

WASHINGTON METRO AREA MARKET WATCH

JANUARY 2018

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q4 2017 NET ABSORB. SF	ALL OF 2017 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	2,658,853	6.7%	7.7%	\$53.03	4,602,978	303,797	6.6%	1,991,060	40,000	79,000
East End	47,605,736	5,046,208	10.6%	11.6%	\$55.96	12,986,263	1,077,860	8.3%	2,731,888	48,000	(184,000)
Capitol Hill	5,346,558	748,518	14.0%	14.5%	\$54.97	1,515,373	234,883	15.5%	985,341	86,000	(63,000)
NoMa	10,831,624	704,056	6.5%	6.6%	\$48.16	6,419,350	417,258	6.5%	1,068,373	141,000	284,000
Capitol Riverfront	4,724,008	132,272	2.8%	3.3%	\$39.89	3,713,085	100,253	2.7%	365,000	36,000	231,000
Southwest	12,083,516	1,147,934	9.5%	9.8%	\$47.09	3,760,652	710,763	18.9%	515,560	529,000	470,000
Georgetown	2,964,995	148,250	5.0%	6.3%	\$45.53	127,308	40,357	31.7%	0	21,000	0
West End	3,892,187	319,159	8.2%	8.4%	\$53.29	432,900	0	0.0%	0	(8,000)	47,000
Uptown	10,596,233	1,197,374	11.3%	11.7%	\$43.00	346,000	9,688	2.8%	0	(53,000)	(138,000)
Total - January 2018	137,729,230	12,102,624	8.8%	9.6%	\$51.84	33,903,909	2,894,858	8.5%	7,657,222	840,000	726,000
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		
Northern Virginia											
Rosslyn, Courthouse, Ballston	24,704,474	4,792,668	19.4%	20.8%	\$42.86	8,749,999	1,181,250	13.5%	175,000	566,000	459,000
Crystal and Pentagon Cities	14,098,585	2,410,858	17.1%	17.4%	\$36.00	2,115,372	454,805	21.5%	100,000	14,000	(14,000)
Old Town Alexandria	8,389,063	855,684	10.2%	11.5%	\$33.06	1,397,549	131,370	9.4%	0	8,000	168,000
Eisenhower Ave, I-395 Corr.	9,673,440	2,621,502	27.1%	27.3%	\$33.68	4,689,166	304,796	6.5%	0	10,000	630,000
Springfield/Huntington/I-95	8,030,384	1,557,894	19.4%	19.8%	\$28.61	2,536,220	839,489	33.1%	0	(16,000)	(40,000)
Bailey's/Falls Church/Annandale	7,382,823	2,081,956	28.2%	28.4%	\$29.34	715,940	204,759	28.6%	0	(15,000)	(103,000)
Merrifield	9,247,243	1,035,691	11.2%	12.0%	\$30.44	2,614,975	237,963	9.1%	0	46,000	(65,000)
Reston	19,165,466	1,859,050	9.7%	10.5%	\$29.16	7,951,665	842,876	10.6%	0	85,000	123,000
Herndon	12,253,982	1,972,891	16.1%	18.4%	\$28.58	7,441,429	1,317,133	17.7%	0	(159,000)	159,000
Tysons Corner	29,335,138	4,370,936	14.9%	15.6%	\$34.29	9,127,611	1,140,951	12.5%	1,556,775	117,000	235,000
McLean, Vienna	2,436,261	224,136	9.2%	10.4%	\$34.30	235,000	0	0.0%	0	221,000	151,000
Oakton, Fairfax City	5,840,759	852,751	14.6%	14.7%	\$24.44	499,139	111,807	22.4%	0	(18,000)	6,000
Fairfax Center	7,398,110	1,708,963	23.1%	24.7%	\$25.47	957,106	155,051	16.2%	0	188,000	109,000
Chantilly (Rt. 28 South)	13,887,593	1,860,937	13.4%	14.4%	\$25.19	8,818,587	1,014,138	11.5%	720,000	97,000	167,000
Loudoun County (Rt. 28 North)	16,200,417	2,268,058	14.0%	14.9%	\$23.55	10,510,834	1,482,028	14.1%	0	113,000	301,000
Prince William County	6,543,225	863,706	13.2%	13.5%	\$22.90	1,691,188	235,075	13.9%	69,000	(22,000)	(53,000)
Total - January 2018	194,586,963	31,337,683	16.1%	17.0%	\$31.39	70,051,780	9,653,490	13.8%	2,620,775	1,235,000	2,233,000
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		

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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Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q4 2017 NET ABSORB. SF	ALL OF 2017 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %			
Suburban Maryland											
MONTGOMERY COUNTY SUBMARKETS											
Bethesda/Chevy Chase	11,504,840	782,329	6.8%	8.6%	\$38.24	2,419,189	48,384	2.0%	660,000	92,000	(151,000)
North Bethesda	10,765,098	2,013,073	18.7%	19.0%	\$28.32	1,345,340	153,369	11.4%	0	22,000	(11,000)
Rockville	8,483,331	950,133	11.2%	11.6%	\$29.84	2,978,003	425,854	14.3%	0	8,000	0
North Rockville	12,380,046	1,894,147	15.3%	16.3%	\$27.35	4,923,319	846,811	17.2%	0	50,000	(33,000)
Gaithersburg	6,386,461	766,375	12.0%	12.3%	\$22.28	1,889,195	103,906	5.5%	0	(26,000)	(18,000)
Germantown	2,730,085	390,402	14.3%	14.5%	\$24.77	1,102,063	156,493	14.2%	0	(8,000)	(3,000)
Kensington/Wheaton	1,333,234	363,973	27.3%	27.3%	\$24.78	65,000	12,025	18.5%	0	(27,000)	(16,000)
Silver Spring	6,849,072	698,605	10.2%	11.2%	\$28.06	778,420	0	0.0%	121,724	(27,000)	(33,000)
N. Silver Spring/Rt. 29	3,492,988	314,369	9.0%	9.0%	\$23.37	315,538	0	0.0%	0	14,000	(31,000)
Total - Montgomery County	63,925,155	8,173,407	12.8%	13.6%	\$28.99	15,816,067	1,746,842	11.0%	781,724	98,000	(296,000)
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,220,907	19.9%	19.9%	\$22.53	843,873	59,071	7.0%	0	31,000	61,000
Laurel	2,579,823	312,159	12.1%	12.1%	\$20.37	185,804	68,747	37.0%	0	(5,000)	57,000
Greenbelt	3,016,041	763,058	25.3%	25.6%	\$21.60	234,096	49,160	21.0%	0	27,000	84,000
Lanham/Landover/Largo	4,944,867	1,166,989	23.6%	23.8%	\$21.36	748,783	55,410	7.4%	251,000	(5,000)	(67,000)
Bowie/Marlboro/South P.G.	4,982,613	647,740	13.0%	13.1%	\$21.24	805,084	87,754	10.9%	93,100	10,000	70,000
Total - Prince George's County	21,658,556	4,110,852	19.0%	19.1%	\$21.58	2,817,640	320,143	11.4%	344,100	58,000	205,000
Frederick County	6,858,268	754,409	11.0%	11.1%	\$22.44	1,783,835	162,329	9.1%	0	62,000	151,000
Total - January 2018	92,441,979	13,038,669	14.1%	14.7%	\$26.77	20,417,542	2,229,313	10.9%	1,125,824	218,000	60,000
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		

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 2018

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q4 2017 NET ABSORB. (SF)	ALL OF 2017 NET ABSORB. SF
District of Columbia								
Total - January 2018	9,811,733	667,198	6.8%	6.8%	\$13.81	0	(20,000)	22,000
Total - January 2017	9,829,733	658,592	6.7%	6.7%	\$13.24	0		
Northern Virginia								
Beltway (I-495)	3,851,727	215,697	5.6%	7.0%	\$12.19	0	(8,000)	(92,000)
I-95 Corridor	25,333,635	1,925,356	7.6%	7.6%	\$9.16	0	(51,000)	(54,000)
Reston/Herndon	2,238,596	279,825	12.5%	12.7%	\$14.43	0	11,000	13,000
Dulles Corridor	35,759,455	2,860,756	8.0%	8.3%	\$9.90	559,639	349,000	414,000
Prince William County	19,498,415	1,130,908	5.8%	5.8%	\$7.81	235,710	147,000	114,000
Total - January 2018	86,681,828	6,412,542	7.4%	7.6%	\$9.42	795,349	448,000	395,000
Total - January 2017	86,023,056	5,961,200	6.9%	7.1%	\$9.26	726,436		
SUBURBAN MARYLAND								
Prince George's County	57,060,126	4,279,509	7.5%	7.9%	\$7.09	213,033	258,000	333,000
Montgomery County	22,683,088	1,882,696	8.3%	8.9%	\$11.94	0	393,000	364,000
Frederick County	16,846,326	977,087	5.8%	5.9%	\$7.59	180,793	34,000	430,000
Total - January 2018	96,589,540	7,139,293	7.4%	7.8%	\$8.31	393,826	685,000	1,127,000
Total - January 2017	95,590,104	7,351,480	7.7%	7.9%	\$8.16	734,293		

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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