

WASHINGTON METRO AREA MARKET WATCH

FEBRUARY 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	40,098,644	3,127,694	7.8%	8.7%	\$53.03	5,017,249	331,138	6.6%	2,445,510	40,000	79,000
East End	47,605,736	5,189,025	10.9%	12.0%	\$55.96	12,986,263	1,142,791	8.8%	1,863,167	48,000	(184,000)
Capitol Hill	5,346,558	748,518	14.0%	14.5%	\$54.97	1,515,373	236,398	15.6%	955,220	86,000	(63,000)
NoMa	10,831,624	736,550	6.8%	6.9%	\$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	1,268,769	10.5%	10.8%	\$47.09	3,760,652	703,242	18.7%	515,560	529,000	470,000
Georgetown	2,964,995	163,075	5.5%	6.8%	\$45.53	127,308	40,357	31.7%	0	21,000	0
West End	3,892,187	307,483	7.9%	8.1%	\$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	6,228	1.8%	0	(53,000)	(138,000)
Total - February 2018	138,597,951	12,933,139	9.3%	10.1%	\$51.84	34,772,630	3,026,771	8.7%	6,758,380	840,000	726,000
Total - February 2017	137,303,860	11,424,357	8.3%	9.0%	\$51.07	33,089,266	2,380,351	7.2%	6,463,844		
Northern Virginia											
Rosslyn, Courthouse, Ballston	24,704,474	4,817,372	19.5%	21.1%	\$42.86	8,749,999	1,286,250	14.7%	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	872,463	10.4%	11.7%	\$33.06	1,397,549	142,550	10.2%	0	8,000	168,000
Eisenhower Ave, I-395 Corr.	9,673,440	2,573,135	26.6%	26.9%	\$33.68	4,689,166	262,593	5.6%	0	10,000	630,000
Springfield/Huntington/I-95	8,030,384	1,501,682	18.7%	19.1%	\$28.61	2,536,220	839,489	33.1%	0	(16,000)	(40,000)
Bailey's/Falls Church/Annandale	7,382,823	2,104,105	28.5%	28.7%	\$29.34	715,940	204,759	28.6%	0	(15,000)	(103,000)
Merrifield	9,247,243	1,035,691	11.2%	11.9%	\$30.44	2,614,975	285,032	10.9%	0	46,000	(65,000)
Reston	19,165,466	1,878,216	9.8%	10.6%	\$29.16	7,951,665	834,925	10.5%	0	85,000	123,000
Herndon	12,253,982	1,960,637	16.0%	18.2%	\$28.58	7,441,429	1,346,899	18.1%	0	(159,000)	159,000
Tysons Corner	29,335,138	4,664,287	15.9%	16.5%	\$34.29	9,127,611	1,122,696	12.3%	1,556,775	117,000	235,000
McLean, Vienna	2,436,261	219,263	9.0%	10.3%	\$34.30	235,000	0	0.0%	0	221,000	151,000
Oakton, Fairfax City	5,840,759	788,502	13.5%	13.6%	\$24.44	499,139	111,807	22.4%	0	(18,000)	6,000
Fairfax Center	7,398,110	1,634,982	22.1%	23.4%	\$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	1,005,319	11.4%	720,000	97,000	167,000
Loudoun County (Rt. 28 North)	16,200,417	2,187,056	13.5%	14.4%	\$23.55	10,510,834	1,418,963	13.5%	0	113,000	301,000
Prince William County	6,543,225	817,903	12.5%	12.8%	\$22.90	1,691,188	202,943	12.0%	69,000	(22,000)	(53,000)
Total - February 2018	194,586,963	31,327,091	16.1%	17.0%	\$31.39	70,051,780	9,674,080	13.8%	2,620,775	1,235,000	2,233,000
Total - February 2017	192,590,201	31,273,840	16.2%	17.0%	\$30.67	67,733,319	9,583,048	14.1%	4,796,467		

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	920,387	8.0%	9.9%	\$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%	18.9%	\$28.32	1,345,340	153,369	11.4%	0	22,000	(11,000)
Rockville	8,483,331	950,133	11.2%	11.4%	\$29.84	2,978,003	425,854	14.3%	0	8,000	0
North Rockville	12,380,046	1,906,527	15.4%	16.4%	\$27.35	4,923,319	851,734	17.3%	0	50,000	(33,000)
Gaithersburg	6,386,461	734,443	11.5%	11.9%	\$22.28	1,889,195	103,906	5.5%	0	(26,000)	(18,000)
Germantown	2,730,085	349,451	12.8%	13.0%	\$24.77	1,102,063	145,472	13.2%	0	(8,000)	(3,000)
Kensington/Wheaton	1,333,234	357,307	26.8%	26.8%	\$24.78	65,000	12,025	18.5%	0	(27,000)	(16,000)
Silver Spring	6,849,072	684,907	10.0%	11.0%	\$28.06	778,420	0	0.0%	121,724	(27,000)	(33,000)
N. Silver Spring/Rt. 29	3,492,988	317,862	9.1%	9.1%	\$23.37	315,538	0	0.0%	0	14,000	(31,000)
Total - Montgomery County	63,925,155	8,234,090	12.9%	13.6%	\$28.99	15,816,067	1,740,744	11.0%	781,724	98,000	(296,000)
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,153,420	18.8%	18.8%	\$22.53	843,873	59,071	7.0%	0	31,000	61,000
Laurel	2,579,823	301,839	11.7%	12.4%	\$20.37	185,804	68,747	37.0%	0	(5,000)	57,000
Greenbelt	3,016,041	757,026	25.1%	25.3%	\$21.60	234,096	49,160	21.0%	0	27,000	84,000
Lanham/Landover/Largo	4,944,867	1,216,437	24.6%	24.7%	\$21.36	748,783	55,410	7.4%	251,000	(5,000)	(67,000)
Bowie/Marlboro/South P.G.	4,982,613	637,774	12.8%	12.9%	\$21.24	805,084	111,907	13.9%	93,100	10,000	70,000
Total - Prince George's County	21,658,556	4,066,497	18.8%	18.9%	\$21.58	2,817,640	344,295	12.2%	344,100	58,000	205,000
Frederick County	6,858,268	706,402	10.3%	10.4%	\$22.44	1,783,835	181,951	10.2%	0	62,000	151,000
Total - February 2018	92,441,979	13,006,989	14.1%	14.6%	\$26.77	20,417,542	2,266,991	11.1%	1,125,824	218,000	60,000
Total - February 2017	92,954,119	13,606,532	14.6%	15.1%	\$26.44	20,417,542	2,371,526	11.6%	213,622		

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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FEBRUARY 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 - February 2018	9,811,733	686,821	7.0%	7.0%	\$13.81	0	(20,000)	22,000
Total - February 2017	9,829,733	216,254	2.2%	2.2%	\$13.24	0		
Northern Virginia								
Beltway (I-495)	3,851,727	246,511	6.4%	6.8%	\$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	2,789,237	7.8%	7.9%	\$9.90	811,865	349,000	414,000
Prince William County	19,595,125	1,136,517	5.8%	5.8%	\$7.81	139,000	147,000	114,000
Total - February 2018	86,778,538	6,377,446	7.3%	7.4%	\$9.42	950,865	448,000	395,000
Total - February 2017	86,062,932	6,201,983	7.2%	7.5%	\$9.26	686,560		
SUBURBAN MARYLAND								
Prince George's County	57,060,126	4,051,269	7.1%	7.5%	\$7.09	213,033	258,000	333,000
Montgomery County	22,683,088	1,837,330	8.1%	8.7%	\$11.94	0	393,000	364,000
Frederick County	17,027,119	919,464	5.4%	5.6%	\$7.59	109,043	34,000	430,000
Total - February 2018	96,770,333	6,808,064	7.0%	7.4%	\$8.31	322,076	685,000	1,127,000
Total - February 2017	95,590,104	7,104,282	7.4%	7.4%	\$8.16	734,293		

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SOURCE: CoStar, Transwestern

CONTACT

Elizabeth Norton
Managing Research Director | Mid-Atlantic
202.775.7026
elizabeth.norton@transwestern.com

Claire Whitesell
Senior Research Associate | Mid-Atlantic
202.775.7049
claire.whitesell@transwestern.com

Brandt Scheidemantel
Research Associate | Mid-Atlantic
202.775.7048
brandt.scheidemantel@transwestern.com

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.



1717 K Street, NW, Suite 1000
Washington, D.C. 20006

T 202.775.7000
www.transwestern.com

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