

# WASHINGTON METRO AREA MARKET WATCH

MAY 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 <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %			
<b>District of Columbia</b>											
CBD	39,684,373	2,658,853	6.7%	7.7%	\$52.43	4,602,978	225,546	4.9%	1,735,769	79,000	506,000
East End	47,640,736	4,859,355	10.2%	11.2%	\$53.92	12,986,263	1,142,791	8.8%	2,197,666	38,000	524,000
Capitol Hill	5,111,638	352,703	6.9%	7.8%	\$51.56	1,280,453	149,813	11.7%	1,202,998	(51,000)	128,000
NoMa	10,831,624	834,035	7.7%	8.1%	\$47.40	6,419,350	468,613	7.3%	522,550	78,000	357,000
Capitol Riverfront	4,984,008	568,177	11.4%	11.8%	\$41.45	3,713,085	259,916	7.0%	365,000	25,000	25,000
Southwest	11,842,066	1,361,838	11.5%	11.7%	\$47.88	3,519,202	612,341	17.4%	729,010	(24,000)	(9,000)
Georgetown	2,964,995	142,320	4.8%	6.0%	\$47.77	127,308	7,257	5.7%	0	0	0
West End	3,892,187	311,375	8.0%	8.1%	\$47.10	432,900	0	0.0%	0	54,000	67,000
Uptown	10,596,233	1,112,604	10.5%	11.3%	\$41.58	346,000	4,498	1.3%	23,140	(32,000)	(120,000)
<b>Total - May 2017</b>	<b>137,547,860</b>	<b>12,201,260</b>	<b>8.9%</b>	<b>9.7%</b>	<b>\$51.07</b>	<b>33,427,539</b>	<b>2,870,774</b>	<b>8.6%</b>	<b>6,776,133</b>	<b>167,000</b>	<b>1,478,000</b>
<b>Total - May 2016</b>	<b>137,089,165</b>	<b>12,217,498</b>	<b>8.9%</b>	<b>9.5%</b>	<b>\$50.49</b>	<b>32,688,094</b>	<b>2,972,693</b>	<b>9.1%</b>	<b>4,045,191</b>		
<b>Northern Virginia</b>											
Rosslyn, Courthouse, Ballston	23,984,926	3,957,513	16.5%	17.2%	\$41.73	8,030,451	931,532	11.6%	894,548	408,000	408,000
Crystal and Pentagon Cities	14,098,585	2,283,971	16.2%	16.4%	\$35.74	2,115,372	486,536	23.0%	100,000	(14,000)	(242,000)
Old Town Alexandria	8,389,063	947,964	11.3%	12.2%	\$33.14	1,397,549	134,165	9.6%	0	(17,000)	(101,000)
Eisenhower Ave, I-395 Corr.	8,973,440	2,063,891	23.0%	23.1%	\$31.97	3,989,166	359,025	9.0%	700,000	(130,000)	(193,000)
Springfield/Huntington/I-95	8,030,384	1,517,743	18.9%	19.4%	\$28.48	2,536,220	814,127	32.1%	0	(40,000)	(16,000)
Bailey's/Falls Church/Annandale	7,382,823	1,904,768	25.8%	26.3%	\$28.48	715,940	204,759	28.6%	0	(52,000)	(59,000)
Merrifield	9,247,243	1,313,109	14.2%	14.9%	\$31.09	2,614,975	507,305	19.4%	0	(268,000)	28,000
Reston	18,797,053	1,691,735	9.0%	10.0%	\$29.58	7,583,252	424,662	5.6%	359,844	56,000	376,000
Herndon	12,253,982	1,740,065	14.2%	16.5%	\$27.42	7,441,429	1,160,863	15.6%	0	(25,000)	(539,000)
Tysons Corner	29,335,138	4,693,622	16.0%	16.6%	\$33.19	9,127,611	1,140,951	12.5%	1,556,775	(59,000)	355,000
McLean, Vienna	2,201,261	147,484	6.7%	6.9%	\$35.24	0	0	0.0%	235,000	(4,000)	(18,000)
Oakton, Fairfax City	5,840,759	835,229	14.3%	14.5%	\$24.02	499,139	101,824	20.4%	0	12,000	(18,000)
Fairfax Center	7,248,110	1,732,298	23.9%	25.4%	\$25.16	807,106	62,147	7.7%	150,000	(7,000)	(529,000)
Chantilly (Rt. 28 South)	14,047,593	1,840,235	13.1%	13.7%	\$25.14	8,978,587	987,645	11.0%	0	167,000	344,000
Loudoun County (Rt. 28 North)	16,108,417	1,916,902	11.9%	13.0%	\$23.33	10,438,834	1,263,099	12.1%	92,000	13,000	257,000
Prince William County	6,536,179	843,167	12.9%	13.5%	\$23.01	1,691,188	182,648	10.8%	92,000	(97,000)	(32,000)
<b>Total - May 2017</b>	<b>192,474,956</b>	<b>29,429,695</b>	<b>15.3%</b>	<b>16.1%</b>	<b>\$30.67</b>	<b>67,966,819</b>	<b>8,761,288</b>	<b>12.9%</b>	<b>4,180,167</b>	<b>(57,000)</b>	<b>21,000</b>
<b>Total - May 2016</b>	<b>192,601,858</b>	<b>30,895,724</b>	<b>16.0%</b>	<b>16.8%</b>	<b>\$30.43</b>	<b>67,146,519</b>	<b>9,287,128</b>	<b>13.8%</b>	<b>3,541,848</b>		

<sup>1</sup> Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. <sup>2</sup> Does not include sublet space. <sup>3</sup> Class A includes buildings 50,000 SF or greater and built after 1997. SOURCE: CoStar, Transwestern

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MAY 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 <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %			
<b>Suburban Maryland</b>											
<b>MONTGOMERY COUNTY SUBMARKETS</b>											
Bethesda/Chevy Chase	11,654,099	885,712	7.6%	8.9%	\$38.36	2,419,189	87,091	3.6%	0	0	245,000
North Bethesda	10,765,098	2,045,369	19.0%	19.2%	\$28.49	1,345,340	156,059	11.6%	0	(54,000)	301,000
Rockville	8,483,331	1,085,866	12.8%	13.3%	\$29.98	2,978,003	455,634	15.3%	0	51,000	186,000
North Rockville	12,380,046	2,017,947	16.3%	17.8%	\$26.74	4,923,319	881,274	17.9%	0	(33,000)	(233,000)
Gaithersburg	6,386,461	766,375	12.0%	12.0%	\$22.67	1,889,195	20,781	1.1%	0	20,000	(115,000)
Germantown	2,730,085	382,212	14.0%	14.1%	\$24.67	1,102,063	166,412	15.1%	0	25,000	52,000
Kensington/Wheaton	1,333,234	366,639	27.5%	27.6%	\$25.15	65,000	11,570	17.8%	0	3,000	8,000
Silver Spring	6,849,072	657,511	9.6%	9.8%	\$27.36	778,420	0	0.0%	121,724	20,000	(75,000)
N. Silver Spring/Rt. 29	3,492,988	342,313	9.8%	10.1%	\$23.75	315,538	0	0.0%	0	0	94,000
<b>Total - Montgomery County</b>	<b>64,074,414</b>	<b>8,549,944</b>	<b>13.3%</b>	<b>14.0%</b>	<b>\$27.69</b>	<b>15,816,067</b>	<b>1,778,821</b>	<b>11.2%</b>	<b>121,724</b>	<b>32,000</b>	<b>463,000</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,061,392	17.3%	17.4%	\$22.13	843,873	74,261	8.8%	0	74,000	(49,000)
Laurel	2,579,823	314,738	12.2%	12.2%	\$20.09	185,804	41,806	22.5%	0	(3,000)	(26,000)
Greenbelt	3,016,041	841,475	27.9%	28.1%	\$21.47	234,096	46,351	19.8%	0	15,000	45,000
Lanham/Landover/Largo	4,944,867	1,073,036	21.7%	21.8%	\$21.32	748,783	53,164	7.1%	0	0	334,000
Bowie/Marlboro/South P.G.	4,982,613	697,566	14.0%	14.0%	\$22.45	805,084	107,881	13.4%	0	20,000	(140,000)
<b>Total - Prince George's County</b>	<b>21,658,556</b>	<b>3,988,207</b>	<b>18.4%</b>	<b>18.5%</b>	<b>\$21.31</b>	<b>2,817,640</b>	<b>323,463</b>	<b>11.5%</b>	<b>0</b>	<b>106,000</b>	<b>164,000</b>
Frederick County	6,810,541	844,507	12.4%	12.5%	\$21.78	1,783,835	169,464	9.5%	162,727	54,000	157,000
<b>Total - May 2017</b>	<b>92,543,511</b>	<b>13,382,659</b>	<b>14.5%</b>	<b>15.0%</b>	<b>\$26.44</b>	<b>20,417,542</b>	<b>2,271,748</b>	<b>11.1%</b>	<b>284,451</b>	<b>192,000</b>	<b>784,000</b>
<b>Total - May 2016</b>	<b>92,923,569</b>	<b>14,168,700</b>	<b>15.2%</b>	<b>15.7%</b>	<b>\$26.34</b>	<b>20,313,992</b>	<b>2,395,144</b>	<b>11.8%</b>	<b>304,726</b>		

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# WASHINGTON METRO AREA MARKET WATCH

MAY 2017

## Flex/Industrial Space

SUBMARKETS	INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q1 2017 NET ABSORB. (SF)	ALL OF 2016 NET ABSORB. SF
<b>District of Columbia</b>								
Total - May 2017	9,829,733	629,103	6.4%	6.4%	\$12.88	0	79,000	(80,000)
Total - May 2016	9,969,113	757,653	7.6%	7.6%	\$12.50	0		
<b>Northern Virginia</b>								
Beltway (I-495)	3,851,727	165,624	4.3%	4.7%	\$11.96	0	(19,000)	35,000
I-95 Corridor	25,333,635	1,773,354	7.0%	7.1%	\$8.95	0	(16,000)	0
Reston/Herndon	2,238,596	172,372	7.7%	8.2%	\$13.99	0	(13,000)	(34,000)
Dulles Corridor	35,321,550	2,755,081	7.8%	8.2%	\$9.85	374,316	100,000	713,000
Prince William County	18,974,765	683,092	3.6%	3.6%	\$7.59	761,469	123,000	169,000
<b>Total - May 2017</b>	<b>85,720,273</b>	<b>5,549,523</b>	<b>6.5%</b>	<b>6.7%</b>	<b>\$9.26</b>	<b>1,135,785</b>	<b>175,000</b>	<b>883,000</b>
<b>Total - May 2016</b>	<b>85,556,297</b>	<b>6,190,271</b>	<b>7.2%</b>	<b>7.4%</b>	<b>\$9.07</b>	<b>340,261</b>		
<b>Suburban Maryland</b>								
Prince George's County	56,551,946	4,297,948	7.6%	7.9%	\$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	1,265,729	7.6%	7.8%	\$7.36	323,293	16,000	699,000
<b>Total - May 2017</b>	<b>95,559,360</b>	<b>7,553,102</b>	<b>7.9%</b>	<b>8.1%</b>	<b>\$8.16</b>	<b>734,293</b>	<b>(44,000)</b>	<b>2,012,000</b>
<b>Total - May 2016</b>	<b>95,450,707</b>	<b>8,092,918</b>	<b>8.5%</b>	<b>8.7%</b>	<b>\$7.93</b>	<b>944,475</b>		

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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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