

# Northern Virginia

Office Market | Q1 2026

## Office Market Stabilizes Entering 2026

### Market Observations

- The office market expanded during the first quarter of 2026, with positive 61,852 SF of net absorption, bringing the year-over-year total to 1.0 million SF.
- The direct vacant available rate was 16.6% in the first quarter of 2026, down 20 basis points from the quarter prior, and down 50 basis points compared to one year ago.
- Applied Research Associates leased around 46,000 SF at 6361 Walker Ln in Springfield/Huntington/Lorton. The federal contractor will vacate 1400 Crystal Dr in National Landing. American Public Power Association inked 34,123 SF at 2733 Crystal Dr in National Landing.
- Offsetting demand somewhat was Leidos vacating 53,884 SF at 1953 Gallows Rd and Accenture leaving 32,549 SF at 7921 Jones Branch Dr, both in Tysons Corner. Also, the Army Corp of Engineers left behind 40,000 SF at 11242 Waples Mill Rd in Fairfax Center.
- Leasing activity is expected to be steady in 2026, with healthy demand for high-quality assets. A limited pipeline should drive gradual balance in fundamentals as the year progresses. The vacancy rate should continue to edge down slowly, but remain elevated due to tenant rightsizing space needs. We expect rents to hold steady with modest upward pressure in top tier buildings.



**181.6 MSF**  
Inventory



**61,852 SF**  
Net Absorption



**16.6%**  
Direct Vacancy



**21.2%**  
Total Availability



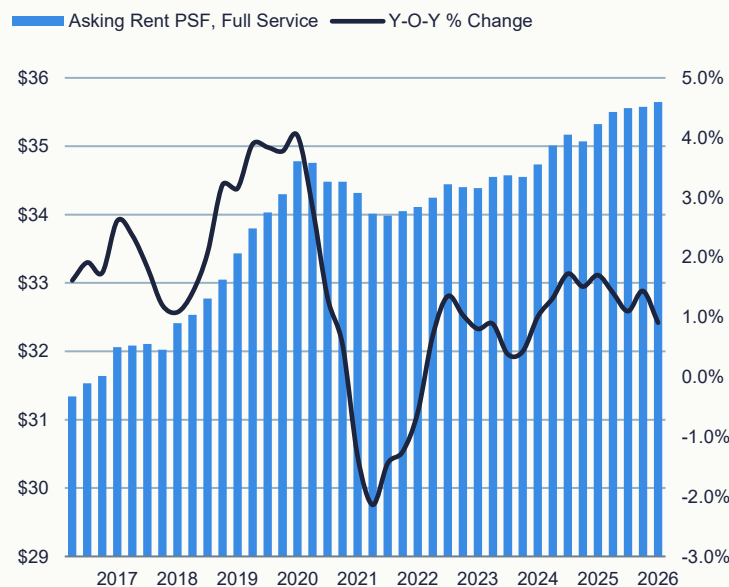
**314,606 SF**  
Under Construction



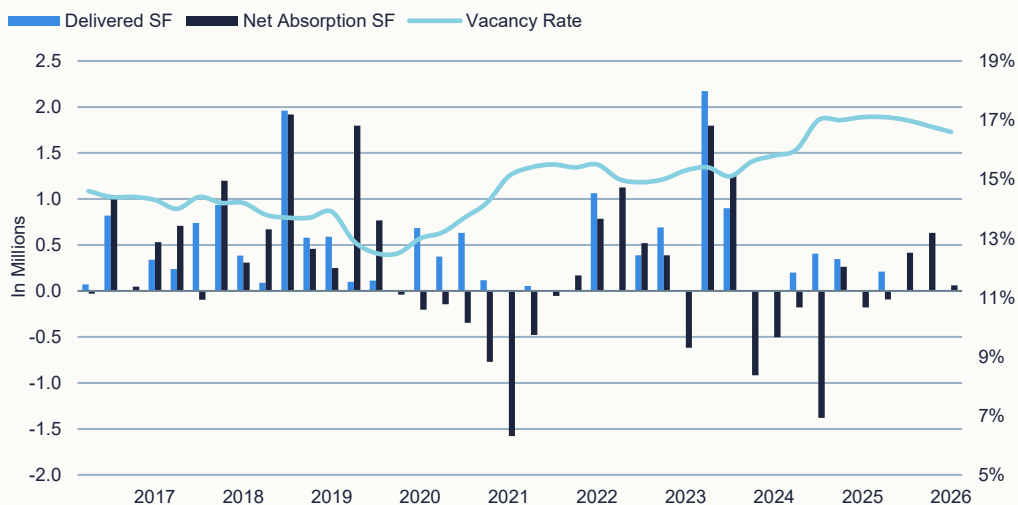
**\$35.65 PSF**  
Asking Rent

- **Direct vacant available** rate was 16.6% at March 2026, which shows a declining trend for the past several quarters. The availability rate, space being marketed for lease, was 21.2%. Herndon had the highest rate at 30.2%.
- **Net absorption** totaled positive 61,852 SF in the first quarter of 2026, with the RCB Corridor, generated by several smaller leases, and National Landing leading the way for demand this quarter.
- **Full-service rents** grew to an average of \$35.65 PSF, up 0.9% year-over-year. The submarket with the highest year-over-year growth was Tysons Corner at 3.1%.
- **The construction pipeline** totaled 314,606 SF as of March 2026. This includes the 270,000 SF HITT Contracting Headquarters at 7125 W Falls Station Blvd and 44,606 SF at 1 Exchange St, both of which are currently under construction and scheduled to deliver at the end of 2027.

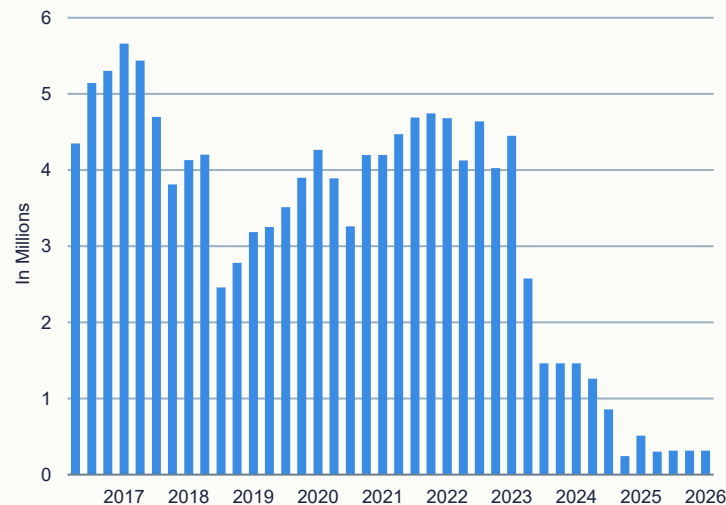
## Asking Rent



## Delivery Impact On Key Indicators



## Under Construction



## Market Indicators Table

All Classes of Space | Q1 2026

| Submarket                       | Inventory SF       | Direct Vacant SF  | Direct Vacancy 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         | 5,296,889         | 21.4%               | 27.2%                   | 0                     | 69,170            | 120,291                 | \$43.10                       |
| National Landing                | 17,181,320         | 2,802,822         | 16.3%               | 20.0%                   | 0                     | 71,978            | 120,865                 | \$42.61                       |
| Old Town                        | 8,088,471          | 1,286,419         | 15.9%               | 23.5%                   | 0                     | (22,530)          | (30,353)                | \$37.10                       |
| Eisenhower Avenue Corridor      | 7,187,762          | 1,311,475         | 18.2%               | 21.2%                   | 0                     | (13,802)          | 349,591                 | \$34.71                       |
| Springfield/Huntington/Lorton   | 6,579,338          | 742,651           | 11.3%               | 16.1%                   | 0                     | 39,104            | 69,897                  | \$32.84                       |
| Bailey's/Falls Church/Annandale | 5,569,263          | 903,595           | 16.2%               | 17.6%                   | 0                     | 15,781            | 36,352                  | \$31.22                       |
| Merrifield                      | 7,040,980          | 1,063,814         | 15.1%               | 18.4%                   | 270,000               | (61,608)          | (61,494)                | \$34.62                       |
| Reston                          | 20,269,955         | 3,645,428         | 18.0%               | 24.1%                   | 0                     | 37,159            | 639,946                 | \$35.93                       |
| Herndon                         | 11,296,256         | 2,953,620         | 26.1%               | 30.2%                   | 0                     | (25,547)          | (74,245)                | \$33.23                       |
| Tysons Corner                   | 29,739,208         | 5,249,075         | 17.7%               | 23.4%                   | 0                     | (71,067)          | (489)                   | \$41.51                       |
| McLean/Vienna                   | 2,397,413          | 502,624           | 21.0%               | 21.9%                   | 0                     | 13,697            | (6,812)                 | \$32.52                       |
| Oakton/Fairfax City             | 4,752,243          | 529,724           | 11.1%               | 13.6%                   | 0                     | 977               | (12,497)                | \$24.96                       |
| Fairfax Center                  | 6,182,396          | 1,554,385         | 25.1%               | 31.8%                   | 0                     | (23,886)          | (182,551)               | \$31.00                       |
| Rt. 28 Corridor South/Chantilly | 14,214,084         | 1,459,456         | 10.3%               | 14.3%                   | 0                     | 26,883            | 82,001                  | \$29.86                       |
| Rt. 28 Corridor North           | 7,059,116          | 335,397           | 4.8%                | 7.4%                    | 0                     | (2,866)           | 8,551                   | \$28.83                       |
| Leesburg/West Loudoun           | 3,798,323          | 297,515           | 7.8%                | 11.9%                   | 44,606                | (6,134)           | (62,791)                | \$31.33                       |
| Manassas/Gainesville            | 3,156,806          | 61,137            | 1.9%                | 2.9%                    | 0                     | 6,135             | 62,972                  | \$28.93                       |
| East Prince William County      | 2,295,393          | 116,211           | 5.1%                | 5.9%                    | 0                     | 8,408             | (15,551)                | \$29.33                       |
| <b>Total</b>                    | <b>181,590,836</b> | <b>30,112,237</b> | <b>16.6%</b>        | <b>21.2%</b>            | <b>314,606</b>        | <b>61,852</b>     | <b>1,043,683</b>        | <b>\$35.65</b>                |

Source: CoStar, Transwestern

## 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.

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<sup>1</sup> Includes all Transwestern enterprise assets and its RAUM as of April 1, 2026.

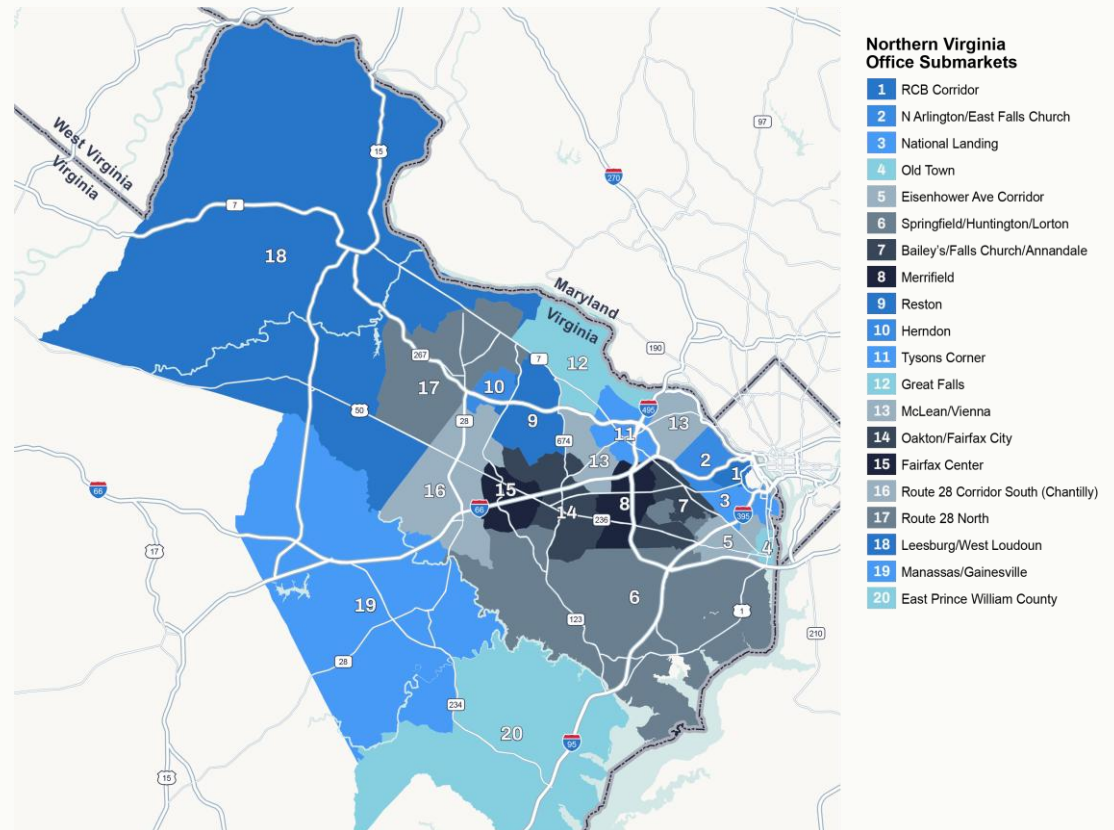
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