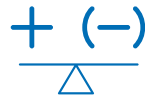


DISTRICT OF COLUMBIA

OFFICE MARKET | Q4 2025



145.1 MSF
Inventory



(16,138) SF
Net Absorption



16.0%
Direct Vacancy



23.6%
Total Availability



0 SF
Under Construction

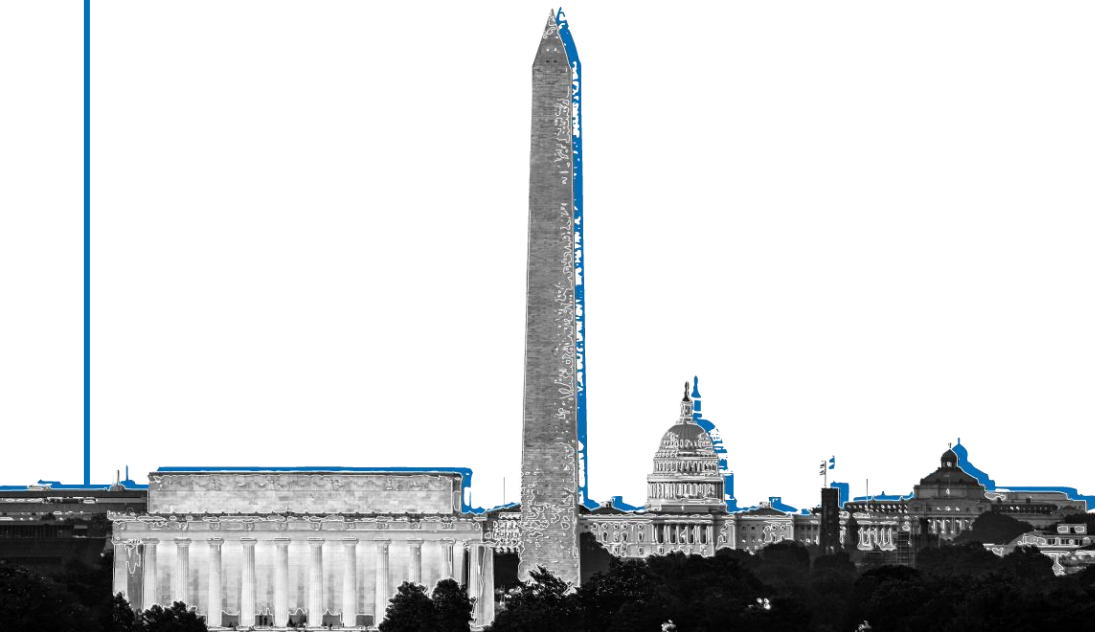


\$53.33 PSF
Asking Rent

Muted Quarter – Leasing Offset by Move-outs

Market Observations

- The office market paused during the fourth quarter of 2025, with negative 16,138 SF in net absorption, bringing the year-over-year net absorption to negative 770,139 SF.
- The direct vacant available rate climbed 30 basis points to 16.0% at December 2025 and compares to 15.3% from one year ago.
- Notable deals include the American Medical Association leasing 36,886 SF at 200 Massachusetts Avenue, NW in Capitol Hill and the Municipal Securities Rulemaking Board taking 30,407 SF at 1101 K Street, NW in the East End.
- These positive absorption events were offset by a handful of move-outs. International City/County Management Association (ICMA) vacated 56,091 SF at 777 N Capitol Street, NE in NoMa and Quorum vacated 21,977 SF 1 Thomas Circle, NW in the East End.
- The District of Columbia office market outlook is increasingly bifurcated, with strength concentrated in trophy and best-in-class buildings. The two BXP redevelopment projects with law firm anchors underscore sustained demand for top-tier space. This is supported by an empty pipeline and a wave of large law firm expirations approaching. Full market recovery is expected to be gradual, slowed by further federal spending cuts.

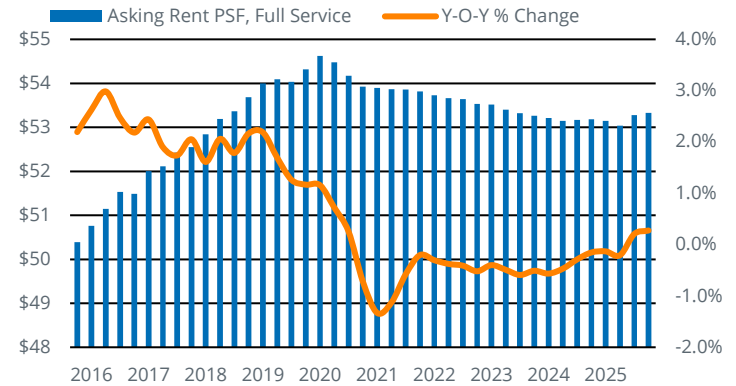




DISTRICT OF COLUMBIA OFFICE MARKET | Q4 2025

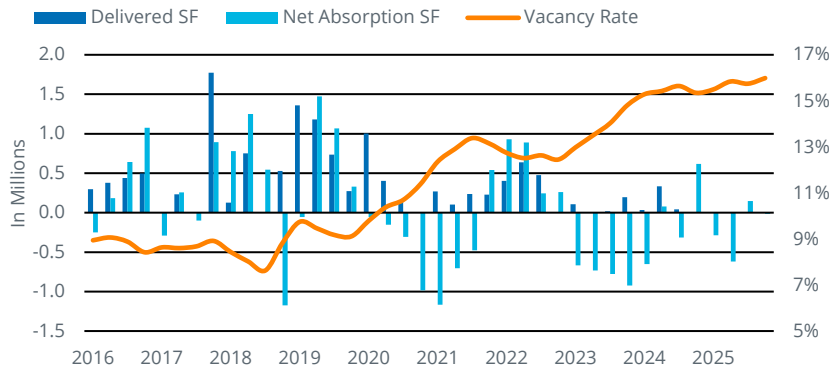
- Direct vacant available rate** increased to 16.0% during the fourth quarter of 2025. Total availability, space being marketed for lease, stands at 23.6%, with a 100-basis point decrease year-over-year. The CBD submarket posted the highest direct vacant available rate at 18.7% with Uptown at the lowest at 7.9%.
- Net absorption** totaled negative 16,138 SF this quarter. The East End and Capitol Hill submarkets outperformed due to the pre-leased delivery with Crowell & Moring and the ICMA lease, respectively.
- Full-service rents** averaged \$53.33 PSF this quarter, bringing the year-over-year change to 0.3%. The Uptown submarket revealed the tightest vacancy rate and led rent growth at 1.8% year-over-year.
- Stonebridge/Rockefeller Group completed construction at 600 5th Street, NW, which is anchored by Crowell & Moring. The **construction pipeline** is empty at December 2025. However, BXP has two planned projects. 725 12th Street, NW will be anchored by McDermott Will & Emery and Cooley. The other project is 2100 M Street, NW and will be anchored by Sidley.

ASKING RENT



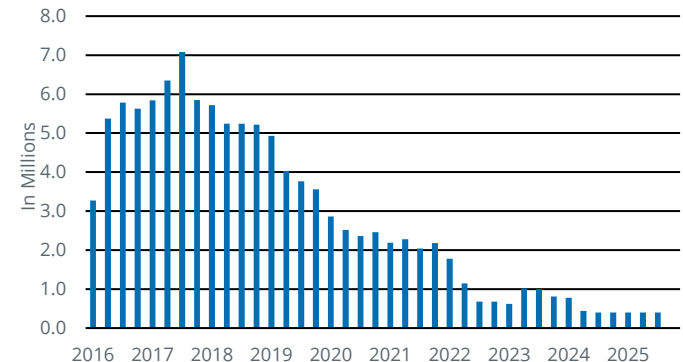
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



DISTRICT OF COLUMBIA OFFICE MARKET | Q4 2025

MARKET INDICATORS TABLE

All Classes of Space | Q4 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
CBD	40,955,694	7,644,218	18.7%	26.7%	0	(10,626)	(591,255)	\$53.80
East End	52,338,882	9,017,782	17.2%	25.3%	0	81,357	(34,056)	\$57.35
Capitol Hill	6,781,404	1,048,355	15.5%	24.4%	0	78,134	34,577	\$56.33
NoMa	12,089,715	1,298,992	10.7%	17.6%	0	(38,530)	(33,495)	\$50.46
Capitol Riverfront	3,458,996	614,945	17.8%	33.0%	0	(5,744)	27,160	\$54.12
Southwest	12,489,355	1,812,855	14.5%	16.9%	0	(85,527)	(201,249)	\$50.93
Georgetown	3,290,350	597,467	18.2%	27.8%	0	2,170	84,534	\$45.21
West End	3,980,174	390,614	9.8%	19.1%	0	(9,907)	3,672	\$49.57
Uptown	9,712,237	771,666	7.9%	14.4%	0	(27,465)	(60,027)	\$41.33
Total	145,096,807	23,196,894	16.0%	23.6%	0	(16,138)	(770,139)	\$53.33

Source: CoStar, Transwestern



Research Methodology

The information in this report is the result of a compilation of information on office properties located in the District of Columbia. 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](https://twitter.com/Transwestern)

For more information

Elizabeth Norton

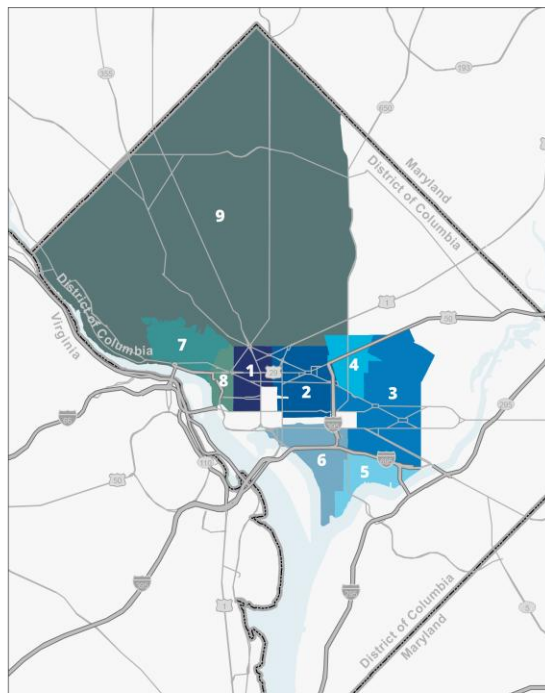
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District of Columbia Office Submarkets

- 1 CBD
- 2 East End
- 3 Capitol Hill
- 4 NoMa
- 5 Capitol Riverfront
- 6 Southwest
- 7 Georgetown
- 8 West End
- 9 Uptown