

# WASHINGTON METRO AREA MARKET WATCH

JULY 2017

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2017 NET ABSORB. SF	FIRST HALF 2017 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	2,460,431	6.2%	7.1%	\$53.30	4,602,978	437,283	9.5%	2,160,836	79,000	159,000
East End	47,640,736	4,906,996	10.3%	11.6%	\$53.97	12,986,263	1,194,736	9.2%	2,361,218	(143,000)	(105,000)
Capitol Hill	5,111,638	470,271	9.2%	10.1%	\$53.90	1,280,453	152,374	11.9%	1,202,998	5,000	(46,000)
NoMa	10,831,624	779,877	7.2%	7.6%	\$47.33	6,419,350	442,935	6.9%	522,550	43,000	121,000
Capitol Riverfront	4,984,008	473,481	9.5%	9.9%	\$41.65	3,713,085	137,384	3.7%	365,000	40,000	65,000
Southwest	11,842,066	1,278,943	10.8%	11.0%	\$48.86	3,519,202	608,822	17.3%	757,010	(24,000)	(47,000)
Georgetown	2,964,995	163,075	5.5%	6.8%	\$48.78	127,308	27,753	21.8%	0	(6,000)	(6,000)
West End	3,892,187	315,267	8.1%	8.2%	\$53.33	432,900	0	0.0%	0	4,000	58,000
Uptown	10,596,233	1,165,586	11.0%	12.0%	\$42.06	346,000	7,612	2.2%	23,140	(21,000)	(53,000)
<b>Total - July 2017</b>	<b>137,547,860</b>	<b>12,013,926</b>	<b>8.7%</b>	<b>9.6%</b>	<b>\$51.32</b>	<b>33,427,539</b>	<b>3,008,899</b>	<b>9.0%</b>	<b>7,392,752</b>	<b>(23,000)</b>	<b>146,000</b>
<b>Total - July 2016</b>	<b>136,973,027</b>	<b>12,239,003</b>	<b>8.9%</b>	<b>9.6%</b>	<b>\$50.65</b>	<b>32,688,094</b>	<b>2,825,529</b>	<b>8.6%</b>	<b>5,279,341</b>		
<b>Northern Virginia</b>											
Rosslyn, Courthouse, Ballston	24,151,693	4,129,940	17.1%	17.8%	\$41.63	8,197,218	1,147,611	14.0%	727,781	283,000	691,000
Crystal and Pentagon Cities	14,098,585	2,269,872	16.1%	16.3%	\$35.99	2,115,372	484,420	22.9%	100,000	28,000	14,000
Old Town Alexandria	8,389,063	906,019	10.8%	11.9%	\$33.00	1,397,549	139,755	10.0%	0	25,000	8,000
Eisenhower Ave, I-395 Corr.	8,973,440	2,431,802	27.1%	27.3%	\$32.95	3,989,166	355,036	8.9%	700,000	9,000	(121,000)
Springfield/Huntington/I-95	8,030,384	1,509,712	18.8%	19.3%	\$28.19	2,536,220	814,127	32.1%	0	0	(40,000)
Bailey's/Falls Church/Annandale	7,382,823	1,993,362	27.0%	27.8%	\$28.75	715,940	204,759	28.6%	0	(44,000)	(96,000)
Merrifield	9,247,243	1,303,861	14.1%	14.9%	\$31.41	2,614,975	496,845	19.0%	0	(74,000)	(342,000)
Reston	18,797,053	1,597,750	8.5%	9.4%	\$29.40	7,583,252	462,578	6.1%	368,413	(94,000)	(38,000)
Herndon	12,253,982	1,813,589	14.8%	17.1%	\$27.97	7,441,429	1,160,863	15.6%	0	404,000	380,000
Tysons Corner	29,335,138	4,898,968	16.7%	17.4%	\$34.05	9,127,611	1,204,845	13.2%	1,556,775	29,000	(29,000)
McLean, Vienna	2,201,261	136,478	6.2%	6.3%	\$35.37	0	0	0.0%	235,000	2,000	(2,000)
Oakton, Fairfax City	5,840,759	770,980	13.2%	13.4%	\$24.05	499,139	101,824	20.4%	0	0	12,000
Fairfax Center	7,248,110	1,739,546	24.0%	25.5%	\$25.42	807,106	60,533	7.5%	150,000	(80,000)	(87,000)
Chantilly (Rt. 28 South)	13,887,593	1,944,263	14.0%	14.4%	\$25.15	8,818,587	978,863	11.1%	720,000	(139,000)	28,000
Loudoun County (Rt. 28 North)	16,108,417	2,335,720	14.5%	15.5%	\$23.78	10,438,834	1,565,825	15.0%	92,000	129,000	142,000
Prince William County	6,536,179	784,341	12.0%	12.5%	\$22.98	1,691,188	223,237	13.2%	92,000	71,000	(26,000)
<b>Total - July 2017</b>	<b>192,481,723</b>	<b>30,566,205</b>	<b>15.9%</b>	<b>16.7%</b>	<b>\$31.14</b>	<b>67,973,586</b>	<b>9,401,120</b>	<b>13.8%</b>	<b>4,741,969</b>	<b>549,000</b>	<b>494,000</b>
<b>Total - July 2016</b>	<b>191,947,701</b>	<b>31,512,873</b>	<b>16.4%</b>	<b>17.2%</b>	<b>\$30.50</b>	<b>67,146,519</b>	<b>9,552,338</b>	<b>14.2%</b>	<b>3,829,848</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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JULY 2017

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2017 NET ABSORB. SF	FIRST HALF 2017 NET ABSORB. SF
	INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF <sup>3</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %			
<b>Suburban Maryland</b>											
<b>MONTGOMERY COUNTY SUBMARKETS</b>											
Bethesda/Chevy Chase	11,654,099	1,002,253	8.6%	9.9%	\$38.08	2,419,189	89,510	3.7%	0	(82,000)	(82,000)
North Bethesda	10,765,098	2,109,959	19.6%	19.8%	\$28.27	1,345,340	156,059	11.6%	0	43,000	(11,000)
Rockville	8,483,331	1,026,483	12.1%	12.3%	\$29.71	2,978,003	422,876	14.2%	0	(76,000)	(25,000)
North Rockville	12,380,046	2,067,468	16.7%	18.0%	\$26.98	4,923,319	876,351	17.8%	0	(62,000)	(95,000)
Gaithersburg	6,386,461	702,511	11.0%	11.1%	\$22.35	1,889,195	94,460	5.0%	0	0	20,000
Germantown	2,730,085	384,942	14.1%	14.2%	\$24.78	1,102,063	164,207	14.9%	0	5,000	30,000
Kensington/Wheaton	1,333,234	354,640	26.6%	26.6%	\$24.80	65,000	11,570	17.8%	0	(9,000)	(7,000)
Silver Spring	6,849,072	684,907	10.0%	10.4%	\$28.11	778,420	0	0.0%	121,724	(5,000)	15,000
N. Silver Spring/Rt. 29	3,492,988	342,313	9.8%	10.0%	\$23.80	315,538	0	0.0%	0	(28,000)	(28,000)
<b>Total - Montgomery County</b>	<b>64,074,414</b>	<b>8,675,475</b>	<b>13.5%</b>	<b>14.2%</b>	<b>\$28.30</b>	<b>15,816,067</b>	<b>1,815,034</b>	<b>11.5%</b>	<b>121,724</b>	<b>(214,000)</b>	<b>(183,000)</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,257,718	20.5%	20.5%	\$22.27	843,873	75,949	9.0%	0	(43,000)	31,000
Laurel	2,579,823	283,781	11.0%	11.0%	\$20.30	185,804	41,806	22.5%	0	8,000	5,000
Greenbelt	3,016,041	847,508	28.1%	28.6%	\$21.31	234,096	46,351	19.8%	0	15,000	30,000
Lanham/Landover/Largo	4,944,867	1,137,319	23.0%	23.1%	\$21.51	748,783	53,164	7.1%	0	(38,000)	(38,000)
Bowie/Marlboro/South P.G.	4,982,613	672,653	13.5%	13.5%	\$22.82	805,084	96,610	12.0%	0	10,000	30,000
<b>Total - Prince George's County</b>	<b>21,658,556</b>	<b>4,198,979</b>	<b>19.4%</b>	<b>19.5%</b>	<b>\$21.83</b>	<b>2,817,640</b>	<b>313,879</b>	<b>11.1%</b>	<b>0</b>	<b>(48,000)</b>	<b>58,000</b>
Frederick County	6,810,541	817,265	12.0%	12.1%	\$21.97	1,783,835	153,410	8.6%	47,727	20,000	75,000
<b>Total - July 2017</b>	<b>92,543,511</b>	<b>13,691,719</b>	<b>14.8%</b>	<b>15.3%</b>	<b>\$26.76</b>	<b>20,417,542</b>	<b>2,282,323</b>	<b>11.2%</b>	<b>169,451</b>	<b>(242,000)</b>	<b>(50,000)</b>
<b>Total - July 2016</b>	<b>92,954,119</b>	<b>14,465,723</b>	<b>15.6%</b>	<b>16.0%</b>	<b>\$26.51</b>	<b>20,417,542</b>	<b>2,269,463</b>	<b>11.1%</b>	<b>248,903</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.

# WASHINGTON METRO AREA MARKET WATCH

JULY 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	Q2 2017 NET ABSORB. (SF)	FIRST HALF 2017 NET ABSORB. SF
<b>District of Columbia</b>								
<b>Total - July 2017</b>	<b>9,829,733</b>	<b>589,784</b>	<b>6.0%</b>	<b>6.0%</b>	<b>\$13.57</b>	<b>0</b>	<b>10,000</b>	<b>88,000</b>
<b>Total - July 2016</b>	<b>9,909,113</b>	<b>792,729</b>	<b>8.0%</b>	<b>8.0%</b>	<b>\$12.70</b>	<b>0</b>		
<b>Northern Virginia</b>								
Beltway (I-495)	3,851,727	165,624	4.3%	4.7%	\$12.06	0	(19,000)	(39,000)
I-95 Corridor	25,333,635	1,773,354	7.0%	7.0%	\$8.83	0	139,000	123,000
Reston/Herndon	2,238,596	257,439	11.5%	11.8%	\$14.40	0	11,000	(2,000)
Dulles Corridor	35,321,550	3,037,653	8.6%	9.1%	\$9.89	294,156	(141,000)	(41,000)
Prince William County	18,974,765	777,965	4.1%	4.1%	\$7.67	761,469	19,000	142,000
<b>Total - July 2017</b>	<b>85,720,273</b>	<b>6,012,036</b>	<b>7.0%</b>	<b>7.2%</b>	<b>\$9.28</b>	<b>1,055,625</b>	<b>9,000</b>	<b>183,000</b>
<b>Total - July 2016</b>	<b>85,879,447</b>	<b>6,589,649</b>	<b>7.7%</b>	<b>7.8%</b>	<b>\$9.22</b>	<b>209,916</b>		
<b>Suburban Maryland</b>								
Prince George's County	56,893,126	4,551,450	8.0%	8.6%	\$6.93	406,034	(84,000)	(48,000)
Montgomery County	22,353,088	1,922,366	8.6%	9.0%	\$11.65	330,000	67,000	(28,000)
Frederick County	16,654,326	1,232,420	7.4%	7.7%	\$7.36	323,293	67,000	83,000
<b>Total - July 2017</b>	<b>95,900,540</b>	<b>7,706,236</b>	<b>8.0%</b>	<b>8.5%</b>	<b>\$8.11</b>	<b>1,059,327</b>	<b>50,000</b>	<b>7,000</b>
<b>Total - July 2016</b>	<b>95,567,497</b>	<b>7,810,228</b>	<b>8.2%</b>	<b>8.4%</b>	<b>\$7.95</b>	<b>1,019,685</b>		

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

### CONTACT

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

Claire Whitesell  
 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