS/GAINESVILLE</b>	19,366,779	506,205	2.6%	2.9%	\$16.28	225,872	93,000	745,000
<b>SPOTSYLVANIA/STAFFORD</b>	14,266,828	849,784	6.0%	6.0%	\$10.85	266,256	46,000	16,000
<b>TOTAL</b>	105,704,830	4,004,591	3.8%	3.9%	\$17.21	1,160,138	210,000	795,000
<b>TOTAL - ONE YEAR PRIOR</b>	104,001,283	3,538,771	3.4%	3.5%	\$16.07	2,077,668	1,127,000	3,432,000
<b>Suburban Maryland</b>								
<b>NORTHERN PRINCE GEORGE'S</b>	19,411,362	829,359	4.3%	4.6%	\$14.11	0	36,000	(222,000)
<b>CENTRAL PRINCE GEORGE'S</b>	27,791,215	669,828	2.4%	3.0%	\$13.82	1,157,892	(12,000)	(66,000)
<b>SOUTHERN PRINCE GEORGE'S</b>	9,115,587	244,510	2.7%	8.8%	\$13.90	1,182,024	(13,000)	213,000
<b>MONTGOMERY COUNTY</b>	20,407,262	711,186	3.5%	3.8%	\$21.89	0	(26,000)	(32,000)
<b>FREDERICK COUNTY</b>	18,736,574	1,020,090	5.4%	5.6%	\$13.25	191,108	334,000	662,000
<b>TOTAL</b>	95,462,000	3,474,973	3.6%	4.6%	\$15.79	2,531,024	319,000	555,000
<b>TOTAL - ONE YEAR PRIOR</b>	93,866,482	2,806,591	3.0%	3.1%	\$14.65	2,707,269	354,000	1,357,000

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. This report excludes data centers, biotech, and properties owned by a government agency.

## ABOUT TRANSWESTERN

Five dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at [transwestern.com](https://transwestern.com) and [@Transwestern](https://twitter.com/Transwestern).

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