

WASHINGTON METRO AREA MARKET WATCH

OCTOBER 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 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%	7.8%	\$53.31	4,602,978	400,459	8.7%	1,824,547	(119,000)	40,000
East End	47,605,736	4,712,968	9.9%	11.1%	\$54.67	12,986,263	1,116,819	8.6%	2,768,598	(127,000)	(232,000)
Capitol Hill	5,111,638	567,392	11.1%	11.7%	\$54.68	1,280,453	126,765	9.9%	1,202,998	(102,000)	(148,000)
NoMa	10,831,624	747,382	6.9%	7.4%	\$48.00	6,419,350	430,096	6.7%	522,550	22,000	143,000
Capitol Riverfront	4,984,008	453,545	9.1%	9.7%	\$38.68	3,713,085	122,532	3.3%	365,000	130,000	194,000
Southwest	11,842,066	1,290,785	10.9%	11.2%	\$47.37	3,519,202	612,341	17.4%	757,010	(12,000)	(59,000)
Georgetown	2,964,995	177,900	6.0%	7.1%	\$49.11	127,308	40,357	31.7%	0	(15,000)	(21,000)
West End	3,892,187	311,375	8.0%	8.1%	\$53.25	432,900	0	0.0%	0	(4,000)	54,000
Uptown	10,596,233	1,186,778	11.2%	12.1%	\$42.22	346,000	8,304	2.4%	23,140	(32,000)	(85,000)
Total - October 2017	137,512,860	12,106,977	8.8%	9.7%	\$51.42	33,427,539	2,857,673	8.5%	7,463,843	(259,000)	(114,000)
Total - October 2016	136,960,283	12,515,389	9.1%	9.8%	\$51.02	32,688,094	2,665,233	8.2%	6,116,419		
Northern Virginia											
Rosslyn, Courthouse, Ballston	24,151,693	4,830,339	20.0%	20.8%	\$42.61	8,197,218	1,032,849	12.6%	727,781	(797,000)	(106,000)
Crystal and Pentagon Cities	14,098,585	2,396,759	17.0%	17.2%	\$35.80	2,115,372	448,459	21.2%	100,000	(42,000)	(28,000)
Old Town Alexandria	8,389,063	855,684	10.2%	11.6%	\$32.88	1,397,549	138,357	9.9%	0	151,000	159,000
Eisenhower Ave, I-395 Corr.	9,673,440	2,021,749	20.9%	21.0%	\$33.34	4,689,166	361,066	7.7%	0	741,000	621,000
Springfield/Huntington/I-95	8,030,384	1,517,743	18.9%	19.2%	\$28.45	2,536,220	814,127	32.1%	0	16,000	(24,000)
Bailey's/Falls Church/Annandale	7,382,823	2,074,573	28.1%	28.3%	\$28.83	715,940	204,759	28.6%	0	7,000	(89,000)
Merrifield	9,247,243	1,091,175	11.8%	12.8%	\$31.13	2,614,975	245,808	9.4%	0	231,000	(111,000)
Reston	19,165,466	1,744,057	9.1%	9.8%	\$29.10	7,951,665	739,505	9.3%	0	75,000	38,000
Herndon	12,253,982	1,862,605	15.2%	17.3%	\$28.45	7,441,429	1,220,394	16.4%	0	(61,000)	319,000
Tysons Corner	29,335,138	4,341,600	14.8%	15.6%	\$34.09	9,127,611	1,177,462	12.9%	1,556,775	147,000	117,000
McLean, Vienna	2,201,261	213,522	9.7%	11.0%	\$33.62	0	0	0.0%	235,000	(68,000)	(70,000)
Oakton, Fairfax City	5,840,759	835,229	14.3%	14.5%	\$24.46	499,139	95,336	19.1%	0	12,000	23,000
Fairfax Center	7,398,110	1,745,954	23.6%	25.2%	\$25.51	957,106	106,239	11.1%	0	7,000	(80,000)
Chantilly (Rt. 28 South)	13,887,593	1,944,263	14.0%	15.2%	\$25.17	8,818,587	1,014,138	11.5%	720,000	42,000	69,000
Loudoun County (Rt. 28 North)	16,200,417	2,494,864	15.4%	16.4%	\$23.97	10,510,834	1,597,647	15.2%	0	46,000	187,000
Prince William County	6,584,179	902,033	13.7%	14.1%	\$23.08	1,691,188	236,766	14.0%	69,000	(4,000)	(31,000)
Total - October 2017	193,840,136	30,872,150	15.9%	16.8%	\$31.29	69,263,999	9,432,911	13.6%	3,408,556	503,000	994,000
Total - October 2016	192,149,701	30,904,751	16.1%	16.8%	\$30.61	67,328,519	9,342,933	13.9%	4,448,661		

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.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 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	11,554,840	947,497	8.2%	9.8%	\$38.18	2,419,189	53,222	2.2%	660,000	(161,000)	(243,000)
North Bethesda	10,765,098	2,088,429	19.4%	19.6%	\$28.28	1,345,340	156,059	11.6%	0	(22,000)	(32,000)
Rockville	8,483,331	958,616	11.3%	11.7%	\$29.88	2,978,003	425,854	14.3%	0	17,000	(8,000)
North Rockville	12,380,046	2,005,567	16.2%	17.3%	\$27.37	4,923,319	866,504	17.6%	0	12,000	(82,000)
Gaithersburg	6,386,461	798,308	12.5%	12.5%	\$22.56	1,889,195	28,338	1.5%	0	(13,000)	7,000
Germantown	2,730,085	409,513	15.0%	15.1%	\$24.77	1,102,063	157,595	14.3%	0	(25,000)	5,000
Kensington/Wheaton	1,333,234	350,641	26.3%	26.3%	\$24.26	65,000	12,025	18.5%	0	17,000	11,000
Silver Spring	6,849,072	698,605	10.2%	10.8%	\$27.98	778,420	0	0.0%	121,724	(21,000)	(5,000)
N. Silver Spring/Rt. 29	3,492,988	338,820	9.7%	10.1%	\$23.31	315,538	0	0.0%	0	(17,000)	(45,000)
Total - Montgomery County	63,975,155	8,595,996	13.4%	14.1%	\$28.99	15,816,067	1,699,598	10.7%	781,724	(213,000)	(392,000)
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,214,772	19.8%	19.8%	\$22.44	843,873	65,822	7.8%	0	0	31,000
Laurel	2,579,823	245,083	9.5%	9.6%	\$20.32	185,804	41,806	22.5%	0	57,000	62,000
Greenbelt	3,016,041	778,139	25.8%	26.1%	\$21.41	234,096	48,692	20.8%	0	27,000	57,000
Lanham/Landover/Largo	4,944,867	1,162,044	23.5%	23.7%	\$21.42	748,783	56,159	7.5%	75,000	(25,000)	(62,000)
Bowie/Marlboro/South P.G.	4,982,613	692,583	13.9%	13.9%	\$21.38	805,084	91,780	11.4%	93,100	30,000	60,000
Total - Prince George's County	21,658,556	4,092,621	18.9%	19.0%	\$21.57	2,817,640	304,258	10.8%	168,100	89,000	148,000
Frederick County	6,858,268	843,567	12.3%	12.4%	\$22.28	1,783,835	162,329	9.1%	0	15,000	90,000
Total - October 2017	92,491,979	13,532,183	14.6%	15.1%	\$26.76	20,417,542	2,166,185	10.6%	949,824	(109,000)	(154,000)
Total - October 2016	92,954,119	14,227,244	15.3%	15.8%	\$26.38	20,157,992	2,683,353	13.3%	548,245		

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Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q3 2017 NET ABSORB. (SF)	JAN. - SEPT. 2017 NET ABSORB. SF
District of Columbia								
Total - October 2017	9,811,733	608,327	6.2%	6.2%	\$13.68	0	(46,000)	42,000
Total - October 2016	9,829,733	667,931	8.1%	8.1%	\$12.87	0		
Northern Virginia								
Beltway (I-495)	3,851,727	238,807	6.2%	6.7%	\$12.14	0	(46,000)	(85,000)
I-95 Corridor	25,333,635	1,900,023	7.5%	7.5%	\$8.95	0	(127,000)	(4,000)
Reston/Herndon	2,238,596	266,393	11.9%	12.1%	\$14.39	0	4,000	2,000
Dulles Corridor	35,361,550	3,041,093	8.6%	8.9%	\$9.80	254,156	107,000	66,000
Prince William County	19,209,315	998,884	5.2%	5.2%	\$7.64	524,810	(174,000)	(33,000)
Total - October 2017	85,994,823	6,445,200	7.5%	7.6%	\$9.28	778,966	(236,000)	(54,000)
Total - October 2016	85,943,856	6,232,007	7.3%	7.4%	\$9.35	407,433		
Suburban Maryland								
Prince George's County	56,965,126	4,443,280	7.8%	8.5%	\$7.05	308,033	123,000	74,000
Montgomery County	22,353,088	1,922,366	8.6%	9.2%	\$11.92	330,000	0	(28,000)
Frederick County	16,846,326	1,128,704	6.7%	6.9%	\$7.48	180,793	313,000	395,000
Total - October 2017	96,164,540	7,494,349	7.8%	8.4%	\$8.26	818,826	436,000	441,000
Total - October 2016	95,748,182	7,945,923	8.3%	8.5%	\$8.04	680,214		

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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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