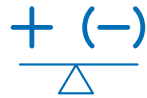


NORTHERN VIRGINIA

OFFICE MARKET | Q3 2025



185.9 MSF
Inventory



309,694 SF
Net Absorption



16.9%
Direct Vacancy



21.9%
Total Availability



317,544 SF
Under Construction



\$33.54 PSF
Asking Rent

Healthy Demand Boosts Net Absorption in Q3

Market Observations

- The Northern Virginia office market improved during the third quarter of 2025, with positive 309,694 SF in net absorption. This brings the year-over-year total to 343,597 SF.
- Direct vacant available rate was 16.9% in the third quarter of 2025, down 20 basis points from three months prior.
- Boosting net absorption this quarter was CACI, who inked a full building lease of 137,000 SF 11487 Sunset Hills Road in Reston. The federal contractor is backfilling space once occupied by BAE Systems. Also in Reston, Workday signed for 51,000 SF at 1818 Library Street and will be backfilling space once occupied by Meta. The HR management platform company will be relocating from Tysons.
- Offsetting this were a handful of move-outs. Notably, Cognosante vacated 36,000 SF at 3110 Fairview Park Drive in Merrifield after being acquired by Accenture.
- The office market will remain under pressure driven by uncertainty surrounding federal policy decisions, coupled with continued space consolidations and slower employment growth. Less construction, coupled with demolitions/conversions is welcome news for the office market. However, given the near-term demand outlook, the correction in supply is not a silver bullet and unlikely to reverse the upward trajectory of the vacancy rate in the near-term. With the limited amount of supply coming online, tenants will be challenged to find high-quality, new space.

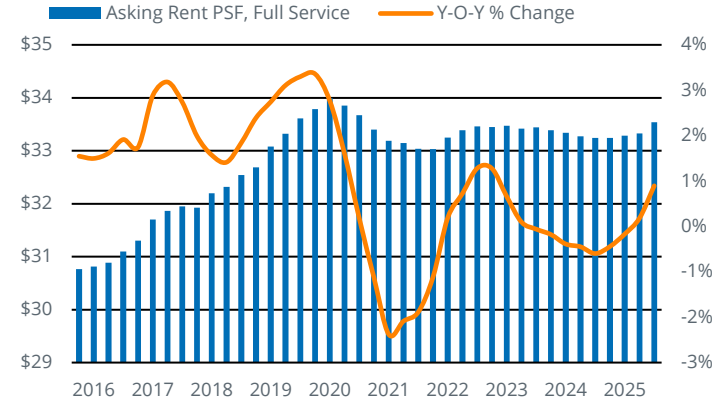




NORTHERN VIRGINIA OFFICE MARKET | Q3 2025

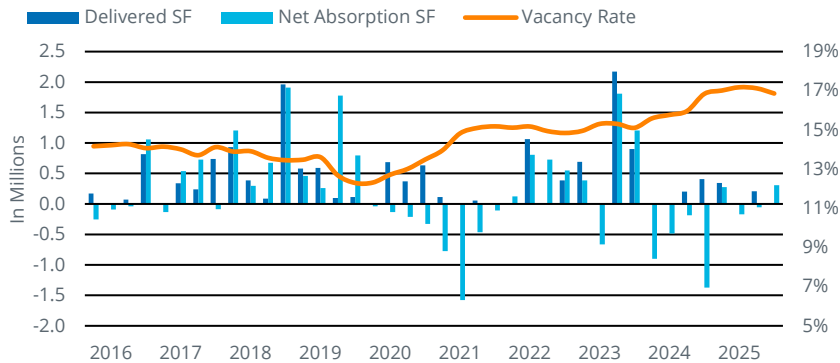
- Direct vacant available rate** was 16.9% at September 2025, which is relatively flat compared to one year ago. The availability rate, space being marketed for lease, was 21.9%. The Eisenhower Avenue Corridor had the highest rate at 30.2%. This rate that should decline in time as GSA reshuffles some agencies to this submarket.
- Net absorption** totaled positive 309,694 SF in the third quarter of 2025. The Reston submarket outperformed with 208,800 SF due to the aforementioned deals. Class A drove net absorption due to continued flight to quality.
- Full-service rents** averaged \$33.54 PSF in the third quarter of 2025, up 0.9% year-over-year. The highest change in rent came from East Prince William County, which increased 1.8% to \$26.51 PSF over the last year.
- Construction pipeline** totaled 317,544 SF at September 2025. The most notable project is 270,000 SF at 7125 W Falls Station Boulevard in Merrifield. HITT plans to fully occupy the building as its HQ's when it delivers in early 2027.

ASKING RENT



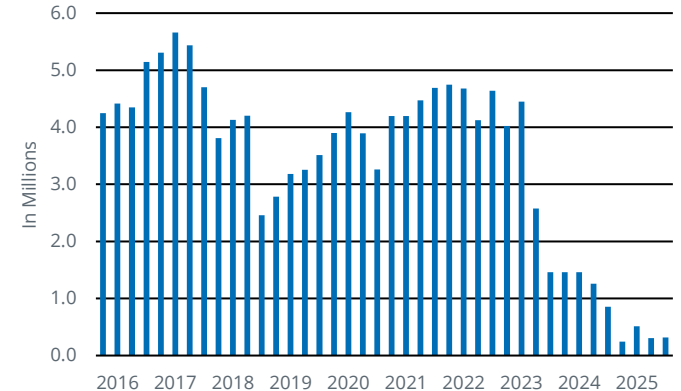
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



NORTHERN VIRGINIA OFFICE MARKET | Q3 2025

MARKET INDICATORS TABLE

All Classes of Space | Q3 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	24,782,509	5,254,581	21.2%	29.5%	0	49,865	113,227	\$40.17
National Landing	17,244,922	2,884,509	16.7%	19.6%	0	16	(246,437)	\$38.31
Old Town	8,284,255	1,240,976	15.0%	22.3%	0	(9,582)	(8,254)	\$33.73
Eisenhower Avenue Corridor	7,874,353	2,377,373	30.2%	32.7%	0	(2,862)	(43,818)	\$34.10
Springfield/Huntington/Lorton	6,712,367	922,470	13.7%	18.4%	0	2,135	18,769	\$30.56
Bailey's/Falls Church/Annandale	5,739,428	610,833	10.6%	13.2%	0	(20,723)	(9,032)	\$29.49
Merrifield	7,209,125	1,002,063	13.9%	17.9%	270,000	(33,601)	(30,292)	\$32.44
Reston	20,335,032	3,927,944	19.3%	25.9%	0	208,800	174,441	\$35.60
Herndon	11,351,544	2,873,506	25.3%	30.9%	0	(56,378)	(104,152)	\$32.79
Tysons Corner	30,104,394	5,138,725	17.1%	22.7%	0	71,974	367,707	\$37.23
McLean/Vienna	2,459,169	510,784	20.8%	22.3%	0	(4,424)	12,864	\$29.70
Oakton/Fairfax City	5,098,046	513,280	10.1%	12.9%	0	6,322	16,253	\$25.46
Fairfax Center	6,482,205	1,513,038	23.3%	31.0%	0	47,404	(145,347)	\$30.42
Rt. 28 Corridor South/Chantilly	14,170,736	1,547,063	10.9%	14.0%	0	23,993	218,077	\$28.71
Rt. 28 Corridor North	8,129,223	584,599	7.2%	9.8%	0	9,739	(14,206)	\$27.36
Leesburg/West Loudoun	4,390,182	245,401	5.6%	11.8%	47,544	(25,106)	(46,379)	\$29.96
Manassas/Gainesville	3,240,545	65,710	2.0%	3.1%	0	56,683	99,075	\$26.97
East Prince William County	2,305,973	132,208	5.7%	8.1%	0	(14,561)	(28,899)	\$26.51
Total	185,914,008	31,345,063	16.9%	21.9%	317,544	309,694	343,597	\$33.54

Source: CoStar, Transwestern



NORTHERN VIRGINIA OFFICE MARKET | Q3 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 and @Transwestern

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