

WASHINGTON METRO AREA MARKET WATCH

JANUARY 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q4 2016 NET ABSORB. SF	ALL OF 2016 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %			
District of Columbia											
CBD	39,684,373	2,500,115	6.3%	7.2%	\$52.90	4,602,978	234,752	5.1%	1,399,480	79,000	506,000
East End	47,546,463	4,469,368	9.4%	10.2%	\$54.22	12,891,990	721,951	5.6%	2,291,939	552,000	524,000
Capitol Hill	5,111,638	424,266	8.3%	8.6%	\$51.71	1,280,453	144,691	11.3%	1,202,998	36,000	128,000
NoMa	10,587,624	635,257	6.0%	6.4%	\$47.14	6,175,350	364,346	5.9%	766,550	333,000	357,000
Capitol Riverfront	4,984,008	613,033	12.3%	12.8%	\$41.50	3,713,085	360,169	9.7%	365,000	25,000	25,000
Southwest	11,842,066	1,267,101	10.7%	11.0%	\$48.78	3,519,202	587,707	16.7%	509,010	95,000	(9,000)
Georgetown	2,964,995	130,460	4.4%	5.0%	\$47.03	127,308	0	0.0%	0	(12,000)	0
West End	3,892,187	373,650	9.6%	9.9%	\$52.73	432,900	0	0.0%	0	54,000	67,000
Uptown	10,596,233	1,144,393	10.8%	11.7%	\$41.30	346,000	1,384	0.4%	23,140	(32,000)	(120,000)
Total - January 2017	137,209,587	11,557,643	8.4%	9.1%	\$51.07	33,089,266	2,415,000	7.3%	6,558,117	1,130,000	1,478,000
Total - January 2016	136,619,764	12,229,884	9.0%	9.5%	\$50.34	31,998,334	2,525,627	7.9%	4,002,447		
Northern Virginia											
Rosslyn, Courthouse, Ballston	23,984,926	4,533,151	18.9%	19.9%	\$41.74	8,030,451	1,188,507	14.8%	894,548	120,000	408,000
Crystal and Pentagon Cities	14,098,585	2,481,351	17.6%	17.9%	\$36.11	2,115,372	488,651	23.1%	0	(155,000)	(242,000)
Old Town Alexandria	8,389,063	1,006,688	12.0%	12.8%	\$32.96	1,397,549	220,813	15.8%	0	(17,000)	(101,000)
Eisenhower Ave, I-395 Corr.	9,202,185	2,254,535	24.5%	24.7%	\$32.08	3,989,166	271,263	6.8%	700,000	28,000	(193,000)
Springfield/Huntington/I-95	8,030,384	1,533,803	19.1%	19.6%	\$28.51	2,536,220	806,518	31.8%	0	(40,000)	(16,000)
Bailey's/Falls Church/Annandale	7,382,823	2,000,745	27.1%	27.7%	\$28.51	715,940	213,350	29.8%	0	(7,000)	(59,000)
Merrifield	9,247,243	1,137,411	12.3%	13.2%	\$31.32	2,614,975	232,733	8.9%	0	83,000	28,000
Reston	18,797,053	1,654,141	8.8%	10.1%	\$28.29	7,583,252	401,912	5.3%	365,000	169,000	376,000
Herndon	12,253,982	2,107,685	17.2%	19.6%	\$27.42	7,441,429	1,421,313	19.1%	0	(37,000)	(539,000)
Tysons Corner	29,335,138	4,752,292	16.2%	16.6%	\$32.21	9,127,611	1,086,186	11.9%	1,555,419	85,000	355,000
McLean, Vienna	2,201,261	149,686	6.8%	7.7%	\$34.93	0	0	0.0%	235,000	11,000	(18,000)
Oakton, Fairfax City	5,840,759	858,592	14.7%	15.1%	\$23.70	499,139	74,871	15.0%	0	41,000	(18,000)
Fairfax Center	7,248,110	1,616,329	22.3%	23.4%	\$26.05	807,106	57,305	7.1%	150,000	(167,000)	(529,000)
Chantilly (Rt. 28 South)	13,887,593	1,944,263	14.0%	14.8%	\$25.23	8,818,587	1,128,779	12.8%	160,000	97,000	344,000
Loudoun County (Rt. 28 North)	16,228,417	2,693,917	16.6%	17.0%	\$23.62	10,438,834	1,618,019	15.5%	107,000	(29,000)	257,000
Prince William County	6,462,679	710,895	11.0%	11.5%	\$22.56	1,617,688	228,094	14.1%	112,500	(13,000)	(32,000)
Total - January 2017	192,590,201	31,435,483	16.3%	17.1%	\$30.67	67,733,319	9,438,313	13.9%	4,279,467	169,000	21,000
Total - January 2016	192,062,945	31,113,519	16.2%	17.1%	\$30.51	66,607,606	9,238,845	13.9%	3,650,961		

¹ Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. ² Does not include sublet space. ³ Class A includes buildings 50,000 SF or greater and built after 1997.
SOURCE: CoStar, Transwestern

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JANUARY 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q4 2016 NET ABSORB. SF	ALL OF 2016 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ³	SF AVAILABLE ²	DIRECT VACANCY %			
Suburban Maryland											
MONTGOMERY COUNTY SUBMARKETS											
Bethesda/Chevy Chase	11,654,099	769,171	6.6%	8.2%	\$38.15	2,419,189	99,187	4.1%	0	58,000	245,000
North Bethesda	10,765,098	2,045,369	19.0%	19.2%	\$28.74	1,345,340	156,059	11.6%	0	172,000	301,000
Rockville	8,483,331	1,077,383	12.7%	13.0%	\$28.91	2,978,003	476,480	16.0%	0	42,000	186,000
North Rockville	12,448,549	1,966,871	15.8%	17.4%	\$26.46	4,923,319	792,654	16.1%	0	25,000	(233,000)
Gaithersburg	6,779,461	1,152,508	17.0%	17.6%	\$22.35	1,889,195	102,017	5.4%	0	14,000	(115,000)
Germantown	2,730,085	409,513	15.0%	15.3%	\$24.76	1,102,063	187,351	17.0%	0	16,000	52,000
Kensington/Wheaton	1,333,234	367,973	27.6%	28.2%	\$23.99	65,000	9,165	14.1%	0	8,000	8,000
Silver Spring	6,832,266	669,562	9.8%	10.3%	\$27.38	778,420	10,119	1.3%	16,806	(27,000)	(75,000)
N. Silver Spring/Rt. 29	3,492,988	307,383	8.8%	9.4%	\$23.79	315,538	0	0.0%	0	14,000	94,000
Total - Montgomery County	64,519,111	8,765,732	13.6%	14.4%	\$27.69	15,816,067	1,833,033	11.6%	16,806	322,000	463,000
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,288,395	21.0%	21.2%	\$20.63	843,873	74,261	8.8%	0	12,000	(49,000)
Laurel	2,579,823	394,713	15.3%	15.5%	\$20.08	185,804	91,044	49.0%	0	10,000	(26,000)
Greenbelt	3,016,041	916,876	30.4%	30.4%	\$21.43	234,096	46,351	19.8%	0	154,000	45,000
Lanham/Landover/Largo	4,910,778	1,031,263	21.0%	21.1%	\$21.61	748,783	56,908	7.6%	34,089	5,000	334,000
Bowie/Marlboro/South P.G.	4,982,613	757,357	15.2%	15.2%	\$22.47	805,084	132,839	16.5%	0	10,000	(140,000)
Total - Prince George's County	21,624,467	4,388,604	20.3%	20.4%	\$21.31	2,817,640	401,402	14.2%	34,089	191,000	164,000
Frederick County	6,810,541	844,507	12.4%	12.5%	\$21.54	1,783,835	192,654	10.8%	232,620	68,000	157,000
Total - January 2017	92,954,119	13,998,843	15.1%	15.7%	\$26.44	20,417,542	2,427,089	11.9%	283,515	581,000	784,000
Total - January 2016	92,865,740	14,384,037	15.5%	16.1%	\$26.32	20,157,992	2,581,922	12.8%	511,245		

¹ Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. ² Does not include sublet space. ³ Class A includes buildings 50,000 SF or greater and built after 1997. SOURCE: CoStar, Transwestern.

WASHINGTON METRO AREA MARKET WATCH

JANUARY 2017

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q4 2016 NET ABSORB. (SF)	ALL OF 2016 NET ABSORB. SF
District of Columbia								
Total - January 2017	9,829,733	658,592	6.7%	6.7%	\$13.24	0	20,000	(80,000)
Total - January 2016	9,969,113	727,745	7.3%	7.3%	\$12.18	0		
Northern Virginia								
Beltway (I-495)	3,851,727	107,848	2.8%	2.8%	\$12.39	0	27,000	35,000
I-95 Corridor	25,780,144	1,881,951	7.3%	7.4%	\$9.08	0	(51,000)	0
Reston/Herndon	2,238,596	196,996	8.8%	9.2%	\$13.84	0	(22,000)	(34,000)
Dulles Corridor	35,321,550	3,002,332	8.5%	8.9%	\$9.90	222,160	106,000	713,000
Prince William County	18,831,039	772,073	4.1%	4.1%	\$7.20	504,276	151,000	169,000
Total - January 2017	86,023,056	5,961,200	6.9%	7.1%	\$9.26	726,436	211,000	883,000
Total - January 2016	85,462,724	6,618,250	7.7%	7.9%	\$9.06	1,146,334		
Suburban Maryland								
Prince George's County	56,551,946	4,071,740	7.2%	7.5%	\$7.08	411,000	196,000	1,361,000
Montgomery County	22,383,832	1,947,393	8.7%	8.8%	\$11.56	0	(89,000)	(48,000)
Frederick County	16,654,326	1,332,346	8.0%	8.0%	\$7.21	323,293	(279,000)	699,000
Total - January 2017	95,590,104	7,351,480	7.7%	7.9%	\$8.16	734,293	(172,000)	2,012,000
Total - January 2016	94,622,007	8,911,920	9.4%	9.6%	\$7.88	1,729,385		

1 Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. 2 Does not include sublet space.
SOURCE: CoStar, Transwestern

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METHODOLOGY

The information in this report is the result of a compilation of information on office and flex/industrial properties located in the Washington metro area. This report includes single-tenant, multi-tenant and owner-user office properties 15,000 SF and larger, excluding those properties owned by a government agency.



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