

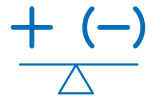
# SUBURBAN MARYLAND

## OFFICE MARKET | Q4 2025



**84.3 MSF**

Inventory



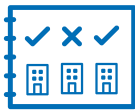
**(201,081 SF)**

Net Absorption



**17.4%**

Direct Vacancy



**23.4%**

Total Availability



**0 SF**

Under Construction



**\$30.25 PSF**

Asking Rent

## Notable Move-Outs Drag Office Market at Year-End

### Market Observations

- The office market suffered negative 201,081 SF of net absorption during the fourth quarter of 2025, bringing the year-over-year total to negative 75,533 SF.
- Direct vacant available rate increased 40 basis points to 17.4% at year-end 2025 and is up 20 basis points compared to one year ago.
- Leasing activity was driven by Siemens taking 26,891 SF at 14400 Sweitzer Lane in Laurel. Meso Scale Diagnostics expanded its footprint in North Rockville with the acquisition of 1801 and 1803 Research Boulevard.
- Gains from positive absorption were outweighed by tenant departures this quarter. Solventum Corporation vacated 71,499 SF at 12215 Plum Orchard Drive in North Silver Spring and the U.S. Food and Drug Administration's lease expired at the end of the fourth quarter, vacating 61,902 SF at 11919 Rockville Pike in North Bethesda.
- The Suburban Maryland office market is expected to gradually recover, though fundamentals remain challenged and progress will remain uneven for the next several quarters. The elevated vacancy rate has somewhat leveled off. However, federal government and contractor downsizing will remain a concern in 2026. An empty construction pipeline is welcome news for the office market, which will help balance fundamentals in time. With no new supply coming online, tenants will be challenged to find high-quality, new space.

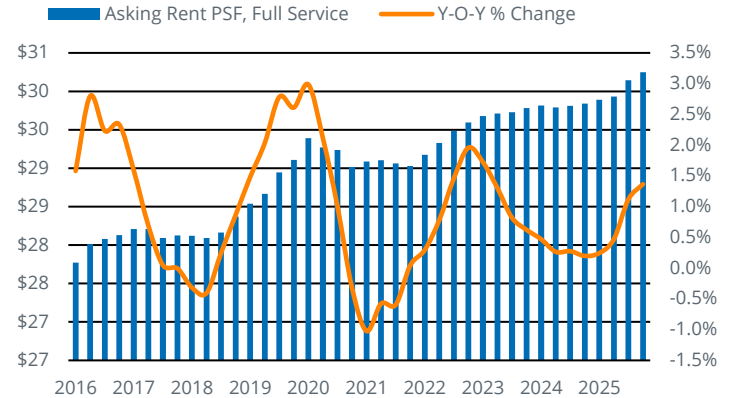




# SUBURBAN MARYLAND OFFICE MARKET | Q4 2025

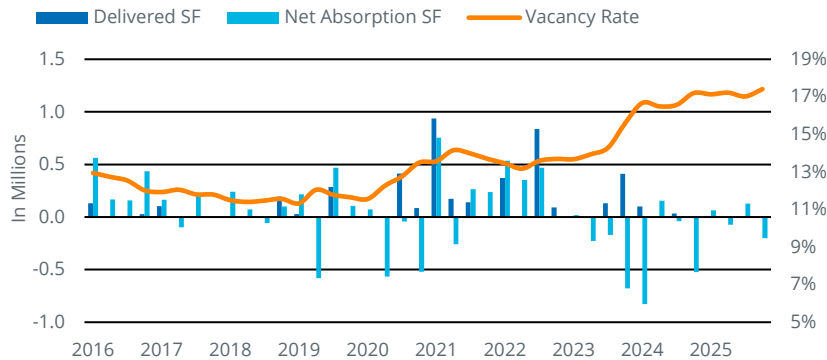
- **Direct vacant available rate** increased to 17.4% at year-end 2025. The Greenbelt submarket remained the highest rate at 25.5%, while North Silver Spring/Rt. 29 recorded the lowest at 5.6%.
- **Net absorption** totaled negative 201,081 SF during the fourth quarter. North Bethesda struggled with negative 129,757 SF due in part to the aforementioned FDA move-out, combined with several smaller move-outs.
- **Full-service rents** averaged \$30.25 PSF this quarter, up 1.4% year-over-year. Frederick County outperformed other submarkets with rent gains of 2.3%, while growth in Bethesda/Chevy Chase was limited to a 0.4% gain.
- There are no projects in the **construction pipeline** at year-end 2025, which will help balance supply-demand fundamentals in time.

## ASKING RENT



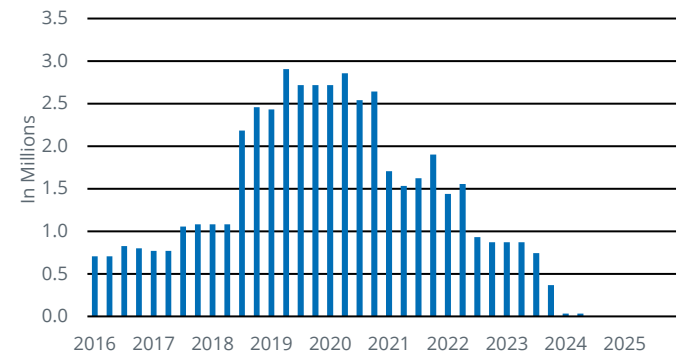
Source: CoStar, Transwestern

## DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# SUBURBAN MARYLAND 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
BETHESDA/CHEVY CHASE	12,207,628	2,838,209	23.2%	29.0%	0	(72,881)	16,111	\$40.75
NORTH BETHESDA	9,547,113	2,046,804	21.4%	28.9%	0	(129,757)	(138,788)	\$32.56
ROCKVILLE	9,194,476	1,639,096	17.8%	24.5%	0	(16,820)	75,319	\$31.55
NORTH ROCKVILLE	11,887,012	1,800,725	15.1%	23.2%	0	63,470	155,428	\$32.16
GAITHERSBURG	5,147,707	617,186	12.0%	17.3%	0	5,586	(6,056)	\$26.58
GERMANTOWN	2,781,716	580,997	20.9%	24.6%	0	23,028	28,198	\$28.15
KENSINGTON/WHEATON	755,991	64,928	8.6%	4.7%	0	924	58,223	\$29.03
SILVER SPRING	6,428,185	1,398,182	21.8%	31.7%	0	17,792	(103,854)	\$31.16
N. SILVER SPRING/RT. 29	3,174,333	177,780	5.6%	9.0%	0	(56,053)	(57,410)	\$27.76
BELTSVILLE/CALV./COLL. PARK	5,437,661	682,466	12.6%	16.8%	0	(51,992)	(76,316)	\$26.03
LAUREL	1,614,060	313,797	19.4%	22.1%	0	10,567	19,088	\$23.50
GREENBELT	2,623,686	670,262	25.5%	38.6%	0	32,041	(2,686)	\$23.84
LANHAM/LANDOVER/LARGO	4,600,910	922,567	20.1%	21.3%	0	(31,355)	(86,674)	\$25.21
BOWIE/MARLBORO/SOUTH P.G.	4,333,408	362,279	8.4%	8.6%	0	(25,236)	(9,261)	\$27.70
FREDERICK COUNTY	4,600,849	568,023	12.3%	17.7%	0	29,605	53,145	\$25.51
<b>Total</b>	<b>84,334,735</b>	<b>14,683,301</b>	<b>17.4%</b>	<b>23.4%</b>	<b>0</b>	<b>(201,081)</b>	<b>(75,533)</b>	<b>\$30.25</b>

Source: CoStar, Transwestern



# SUBURBAN MARYLAND OFFICE MARKET | Q4 2025

## Research Methodology

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

## For more information

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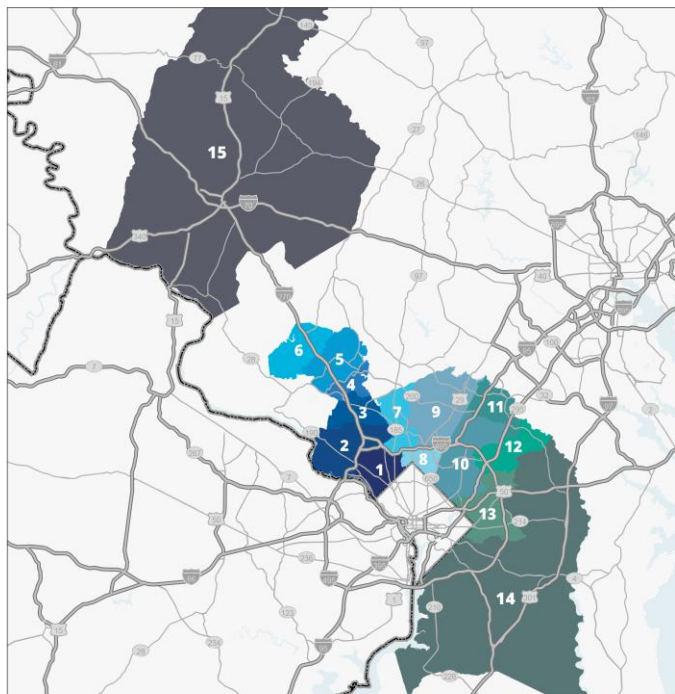
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### Suburban Maryland Office Submarkets

- 1 Bethesda/Chevy Chase
- 2 North Bethesda/Potomac
- 3 Rockville
- 4 North Rockville
- 5 Gaithersburg
- 6 Germantown
- 7 Kensington/Wheaton
- 8 Silver Spring
- 9 N. Silver Spring/Rt. 29
- 10 Beltsville/Calverton/College Park
- 11 Laurel
- 12 Greenbelt
- 13 Lanham/Landover/Largo
- 14 Bowie/Marlboro/South P.G.
- 15 Frederick County