

WASHINGTON METRO AREA MARKET WATCH

NOVEMBER 2016

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2016 NET ABSORB. SF	JAN. - SEPT. 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	2,619,169	6.6%	7.4%	\$52.57	4,602,978	294,591	6.4%	844,350	119,000	426,000
East End	47,160,418	4,574,561	9.7%	10.3%	\$54.27	12,490,818	761,940	6.1%	2,406,261	(141,000)	(28,000)
Capitol Hill	5,111,638	327,145	6.4%	6.8%	\$52.26	1,280,453	142,130	11.1%	1,202,998	15,000	92,000
NoMa	10,724,365	1,008,090	9.4%	9.7%	\$47.48	6,175,350	481,677	7.8%	766,550	32,000	24,000
Capitol Riverfront	4,984,008	667,857	13.4%	13.9%	\$41.60	3,713,085	345,317	9.3%	365,000	(15,000)	0
Southwest	11,842,066	1,421,048	12.0%	12.3%	\$48.91	3,519,202	672,168	19.1%	491,529	(95,000)	(104,000)
Georgetown	2,964,995	160,110	5.4%	5.9%	\$47.38	127,308	0	0.0%	0	9,000	12,000
West End	3,892,187	435,925	11.2%	11.5%	\$52.94	432,900	0	0.0%	0	(19,000)	12,000
Uptown	10,596,233	1,144,393	10.8%	11.5%	\$40.83	346,000	5,536	1.6%	23,140	7,000	(89,000)
Total - November 2016	136,960,283	12,358,297	9.0%	9.6%	\$51.02	32,688,094	2,703,359	8.3%	6,099,828	(88,000)	345,000
Total - November 2015	136,619,764	12,142,014	8.9%	9.4%	\$49.83	31,519,452	2,541,117	8.1%	4,152,503		
Northern Virginia											
Rosslyn, Courthouse, Ballston	23,984,926	4,509,166	18.8%	19.7%	\$41.30	8,030,451	1,172,446	14.6%	894,548	288,000	288,000
Crystal and Pentagon Cities	14,098,585	2,354,464	16.7%	17.0%	\$36.29	2,115,372	497,112	23.5%	0	42,000	(87,000)
Old Town Alexandria	8,389,063	922,797	11.0%	12.0%	\$32.72	1,397,549	159,321	11.4%	0	25,000	(84,000)
Eisenhower Ave, I-395 Corr.	9,202,185	2,180,918	23.7%	23.8%	\$32.39	3,989,166	271,263	6.8%	700,000	0	(221,000)
Springfield/Huntington/I-95	8,030,384	1,493,651	18.6%	19.0%	\$28.66	2,536,220	814,127	32.1%	0	16,000	24,000
Bailey's/Falls Church/Annandale	7,382,823	1,956,448	26.5%	27.1%	\$28.54	715,940	187,576	26.2%	0	(22,000)	(52,000)
Merrifield	9,247,243	1,146,658	12.4%	13.6%	\$31.00	2,614,975	222,273	8.5%	0	(74,000)	(55,000)
Reston	18,797,053	1,823,314	9.7%	10.8%	\$28.24	7,583,252	523,244	6.9%	365,000	0	207,000
Herndon	12,253,982	1,985,145	16.2%	19.1%	\$27.34	7,441,429	1,294,809	17.4%	0	(110,000)	(502,000)
Tysons Corner	28,995,138	4,871,183	16.8%	17.3%	\$32.38	8,787,611	1,133,602	12.9%	1,751,813	29,000	270,000
McLean, Vienna	2,201,261	151,887	6.9%	7.1%	\$31.96	0	0	0.0%	235,000	7,000	(29,000)
Oakton, Fairfax City	5,840,759	852,751	14.6%	15.0%	\$23.57	499,139	98,830	19.8%	0	(29,000)	(58,000)
Fairfax Center	7,248,110	1,449,622	20.0%	20.9%	\$26.41	807,106	46,005	5.7%	150,000	22,000	(362,000)
Chantilly (Rt. 28 South)	13,887,593	2,124,802	15.3%	15.9%	\$25.07	8,818,587	1,190,509	13.5%	160,000	(30,000)	247,000
Loudoun County (Rt. 28 North)	16,163,617	2,165,925	13.4%	13.8%	\$23.64	10,374,034	1,265,632	12.2%	79,800	249,000	287,000
Prince William County	6,462,679	594,566	9.2%	9.7%	\$22.71	1,617,688	202,211	12.5%	112,500	26,000	(19,000)
Total - November 2016	192,185,401	30,583,297	15.9%	16.7%	\$30.61	67,328,519	9,078,960	13.5%	4,448,661	439,000	(146,000)
Total - November 2015	192,040,509	30,218,949	15.7%	16.6%	\$30.97	66,030,641	8,978,668	13.6%	2,380,103		

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 2016 NET ABSORB. SF	JAN. - SEPT. 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	815,787	7.0%	7.8%	\$38.20	2,419,189	79,833	3.3%	0	(23,000)	186,000
North Bethesda	10,765,098	1,970,013	18.3%	18.6%	\$28.74	1,345,340	154,714	11.5%	0	(11,000)	129,000
Rockville	8,483,331	1,068,900	12.6%	12.7%	\$28.97	2,978,003	437,766	14.7%	0	51,000	144,000
North Rockville	12,448,549	2,004,216	16.1%	17.6%	\$26.37	4,923,319	817,271	16.6%	0	(112,000)	(258,000)
Gaithersburg	6,779,461	1,179,626	17.4%	18.0%	\$22.44	1,889,195	119,019	6.3%	0	27,000	(129,000)
Germantown	2,730,085	417,703	15.3%	15.7%	\$24.81	1,102,063	189,555	17.2%	0	25,000	35,000
Kensington/Wheaton	1,333,234	359,973	27.0%	27.2%	\$23.80	65,000	7,605	11.7%	0	0	0
Silver Spring	6,832,266	676,394	9.9%	10.4%	\$27.28	778,420	10,119	1.3%	16,806	(34,000)	(48,000)
N. Silver Spring/Rt. 29	3,492,988	300,397	8.6%	9.0%	\$23.61	315,538	0	0.0%	0	7,000	80,000
Total - Montgomery County	64,519,111	8,793,010	13.6%	14.3%	\$27.66	15,816,067	1,815,883	11.5%	16,806	(70,000)	139,000
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,282,259	20.9%	21.4%	\$20.49	843,873	70,885	8.4%	0	(18,000)	(61,000)
Laurel	2,579,823	325,058	12.6%	12.9%	\$18.77	185,804	41,806	22.5%	0	(15,000)	(36,000)
Greenbelt	3,016,041	1,103,871	36.6%	36.8%	\$21.84	234,096	46,351	19.8%	0	(33,000)	(109,000)
Lanham/Landover/Largo	4,910,778	908,494	18.5%	19.0%	\$21.42	748,783	76,376	10.2%	34,089	49,000	329,000
Bowie/Marlboro/South P.G.	4,982,613	727,461	14.6%	14.6%	\$22.33	805,084	104,661	13.0%	0	(30,000)	(149,000)
Total - Prince George's County	21,624,467	4,347,143	20.1%	20.4%	\$21.20	2,817,640	340,079	12.1%	34,089	(47,000)	(26,000)
Frederick County	6,810,541	878,560	12.9%	13.0%	\$21.47	1,783,835	210,493	11.8%	232,620	41,000	89,000
Total - November 2016	92,954,119	14,018,713	15.1%	15.6%	\$26.38	20,417,542	2,366,455	11.6%	283,515	(76,000)	202,000
Total - November 2015	92,807,740	14,433,538	15.6%	16.2%	\$25.68	20,157,992	2,586,772	12.8%	533,245		

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

NOVEMBER 2016

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q3 2016 NET ABSORB. (SF)	JAN. - SEPT. 2016 NET ABSORB. SF
District of Columbia								
Total - November 2016	9,829,733	776,549	7.9%	7.9%	\$12.87	0	(24,000)	(100,000)
Total - November 2015	9,969,113	667,931	6.7%	6.7%	\$11.85	0		
Northern Virginia								
Beltway (I-495)	3,851,727	134,810	3.5%	3.5%	\$13.86	0	19,000	8,000
I-95 Corridor	25,836,144	1,963,547	7.6%	7.8%	\$9.38	0	0	52,000
Reston/Herndon	2,238,596	255,200	11.4%	11.7%	\$13.45	0	0	(11,000)
Dulles Corridor	35,289,550	2,999,612	8.5%	9.0%	\$9.81	242,507	270,000	607,000
Prince William County	18,807,039	902,738	4.8%	4.8%	\$7.11	167,726	0	19,000
Total - November 2016	86,023,056	6,255,907	7.3%	7.5%	\$9.35	410,233	289,000	675,000
Total - November 2015	85,052,324	6,392,403	7.5%	7.8%	\$9.01	1,132,875		
Suburban Maryland								
Prince George's County	56,547,849	4,297,637	7.6%	7.9%	\$7.00	411,000	282,000	879,000
Montgomery County	22,383,832	1,947,393	8.7%	8.7%	\$11.29	0	(14,000)	28,000
Frederick County	16,816,501	1,429,403	8.5%	8.5%	\$7.23	323,293	180,000	912,000
Total - November 2016	95,748,182	7,674,432	8.0%	8.2%	\$8.04	734,293	448,000	1,819,000
Total - November 2015	94,324,007	8,182,886	8.7%	8.9%	\$7.83	1,074,700		

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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