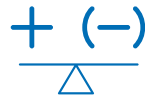


# NORTHERN VIRGINIA

## OFFICE MARKET | Q1 2025



**188.5 MSF**  
Inventory



**(153,348) SF**  
Net Absorption



**17.0%**  
Direct Vacancy



**22.9%**  
Total Availability



**514,000 SF**  
Under Construction



**\$33.28 PSF**  
Asking Rent

### Notable Move Outs Hamper Net Absorption at Q1

#### Market Observations

- The office market contracted during the first quarter of 2025, with negative 153,348 SF in net absorption, bringing the year-over-year net absorption to negative 1.5 million SF.
- During the quarter, the direct vacant available rate increased 20 basis points to 17.0% at March 2025, and is up 130 basis points from one year ago.
- Notable deals this quarter include HNTB leasing 48,046 SF at 1812 N. Moore Street in the RCB Corridor and GERVTY inking 22,158 SF at 8270 Greensboro Drive in Tysons.
- A handful of notable move-outs offset demand this quarter. Cambridge Associates vacated 95,600 SF at 4100 N. Fairfax Drive in the RCB Corridor. The investment firm downsized and relocated into 48,000 SF at 950 N Glebe Road. The Department of Labor vacated 91,300 SF at 201 12th Street S in National Landing and Custom Ink left 72,750 SF at 2910 District Avenue in Merrifield.
- Although hybrid is likely here to stay, return to office mandates, particularly for the Federal Government, should move the average days in office higher in 2025.
- Uncertainty surrounding the impact of DOGE on the greater metro area is apparent and will resonate throughout 2025, as layoffs and lease terminations occur. The uncertainty will likely penetrate the private sector due to the impact to federal contractors in our region.

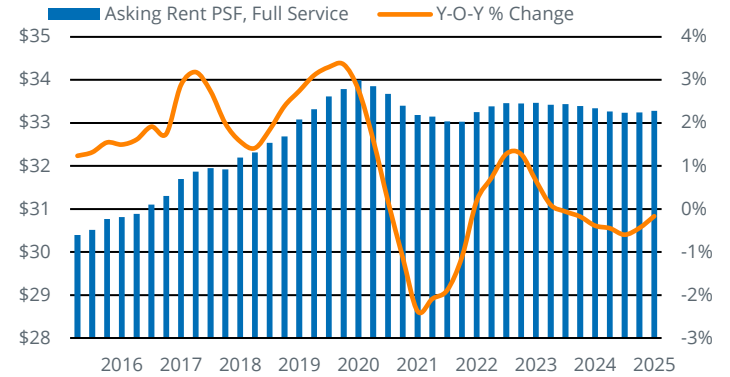




# NORTHERN VIRGINIA OFFICE MARKET | Q1 2025

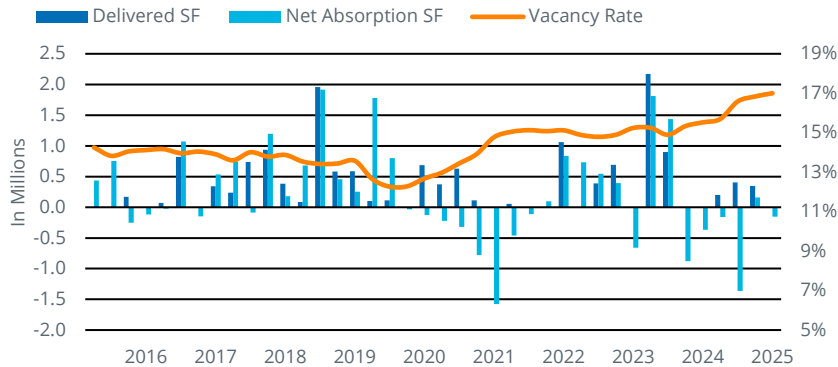
- Direct vacant available rate** edged up 20 basis points during the quarter to 17.0% at March 2025, and is up from 15.5% one year ago. Total availability, which is space being marketed, stands at 22.9%.
- Net absorption** totaled negative 153,348 SF during the first quarter of 2025. Tysons Corner outperformed with positive 53,704 SF of positive absorption, the highest among all submarkets. Class A totaled negative 238,293 SF, which was offset by positive activity in Class B and C space.
- Full-service rents** in Northern Virginia averaged \$33.28 PSF at March 2025, down 20 basis points year-over-year. The RCB Corridor and National Landing submarkets were leaders with rents at \$40.14 PSF and \$38.04 PSF, respectively.
- Construction pipeline** in Northern Virginia totaled 514,000 SF at March 2025 with three projects underway. One project was added to the pipeline at 7125 W. Falls Station Boulevard, a 270,000 SF pre-leased project in Merrifield where HITT Contracting is building their new headquarters.

## ASKING RENT



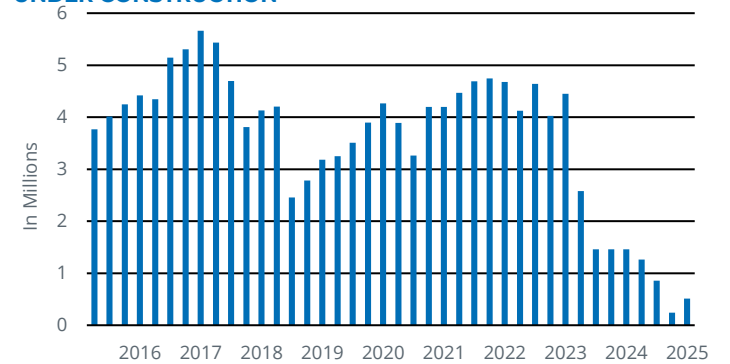
Source: CoStar, Transwestern

## DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# NORTHERN VIRGINIA OFFICE MARKET | Q1 2025

## MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

| SUBMARKET                       | INVENTORY SF       | DIRECT VACANT AVAILABLE SF | DIRECT VACANT AVAILABLE RATE | TOTAL AVAILABILITY RATE | UNDER CONSTRUCTION SF | NET ABSORPTION SF | Y-O-Y NET ABSORPTION SF | ASKING RENT PSF, FULL SERVICE |
|---------------------------------|--------------------|----------------------------|------------------------------|-------------------------|-----------------------|-------------------|-------------------------|-------------------------------|
| RCB Corridor                    | 24,947,988         | 5,404,166                  | 21.7%                        | 29.1%                   | 0                     | (21,994)          | 34,658                  | \$40.14                       |
| National Landing                | 17,272,639         | 2,810,262                  | 16.3%                        | 20.2%                   | 0                     | (86,865)          | (136,024)               | \$38.04                       |
| Old Town                        | 8,238,603          | 1,252,006                  | 15.2%                        | 22.1%                   | 0                     | (5,715)           | (132,143)               | \$33.41                       |
| Eisenhower Avenue Corridor      | 7,901,353          | 2,319,659                  | 29.4%                        | 33.5%                   | 0                     | (13,081)          | (795,742)               | \$33.89                       |
| Springfield/Huntington/Lorton   | 6,711,512          | 936,285                    | 14.0%                        | 18.3%                   | 0                     | 436               | 29,441                  | \$30.31                       |
| Bailey's/Falls Church/Annandale | 5,739,428          | 607,072                    | 10.6%                        | 13.6%                   | 0                     | (8,927)           | (101,181)               | \$29.21                       |
| Merrifield                      | 7,444,759          | 957,334                    | 12.9%                        | 18.1%                   | 270,000               | (41,971)          | (13,471)                | \$32.19                       |
| Reston                          | 20,678,382         | 4,308,030                  | 20.8%                        | 29.0%                   | 210,000               | (49,543)          | (16,445)                | \$35.16                       |
| Herndon                         | 11,779,030         | 2,773,785                  | 23.5%                        | 33.9%                   | 0                     | (22,989)          | (106,478)               | \$32.41                       |
| Tysons Corner                   | 30,174,965         | 5,295,733                  | 17.6%                        | 25.1%                   | 0                     | 53,704            | (308,200)               | \$37.13                       |
| McLean/Vienna                   | 2,501,996          | 495,812                    | 19.8%                        | 20.9%                   | 0                     | 12,822            | 108,327                 | \$29.31                       |
| Oakton/Fairfax City             | 5,181,140          | 517,227                    | 10.0%                        | 12.4%                   | 0                     | 2,771             | 58,094                  | \$25.11                       |
| Fairfax Center                  | 6,478,235          | 1,364,768                  | 21.1%                        | 30.1%                   | 0                     | (318)             | 13,387                  | \$30.28                       |
| Rt. 28 Corridor South/Chantilly | 14,222,912         | 1,769,572                  | 12.4%                        | 14.9%                   | 0                     | 27,943            | (223,882)               | \$28.34                       |
| Rt. 28 Corridor North           | 8,319,035          | 770,977                    | 9.3%                         | 11.1%                   | 0                     | 15,512            | 25,629                  | \$30.28                       |
| Leesburg/West Loudoun           | 5,174,136          | 214,570                    | 4.1%                         | 9.6%                    | 34,000                | (23,355)          | 83,276                  | \$28.34                       |
| Manassas/Gainesville            | 3,369,104          | 124,109                    | 3.7%                         | 5.0%                    | 0                     | 15,599            | 27,236                  | \$28.20                       |
| East Prince William County      | 2,353,379          | 104,525                    | 4.4%                         | 6.2%                    | 0                     | (7,377)           | (24,504)                | \$26.43                       |
| <b>Total</b>                    | <b>188,488,596</b> | <b>32,025,892</b>          | <b>17.0%</b>                 | <b>22.9%</b>            | <b>514,000</b>        | <b>(153,348)</b>  | <b>(1,478,022)</b>      | <b>\$33.28</b>                |

Source: CoStar, Transwestern

To continually improve the content provided to our clients, starting at Q1 2025, Transwestern Research has revised its office methodology which may shift current and historical data in our market reporting. Please reach out to the research contact(s) noted in this report with any questions.



## Research Methodology

The information in this report is the result of a compilation of information on office properties located in Northern Virginia. This report includes single tenant, multi-tenant and owner-user properties 15,000 SF and larger, excluding properties owned by a government agency and medical outpatient buildings.

## About Transwestern

Four 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

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