

WASHINGTON METRO AREA MARKET WATCH

SEPTEMBER 2016

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2016 NET ABSORB. SF	JAN. - SEPT. 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	2,579,484	6.5%	7.4%	\$52.57	4,602,978	326,811	7.1%	844,350	119,000	426,000
East End	47,145,291	4,620,239	9.8%	10.6%	\$54.27	12,490,818	724,467	5.8%	2,421,388	(141,000)	(28,000)
Capitol Hill	5,111,638	460,047	9.0%	9.1%	\$52.26	1,280,453	166,459	13.0%	1,202,998	15,000	92,000
NoMa	10,724,365	1,104,610	10.3%	10.6%	\$47.48	6,175,350	580,483	9.4%	244,000	32,000	24,000
Capitol Riverfront	4,984,008	647,921	13.0%	13.5%	\$41.60	3,713,085	404,726	10.9%	365,000	(15,000)	-
Southwest	11,842,066	1,349,996	11.4%	11.6%	\$48.91	3,519,202	679,206	19.3%	491,529	(95,000)	(104,000)
Georgetown	2,964,995	124,530	4.2%	4.7%	\$47.38	127,308	0	0.0%	16,591	9,000	12,000
West End	3,892,187	424,248	10.9%	11.2%	\$52.94	432,900	0	0.0%	0	(19,000)	12,000
Uptown	10,596,233	1,123,201	10.6%	11.3%	\$40.83	346,000	5,536	1.6%	23,140	7,000	(89,000)
Total - September 2016	136,945,156	12,434,275	9.1%	9.8%	\$51.02	32,688,094	2,887,689	8.8%	5,608,996	(88,000)	345,000
Total - September 2015	136,140,882	12,141,534	8.9%	9.4%	\$49.83	31,519,452	2,801,664	8.9%	2,432,601		
Northern Virginia											
Rosslyn, Courthouse, Ballston	23,984,926	4,677,061	19.5%	20.3%	\$41.30	8,030,451	1,156,385	14.4%	894,548	288,000	288,000
Crystal and Pentagon Cities	14,098,585	2,241,675	15.9%	16.3%	\$36.29	2,115,372	543,651	25.7%	0	42,000	(87,000)
Old Town Alexandria	8,389,063	939,575	11.2%	11.9%	\$32.72	1,397,549	156,525	11.2%	0	25,000	(84,000)
Eisenhower Ave, I-395 Corr.	9,202,185	2,208,524	24.0%	24.2%	\$32.39	3,989,166	271,263	6.8%	700,000	0	(221,000)
Springfield/Huntington/I-95	8,030,384	1,485,621	18.5%	18.9%	\$28.66	2,536,220	859,779	33.9%	0	16,000	24,000
Bailey's/Falls Church/Annandale	7,382,823	1,971,214	26.7%	27.3%	\$28.54	715,940	187,576	26.2%	0	(22,000)	(52,000)
Merrifield	9,247,243	1,128,164	12.2%	13.4%	\$31.00	2,614,975	264,112	10.1%	0	(74,000)	(55,000)
Reston	18,797,053	1,954,894	10.4%	11.4%	\$28.24	7,583,252	545,994	7.2%	365,000	0	207,000
Herndon	12,253,982	2,119,939	17.3%	19.9%	\$27.34	7,441,429	1,406,430	18.9%	0	(110,000)	(502,000)
Tysons Corner	28,995,138	4,233,290	14.6%	15.3%	\$32.38	8,787,611	1,089,664	12.4%	1,315,000	29,000	270,000
McLean, Vienna	2,201,261	160,692	7.3%	7.6%	\$31.96	0	0	0.0%	235,000	7,000	(29,000)
Oakton, Fairfax City	5,840,759	887,795	15.2%	15.7%	\$23.57	499,139	96,833	19.4%	0	(29,000)	(58,000)
Fairfax Center	7,248,110	1,471,366	20.3%	20.8%	\$26.41	807,106	66,183	8.2%	150,000	22,000	(362,000)
Chantilly (Rt. 28 South)	13,887,593	2,138,689	15.4%	16.0%	\$25.07	8,818,587	1,102,323	12.5%	160,000	(30,000)	247,000
Loudoun County (Rt. 28 North)	16,127,917	2,580,467	16.0%	16.4%	\$23.64	10,374,034	1,639,097	15.8%	79,800	249,000	287,000
Prince William County	6,462,679	723,820	11.2%	11.2%	\$22.71	1,617,688	228,094	14.1%	73,500	26,000	(19,000)
Total - September 2016	192,149,701	30,922,786	16.1%	16.8%	\$30.61	67,328,519	9,613,910	14.3%	3,972,848	439,000	(146,000)
Total - September 2015	192,040,509	30,469,859	15.9%	16.6%	\$30.97	66,512,606	8,689,463	13.1%	2,419,869		

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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SEPTEMBER 2016

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2016 NET ABSORB. SF	JAN. - SEPT. 2016 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	11,654,099	839,095	7.2%	7.9%	\$38.20	2,419,189	87,091	3.6%	0	(23,000)	186,000
North Bethesda	10,765,098	2,174,550	20.2%	20.5%	\$28.74	1,345,340	154,714	11.5%	0	(11,000)	129,000
Rockville	8,483,331	1,094,350	12.9%	13.2%	\$28.97	2,978,003	491,370	16.5%	0	51,000	144,000
North Rockville	12,448,549	2,029,113	16.3%	17.6%	\$26.37	4,923,319	713,881	14.5%	0	(112,000)	(258,000)
Gaithersburg	6,779,461	1,193,185	17.6%	18.2%	\$22.44	1,889,195	119,019	6.3%	0	27,000	(129,000)
Germantown	2,730,085	431,353	15.8%	16.2%	\$24.81	1,102,063	198,371	18.0%	0	25,000	35,000
Kensington/Wheaton	1,333,234	365,306	27.4%	27.5%	\$23.80	65,000	7,605	11.7%	0	0	0
Silver Spring	6,832,266	642,233	9.4%	9.5%	\$27.28	778,420	10,119	1.3%	16,806	(34,000)	(48,000)
N. Silver Spring/Rt. 29	3,492,988	321,355	9.2%	9.7%	\$23.61	315,538	0	0.0%	0	7,000	80,000
Total - Montgomery County	64,519,111	9,090,541	14.1%	14.7%	\$27.66	15,816,067	1,782,172	11.3%	16,806	(70,000)	139,000
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,300,665	21.2%	21.6%	\$20.49	843,873	70,885	8.4%	0	(18,000)	(61,000)
Laurel	2,579,823	330,217	12.8%	13.1%	\$18.77	185,804	45,894	24.7%	0	(15,000)	(36,000)
Greenbelt	3,016,041	1,028,470	34.1%	34.1%	\$21.84	234,096	46,351	19.8%	0	(33,000)	(109,000)
Lanham/Landover/Largo	4,910,778	1,070,550	21.8%	22.0%	\$21.42	748,783	78,622	10.5%	34,089	49,000	329,000
Bowie/Marlboro/South P.G.	4,982,613	767,322	15.4%	15.6%	\$22.33	805,084	135,254	16.8%	0	(30,000)	(149,000)
Total - Prince George's County	21,624,467	4,497,224	20.8%	21.0%	\$21.20	2,817,640	377,006	13.4%	34,089	(47,000)	(26,000)
Frederick County	6,810,541	953,476	14.0%	14.1%	\$21.47	1,783,835	240,818	13.5%	232,620	41,000	89,000
Total - September 2016	92,954,119	14,541,241	15.6%	16.1%	\$26.38	20,417,542	2,399,996	11.8%	283,515	(76,000)	202,000
Total - September 2015	92,772,740	14,468,764	15.6%	16.3%	\$25.68	20,157,992	2,586,772	12.8%	533,245		

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

SEPTEMBER 2016

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q3 2016 NET ABSORB. (SF)	JAN. - SEPT. 2016 NET ABSORB. SF
District of Columbia								
Total - September 2016	9,829,733	688,081	7.0%	7.0%	\$12.87	0	(24,000)	(100,000)
Total - September 2015	9,969,113	847,375	7.2%	7.2%	\$11.85	0		
Northern Virginia								
Beltway (I-495)	3,851,727	154,069	4.0%	4.1%	\$13.86	0	19,000	8,000
I-95 Corridor	25,836,144	2,170,236	8.4%	8.6%	\$9.38	0	0	52,000
Reston/Herndon	2,238,596	248,484	11.1%	11.2%	\$13.45	0	0	(11,000)
Dulles Corridor	35,289,550	3,105,480	8.8%	8.9%	\$9.81	145,507	270,000	607,000
Prince William County	18,727,839	880,208	4.7%	4.7%	\$7.11	0	0	19,000
Total - September 2016	85,943,856	6,558,478	7.6%	7.7%	\$9.35	145,507	289,000	675,000
Total - September 2015	85,052,324	6,532,105	7.7%	7.9%	\$9.01	1,132,875		
Suburban Maryland								
Prince George's County	56,547,849	4,580,376	8.1%	8.3%	\$7.00	411,000	282,000	879,000
Montgomery County	22,383,832	1,835,474	8.2%	8.2%	\$11.29	0	(14,000)	28,000
Frederick County	16,739,287	1,155,011	6.9%	7.0%	\$7.23	269,214	180,000	912,000
Total - September 2016	95,670,968	7,570,861	7.9%	8.0%	\$8.04	680,214	448,000	1,819,000
Total - September 2015	94,103,207	8,567,980	9.1%	9.5%	\$7.83	1,194,800		

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

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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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