

WASHINGTON METRO AREA MARKET WATCH

MARCH 2018

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q1 2018 NET ABSORB. SF	YTD 2018 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	2,646,511	6.6%	7.6%	\$53.18	5,017,249	301,035	6.0%	2,445,510	189,000	189,000
East End	47,710,736	4,627,941	9.7%	10.7%	\$56.24	13,091,263	1,152,031	8.8%	1,758,167	190,000	190,000
Capitol Hill	5,346,558	695,053	13.0%	13.5%	\$54.73	1,515,373	213,668	14.1%	955,220	27,000	27,000
NoMa	10,831,624	888,193	8.2%	8.3%	\$47.91	6,419,350	500,709	7.8%	1,068,373	(292,000)	(292,000)
Capitol Riverfront	4,724,008	94,480	2.0%	2.5%	\$40.00	3,713,085	59,409	1.6%	365,000	38,000	38,000
Southwest	12,083,516	725,011	6.0%	6.3%	\$47.19	3,760,652	353,501	9.4%	515,560	302,000	302,000
Georgetown	2,964,995	166,040	5.6%	6.9%	\$46.07	127,308	26,735	21.0%	0	(30,000)	(30,000)
West End	3,892,187	295,806	7.6%	7.8%	\$53.70	432,900	0	0.0%	0	27,000	27,000
Uptown	10,596,233	1,303,337	12.3%	12.9%	\$43.24	346,000	4,498	1.3%	0	(11,000)	(11,000)
Total - March 2018	138,248,501	11,442,371	8.3%	9.1%	\$52.01	34,423,180	2,611,586	7.6%	7,107,830	440,000	440,000
Total - March 2017	137,547,860	11,738,998	8.5%	9.2%	\$50.64	33,427,539	2,606,245	7.8%	6,219,844		
Northern Virginia											
Rosslyn, Courthouse, Ballston	24,879,474	4,851,497	19.5%	21.1%	\$44.30	8,924,999	1,115,625	12.5%	0	141,000	141,000
Crystal and Pentagon Cities	14,098,585	2,185,281	15.5%	15.8%	\$35.68	2,115,372	355,382	16.8%	100,000	226,000	226,000
Old Town Alexandria	8,389,063	813,739	9.7%	11.0%	\$32.87	1,397,549	164,911	11.8%	0	(25,000)	(25,000)
Eisenhower Ave, I-395 Corr.	9,673,440	2,079,790	21.5%	21.7%	\$33.87	4,689,166	361,066	7.7%	0	(58,000)	(58,000)
Springfield/Huntington/I-95	8,030,384	1,590,016	19.8%	20.2%	\$29.15	2,536,220	824,272	32.5%	0	(24,000)	(24,000)
Bailey's Falls Church/Annandale	7,382,823	2,096,722	28.4%	28.6%	\$30.04	715,940	204,759	28.6%	0	(15,000)	(15,000)
Merrifield	9,247,243	1,202,142	13.0%	13.7%	\$30.20	2,614,975	285,032	10.9%	0	(92,000)	(92,000)
Reston	19,096,487	1,928,745	10.1%	10.8%	\$29.64	7,951,665	755,408	9.5%	0	34,000	34,000
Herndon	12,253,982	1,923,875	15.7%	16.5%	\$29.05	7,441,429	1,302,250	17.5%	0	74,000	74,000
Tysons Corner	29,291,234	4,247,229	14.5%	15.1%	\$34.46	9,127,611	1,113,569	12.2%	1,556,775	(38,000)	(38,000)
McLean, Vienna	2,436,261	224,136	9.2%	10.4%	\$34.38	235,000	0	0.0%	0	10,000	10,000
Oakton, Fairfax City	5,840,759	846,910	14.5%	14.6%	\$24.46	499,139	105,817	21.2%	0	(6,000)	(6,000)
Fairfax Center	7,398,110	1,642,380	22.2%	23.4%	\$25.72	957,106	133,995	14.0%	0	37,000	37,000
Chantilly (Rt. 28 South)	13,887,593	1,847,050	13.3%	14.3%	\$25.14	8,818,587	917,133	10.4%	720,000	28,000	28,000
Loudoun County (Rt. 28 North)	16,200,417	2,349,060	14.5%	15.4%	\$23.63	10,510,834	1,503,049	14.3%	0	32,000	32,000
Prince William County	6,543,225	798,273	12.2%	12.5%	\$23.26	1,691,188	202,943	12.0%	69,000	72,000	72,000
Total - March 2018	194,649,080	30,626,846	15.7%	16.5%	\$31.73	70,226,780	9,345,211	13.3%	2,445,775	396,000	396,000
Total - March 2017	192,241,456	30,902,509	16.1%	16.8%	\$30.88	67,733,319	9,551,492	14.1%	4,379,467		

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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MARCH 2018

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q1 2018 NET ABSORB. SF	YTD 2018 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	713,300	6.2%	7.8%	\$39.03	2,419,189	38,707	1.6%	660,000	69,000	69,000
North Bethesda	10,765,098	1,948,483	18.1%	18.3%	\$28.42	1,345,340	153,369	11.4%	0	65,000	65,000
Rockville	8,483,331	1,077,383	12.7%	12.9%	\$29.57	2,978,003	425,854	14.3%	0	(25,000)	(25,000)
North Rockville	12,380,046	1,931,287	15.6%	16.6%	\$27.76	4,923,319	846,811	17.2%	0	37,000	37,000
Gaithersburg	6,386,461	772,762	12.1%	12.5%	\$22.54	1,889,195	107,684	5.7%	0	32,000	32,000
Germantown	2,730,085	406,783	14.9%	15.1%	\$24.88	1,102,063	148,779	13.5%	0	11,000	11,000
Kensington/Wheaton	1,333,234	355,973	26.7%	26.7%	\$25.10	65,000	12,025	18.5%	0	17,000	17,000
Silver Spring	6,824,072	689,231	10.1%	11.0%	\$28.12	778,420	0	0.0%	121,724	5,000	5,000
N. Silver Spring/Rt. 29	3,492,988	310,876	8.9%	9.0%	\$23.05	315,538	0	0.0%	0	28,000	28,000
Total - Montgomery County	63,900,155	8,206,078	12.8%	13.5%	\$29.22	15,816,067	1,733,229	11.0%	781,724	239,000	239,000
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,233,178	20.1%	20.1%	\$22.70	843,873	59,071	7.0%	0	(6,000)	(6,000)
Laurel	2,579,823	319,898	12.4%	13.0%	\$20.76	185,804	68,747	37.0%	0	(57,000)	(57,000)
Greenbelt	3,016,041	799,251	26.5%	26.6%	\$21.64	234,096	49,160	21.0%	0	(9,000)	(9,000)
Lanham/Landover/Largo	4,944,867	1,236,217	25.0%	25.5%	\$20.88	748,783	55,410	7.4%	251,000	(69,000)	(69,000)
Bowie/Marlboro/South P.G.	4,982,613	697,566	14.0%	14.1%	\$21.23	805,084	111,907	13.9%	93,100	(10,000)	(10,000)
Total - Prince George's County	21,658,556	4,286,109	19.8%	20.0%	\$21.57	2,817,640	344,295	12.2%	344,100	(151,000)	(151,000)
Frederick County	6,858,268	774,984	11.3%	11.3%	\$22.30	1,783,835	181,951	10.2%	0	7,000	7,000
Total - March 2018	92,416,979	13,267,172	14.4%	14.9%	\$26.92	20,417,542	2,259,475	11.1%	1,125,824	95,000	95,000
Total - March 2017	92,492,616	13,305,058	14.4%	14.9%	\$26.73	20,417,542	2,322,181	11.4%	335,346		

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

MARCH 2018

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q1 2018 NET ABSORB. (SF)	YTD 2018 NET ABSORB. SF
District of Columbia								
Total - March 2018	9,811,733	598,516	6.1%	6.1%	\$14.07	0	29,000	29,000
Total - March 2017	9,829,733	589,784	6.0%	6.0%	\$12.88	0		
Northern Virginia								
Beltway (I-495)	3,851,727	238,807	6.2%	6.4%	\$12.54	0	(19,000)	(19,000)
I-95 Corridor	25,143,635	1,659,480	6.6%	6.6%	\$9.32	0	(76,000)	(76,000)
Reston/Herndon	2,238,596	268,632	12.0%	12.3%	\$14.47	0	(11,000)	(11,000)
Dulles Corridor	35,759,455	2,968,035	8.3%	8.5%	\$10.14	811,865	87,000	87,000
Prince William County	19,595,125	1,371,659	7.0%	7.0%	\$8.07	139,000	111,000	111,000
Total - March 2018	86,588,538	6,506,612	7.5%	7.6%	\$9.64	950,865	92,000	92,000
Total - March 2017	85,720,273	5,951,574	6.9%	7.1%	\$9.28	524,710		
SUBURBAN MARYLAND								
Prince George's County	57,060,126	4,222,449	7.4%	7.9%	\$7.08	213,033	342,000	342,000
Montgomery County	22,683,088	1,928,062	8.5%	9.0%	\$12.19	0	(69,000)	(69,000)
Frederick County	17,027,119	1,242,980	7.3%	7.4%	\$7.59	109,043	50,000	50,000
Total - March 2018	96,770,333	7,393,491	7.6%	8.1%	\$8.37	322,076	323,000	323,000
Total - March 2017	95,559,360	7,676,271	8.0%	8.3%	\$8.05	734,293		

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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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