

WASHINGTON METRO AREA MARKET WATCH

MARCH 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q1 2017 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	2,420,747	6.1%	7.1%	\$52.43	4,602,978	253,164	5.5%	1,399,480	79,000	506,000
East End	47,640,736	4,525,870	9.5%	10.2%	\$53.92	12,986,263	740,217	5.7%	2,197,666	38,000	524,000
Capitol Hill	5,111,638	475,382	9.3%	9.8%	\$51.56	1,280,453	147,252	11.5%	1,202,998	(51,000)	128,000
NoMa	10,831,624	801,540	7.4%	7.8%	\$47.40	6,419,350	545,645	8.5%	522,550	78,000	357,000
Capitol Riverfront	4,984,008	598,081	12.0%	12.7%	\$41.45	3,713,085	334,178	9.0%	365,000	25,000	25,000
Southwest	11,842,066	1,278,943	10.8%	11.0%	\$47.88	3,519,202	577,149	16.4%	509,010	(24,000)	(9,000)
Georgetown	2,964,995	136,390	4.6%	5.4%	\$47.77	127,308	7,257	5.7%	0	0	0
West End	3,892,187	315,267	8.1%	8.2%	\$47.10	432,900	0	0.0%	0	54,000	67,000
Uptown	10,596,233	1,186,778	11.2%	11.8%	\$41.58	346,000	1,384	0.4%	23,140	(32,000)	(120,000)
Total - March 2017	137,547,860	11,738,998	8.5%	9.2%	\$51.07	33,427,539	2,606,245	7.8%	6,219,844	167,000	1,478,000
Total - March 2016	136,805,165	12,263,684	9.0%	10.2%	\$50.49	32,688,094	2,934,651	9.0%	3,161,259		
Northern Virginia											
Rosslyn, Courthouse, Ballston	23,984,926	4,149,392	17.3%	18.1%	\$41.73	8,030,451	963,654	12.0%	894,548	408,000	408,000
Crystal and Pentagon Cities	14,098,585	2,410,858	17.1%	17.4%	\$35.74	2,115,372	492,882	23.3%	100,000	(14,000)	(242,000)
Old Town Alexandria	8,389,063	973,131	11.6%	12.4%	\$33.14	1,397,549	181,681	13.0%	0	(17,000)	(101,000)
Eisenhower Ave, I-395 Corr.	8,973,440	2,081,838	23.2%	23.3%	\$31.97	3,989,166	359,025	9.0%	700,000	(130,000)	(193,000)
Springfield/Huntington/I-95	8,030,384	1,565,925	19.5%	20.0%	\$28.48	2,536,220	852,170	33.6%	0	(40,000)	(16,000)
Bailey's/Falls Church/Annandale	7,382,823	2,030,276	27.5%	28.1%	\$28.48	715,940	213,350	29.8%	0	(52,000)	(59,000)
Merrifield	9,247,243	1,313,109	14.2%	15.1%	\$31.09	2,614,975	499,460	19.1%	0	(268,000)	28,000
Reston	18,797,053	1,729,329	9.2%	10.4%	\$29.58	7,583,252	409,496	5.4%	365,000	56,000	376,000
Herndon	12,253,982	2,181,209	17.8%	19.7%	\$27.42	7,441,429	1,555,259	20.9%	0	(25,000)	(539,000)
Tysons Corner	29,335,138	4,546,946	15.5%	15.8%	\$33.19	9,127,611	1,168,334	12.8%	1,555,419	(59,000)	355,000
McLean, Vienna	2,201,261	154,088	7.0%	7.9%	\$35.24	0	0	0.0%	235,000	(4,000)	(18,000)
Oakton, Fairfax City	5,840,759	835,229	14.3%	14.7%	\$24.02	499,139	74,871	15.0%	0	12,000	(18,000)
Fairfax Center	7,248,110	1,645,321	22.7%	23.9%	\$25.16	807,106	58,919	7.3%	150,000	(7,000)	(529,000)
Chantilly (Rt. 28 South)	13,887,593	1,874,825	13.5%	14.0%	\$25.14	8,818,587	864,222	9.8%	160,000	167,000	344,000
Loudoun County (Rt. 28 North)	16,108,417	2,577,347	16.0%	16.8%	\$23.33	10,438,834	1,628,458	15.6%	107,000	13,000	257,000
Prince William County	6,462,679	833,686	12.9%	13.5%	\$23.01	1,617,688	229,712	14.2%	112,500	(97,000)	(32,000)
Total - March 2017	192,241,456	30,902,509	16.1%	16.8%	\$30.67	67,733,319	9,551,492	14.1%	4,379,467	(57,000)	21,000
Total - March 2016	192,062,945	31,302,563	16.3%	17.2%	\$30.43	66,607,606	9,219,904	13.8%	3,715,761		

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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MARCH 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q1 2017 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	780,825	6.7%	7.8%	\$38.36	2,419,189	91,929	3.8%	0	0	245,000
North Bethesda	10,765,098	2,056,134	19.1%	19.4%	\$28.49	1,345,340	156,059	11.6%	0	(54,000)	301,000
Rockville	8,483,331	1,001,033	11.8%	12.2%	\$29.98	2,978,003	476,480	16.0%	0	51,000	186,000
North Rockville	12,380,046	1,968,427	15.9%	17.4%	\$26.74	4,923,319	768,038	15.6%	0	(33,000)	(233,000)
Gaithersburg	6,386,461	766,375	12.0%	12.0%	\$22.67	1,889,195	94,460	5.0%	0	20,000	(115,000)
Germantown	2,730,085	390,402	14.3%	14.7%	\$24.67	1,102,063	175,228	15.9%	0	25,000	52,000
Kensington/Wheaton	1,333,234	354,640	26.6%	27.2%	\$25.15	65,000	12,935	19.9%	0	3,000	8,000
Silver Spring	6,832,266	649,065	9.5%	10.0%	\$27.36	778,420	10,119	1.3%	138,530	20,000	(75,000)
N. Silver Spring/Rt. 29	3,492,988	307,383	8.8%	9.0%	\$23.75	315,538	0	0.0%	0	0	94,000
Total - Montgomery County	64,057,608	8,274,285	12.9%	13.6%	\$27.69	15,816,067	1,785,249	11.3%	138,530	32,000	463,000
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,214,772	19.8%	20.0%	\$22.13	843,873	74,261	8.8%	0	74,000	(49,000)
Laurel	2,579,823	322,478	12.5%	12.8%	\$20.09	185,804	39,019	21.0%	0	(3,000)	(26,000)
Greenbelt	3,016,041	859,572	28.5%	28.7%	\$21.47	234,096	46,351	19.8%	0	15,000	45,000
Lanham/Landover/Largo	4,910,778	1,065,639	21.7%	21.8%	\$21.32	748,783	74,130	9.9%	34,089	0	334,000
Bowie/Marlboro/South P.G.	4,982,613	737,427	14.8%	14.8%	\$22.45	805,084	124,788	15.5%	0	20,000	(140,000)
Total - Prince George's County	21,624,467	4,199,887	19.4%	19.6%	\$21.31	2,817,640	358,548	12.7%	34,089	106,000	164,000
Frederick County	6,810,541	830,886	12.2%	12.3%	\$21.78	1,783,835	178,384	10.0%	162,727	54,000	157,000
Total - March 2017	92,492,616	13,305,058	14.4%	14.9%	\$26.44	20,417,542	2,322,181	11.4%	335,346	192,000	784,000
Total - March 2016	92,923,569	14,175,706	15.3%	15.8%	\$26.34	20,313,992	2,360,334	11.6%	304,726		

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WASHINGTON METRO AREA MARKET WATCH

MARCH 2017

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q1 2017 NET ABSORB. (SF)	ALL OF 2016 NET ABSORB. SF
District of Columbia								
Total - March 2017	9,829,733	589,784	6.0%	6.0%	\$12.88	0	79,000	(80,000)
Total - March 2016	9,969,113	797,529	8.0%	8.0%	\$12.50	0		
Northern Virginia								
Beltway (I-495)	3,851,727	146,366	3.8%	3.8%	\$11.96	0	(19,000)	35,000
I-95 Corridor	25,333,635	1,735,354	6.9%	6.9%	\$8.95	0	(16,000)	0
Reston/Herndon	2,238,596	284,302	12.7%	13.2%	\$13.99	0	(13,000)	(34,000)
Dulles Corridor	35,321,550	2,931,689	8.3%	8.7%	\$9.85	164,160	100,000	713,000
Prince William County	18,974,765	853,864	4.5%	4.5%	\$7.59	360,550	123,000	169,000
Total - March 2017	85,720,273	5,951,574	6.9%	7.1%	\$9.26	524,710	175,000	883,000
Total - March 2016	85,556,297	6,580,176	7.7%	7.9%	\$9.07	640,261		
Suburban Maryland								
Prince George's County	56,551,946	4,354,500	7.7%	8.0%	\$6.93	411,000	35,000	1,361,000
Montgomery County	22,353,088	1,989,425	8.9%	9.0%	\$11.37	0	(95,000)	(48,000)
Frederick County	16,654,326	1,332,346	8.0%	8.2%	\$7.36	323,293	16,000	699,000
Total - March 2017	95,559,360	7,676,271	8.0%	8.3%	\$8.16	734,293	(44,000)	2,012,000
Total - March 2016	95,222,007	8,135,078	8.5%	8.7%	\$7.93	1,173,175		

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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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