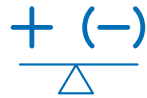


# NORTHERN VIRGINIA

## OFFICE MARKET | Q2 2025



**187.6 MSF**  
Inventory



**(59,643) SF**  
Net Absorption



**16.9%**  
Direct Vacancy



**22.3%**  
Total Availability



**304,000 SF**  
Under Construction



**\$33.33 PSF**  
Asking Rent

### Office Market Flattens with Limited Construction at Q2

#### Market Observations

- The office market retracted slightly during the second quarter of 2025, with negative 59,643 SF in net absorption, bringing the year-over-year net absorption to negative 1.3 million SF.
- During the quarter, the direct vacant available rate decreased 20 basis points to 16.9% at June 2025, but is up 110 basis points from one year ago. The decrease in vacancy rate during the past three months was due to office demolitions, where the obsolete office building was removed from our inventory.
- Notable deals this quarter include a confidential tenant leasing 74,681 SF at 12050 Inspiration Street in Reston and VT Services signing for 28,658 SF at 2350 Corporate Park Drive in Herndon.
- A handful of notable move-outs offset demand this quarter. General Dynamics vacated 188,384 SF at 12450 Fair Lakes Circle in Fairfax Center. Jacobs moved out of 54,354 SF at 2411 Dulles Corner Park in Herndon and Meta downsized at 1818 Library Street in Reston, vacating the eighth and ninth floors totaling 51,204 SF.
- The eventual impact of DOGE on federal hiring and office demand will continue to play out over the next several months. Cuts to the federal workforce typically favor contractors, as select services, particularly technology, is outsourced to private companies due to talent and resources.

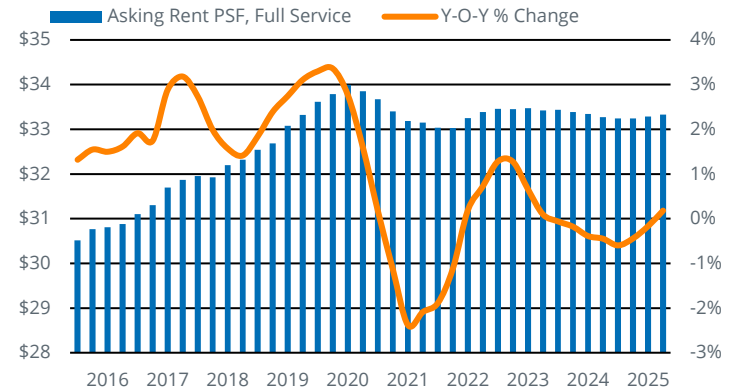




# NORTHERN VIRGINIA OFFICE MARKET | Q2 2025

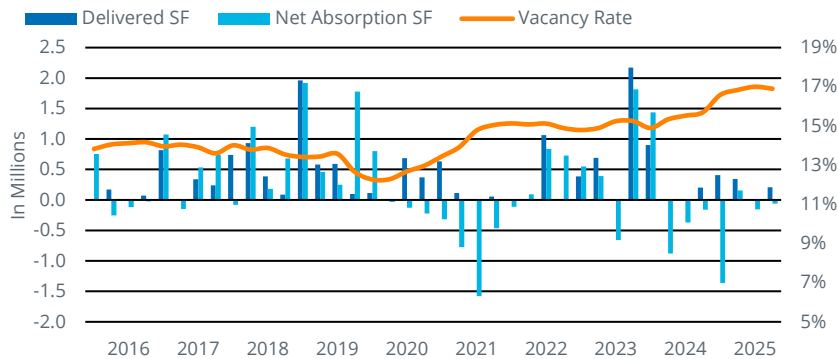
- Direct vacant available rate** edged down 20 basis points during the quarter to 16.9% at June 2025, but is up from 15.8% one year ago. Total availability, which is space being marketed, stands at 22.3%.
- Net absorption** totaled negative 59,643 SF during the second quarter of 2025. The RCB Corridor outperformed with 43,319 SF of positive absorption, due in part to K9 Quarters taking 21,200 SF at 1521 N Danville Street and Aerospace Industries Association expanding by nearly 21,000 SF at 1100 Wilson Boulevard.
- Full-service rents** in Northern Virginia averaged \$33.33 PSF at June 2025, up 20 basis points year-over-year. The RCB Corridor and National Landing submarkets were leaders with rents at \$40.08 PSF and \$38.04 PSF, respectively.
- Construction pipeline** in Northern Virginia totaled 304,000 SF at June 2025 with two projects underway. One project delivered at 1880 Reston Row Plaza, a 210,000 SF property that was 15.5% pre-leased. No new projects were added to the pipeline during the past three months as developers push the pause button on new office buildings.

## ASKING RENT



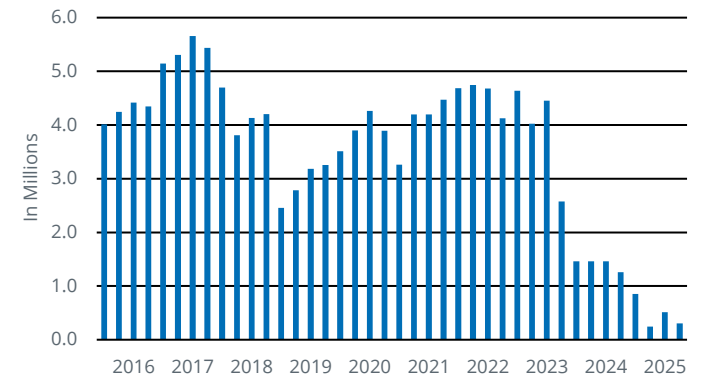
Source: CoStar, Transwestern

## DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# NORTHERN VIRGINIA OFFICE MARKET | Q2 2025

## MARKET INDICATORS TABLE

All Classes of Space | Q2 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	24,796,609	5,312,627	21.4%	30.4%	0	43,319	40,591	\$40.08
National Landing	17,272,639	2,884,525	16.7%	19.7%	0	11,648	(240,247)	\$38.04
Old Town	8,228,183	1,227,878	14.9%	21.4%	0	12,010	(16,441)	\$33.48
Eisenhower Avenue Corridor	7,901,353	2,374,511	30.1%	33.2%	0	(54,852)	(819,824)	\$33.88
Springfield/Huntington/Lorton	6,711,512	924,605	13.8%	18.0%	0	11,185	10,062	\$30.33
Bailey's/Falls Church/Annandale	5,739,428	590,110	10.3%	13.0%	0	16,962	(13,757)	\$29.25
Merrifield	7,444,759	914,605	12.3%	17.3%	270,000	42,729	(6,024)	\$32.22
Reston	20,484,237	4,190,478	20.5%	27.7%	0	40,365	(31,236)	\$35.32
Herndon	11,779,030	2,810,484	23.9%	30.6%	0	(30,096)	(75,288)	\$32.56
Tysons Corner	29,774,880	5,236,197	17.6%	24.5%	0	38,768	122,019	\$37.08
McLean/Vienna	2,501,996	506,360	20.2%	21.2%	0	(10,548)	12,954	\$29.41
Oakton/Fairfax City	5,181,140	519,602	10.0%	12.9%	0	(2,375)	34,011	\$25.20
Fairfax Center	6,482,205	1,553,376	24.0%	29.9%	0	(188,608)	(183,389)	\$30.28
Rt. 28 Corridor South/Chantilly	14,222,912	1,594,101	11.2%	13.5%	0	7,772	(216,003)	\$28.47
Rt. 28 Corridor North	8,319,035	609,338	7.3%	9.3%	0	6,461	28,669	\$27.12
Leesburg/West Loudoun	5,174,136	241,527	4.7%	9.6%	34,000	(3,671)	10,526	\$29.69
Manassas/Gainesville	3,294,104	122,393	3.7%	4.8%	0	1,716	54,922	\$26.71
East Prince William County	2,305,973	106,953	4.6%	6.5%	0	(2,428)	(14,835)	\$26.22
<b>Total</b>	<b>187,614,131</b>	<b>31,719,670</b>	<b>16.9%</b>	<b>22.3%</b>	<b>304,000</b>	<b>(59,643)</b>	<b>(1,303,290)</b>	<b>\$33.33</b>

Source: CoStar, Transwestern



# NORTHERN VIRGINIA OFFICE MARKET | Q2 2025

## 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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