

WASHINGTON METRO AREA MARKET WATCH

SEPTEMBER 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 2017 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	2,460,431	6.2%	7.3%	\$53.31	4,602,978	220,943	4.8%	2,160,836	(119,000)	40,000
East End	47,605,736	4,760,574	10.0%	11.2%	\$54.67	12,986,263	1,116,819	8.6%	2,768,598	(127,000)	(232,000)
Capitol Hill	5,111,638	572,503	11.2%	11.9%	\$54.68	1,280,453	128,045	10.0%	1,202,998	(102,000)	(148,000)
NoMa	10,831,624	736,550	6.8%	7.2%	\$48.00	6,419,350	507,129	7.9%	522,550	22,000	143,000
Capitol Riverfront	4,984,008	428,625	8.6%	9.0%	\$38.68	3,713,085	133,671	3.6%	365,000	130,000	194,000
Southwest	11,842,066	1,314,469	11.1%	11.3%	\$47.37	3,519,202	591,226	16.8%	757,010	(12,000)	(59,000)
Georgetown	2,964,995	157,145	5.3%	6.5%	\$49.11	127,308	29,026	22.8%	0	(15,000)	(21,000)
West End	3,892,187	315,267	8.1%	8.2%	\$53.25	432,900	0	0.0%	0	(4,000)	54,000
Uptown	10,596,233	1,239,759	11.7%	12.7%	\$42.22	346,000	7,612	2.2%	23,140	(32,000)	(85,000)
Total - September 2017	137,512,860	11,985,324	8.7%	9.6%	\$51.42	33,427,539	2,734,471	8.2%	7,800,132	(259,000)	(114,000)
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		
Northern Virginia											
Rosslyn, Courthouse, Ballston	24,151,693	4,830,339	20.0%	20.8%	\$42.61	8,197,218	1,032,849	12.6%	727,781	(797,000)	(106,000)
Crystal and Pentagon Cities	14,098,585	2,424,957	17.2%	17.4%	\$35.80	2,115,372	473,843	22.4%	100,000	(42,000)	(28,000)
Old Town Alexandria	8,389,063	796,961	9.5%	10.6%	\$32.88	1,397,549	142,550	10.2%	0	151,000	159,000
Eisenhower Ave, I-395 Corr.	9,673,440	2,031,422	21.0%	21.2%	\$33.34	4,689,166	361,066	7.7%	0	741,000	621,000
Springfield/Huntington/I-95	8,030,384	1,549,864	19.3%	19.6%	\$28.45	2,536,220	801,446	31.6%	0	16,000	(24,000)
Bailey's/Falls Church/Annandale	7,382,823	2,067,190	28.0%	28.8%	\$28.83	715,940	204,759	28.6%	0	7,000	(89,000)
Merrifield	9,247,243	1,155,905	12.5%	13.6%	\$31.13	2,614,975	248,423	9.5%	0	231,000	(111,000)
Reston	18,797,053	1,748,126	9.3%	10.0%	\$29.10	7,583,252	462,578	6.1%	368,413	75,000	38,000
Herndon	12,253,982	1,838,097	15.0%	16.8%	\$28.45	7,441,429	1,190,629	16.0%	0	(61,000)	319,000
Tysons Corner	29,335,138	4,370,936	14.9%	15.7%	\$34.09	9,127,611	1,150,079	12.6%	1,556,775	147,000	117,000
McLean, Vienna	2,201,261	220,126	10.0%	11.4%	\$33.62	0	0	0.0%	235,000	(68,000)	(70,000)
Oakton, Fairfax City	5,840,759	823,547	14.1%	14.3%	\$24.46	499,139	90,344	18.1%	0	12,000	23,000
Fairfax Center	7,248,110	1,717,802	23.7%	25.3%	\$25.51	807,106	86,360	10.7%	150,000	7,000	(80,000)
Chantilly (Rt. 28 South)	13,887,593	1,972,038	14.2%	14.5%	\$25.17	8,818,587	961,226	10.9%	720,000	42,000	69,000
Loudoun County (Rt. 28 North)	16,200,417	2,494,864	15.4%	16.4%	\$23.97	10,510,834	1,597,647	15.2%	0	46,000	187,000
Prince William County	6,584,179	888,864	13.5%	14.0%	\$23.08	1,691,188	235,075	13.9%	53,000	(4,000)	(31,000)
Total - September 2017	193,321,723	30,931,039	16.0%	16.8%	\$31.29	68,745,586	9,038,874	13.1%	3,910,969	503,000	994,000
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		

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 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 2017 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	11,554,840	924,387	8.0%	9.0%	\$38.18	2,419,189	84,672	3.5%	660,000	(161,000)	(243,000)
North Bethesda	10,765,098	2,034,604	18.9%	19.1%	\$28.28	1,345,340	156,059	11.6%	0	(22,000)	(32,000)
Rockville	8,483,331	1,060,416	12.5%	12.7%	\$29.88	2,978,003	428,832	14.4%	0	17,000	(8,000)
North Rockville	12,380,046	2,017,947	16.3%	17.4%	\$27.37	4,923,319	866,504	17.6%	0	12,000	(82,000)
Gaithersburg	6,386,461	779,148	12.2%	12.3%	\$22.56	1,889,195	103,906	5.5%	0	(13,000)	7,000
Germantown	2,730,085	409,513	15.0%	15.1%	\$24.77	1,102,063	156,493	14.2%	0	(25,000)	5,000
Kensington/Wheaton	1,333,234	346,641	26.0%	26.0%	\$24.26	65,000	11,570	17.8%	0	17,000	11,000
Silver Spring	6,849,072	691,756	10.1%	10.8%	\$27.98	778,420	0	0.0%	121,724	(21,000)	(5,000)
N. Silver Spring/Rt. 29	3,492,988	352,792	10.1%	10.3%	\$23.31	315,538	0	0.0%	0	(17,000)	(45,000)
Total - Montgomery County	63,975,155	8,617,204	13.5%	14.0%	\$28.99	15,816,067	1,808,036	11.4%	781,724	(213,000)	(392,000)
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,257,718	20.5%	20.5%	\$22.44	843,873	75,105	8.9%	0	0	31,000
Laurel	2,579,823	257,982	10.0%	10.1%	\$20.32	185,804	22,296	12.0%	0	57,000	62,000
Greenbelt	3,016,041	817,347	27.1%	27.6%	\$21.41	234,096	46,351	19.8%	0	27,000	57,000
Lanham/Landover/Largo	4,944,867	1,162,044	23.5%	23.7%	\$21.42	748,783	53,164	7.1%	75,000	(25,000)	(62,000)
Bowie/Marlboro/South P.G.	4,982,613	697,566	14.0%	14.0%	\$21.38	805,084	94,195	11.7%	0	30,000	60,000
Total - Prince George's County	21,658,556	4,192,657	19.4%	19.5%	\$21.57	2,817,640	291,111	10.3%	75,000	89,000	148,000
Frederick County	6,858,268	843,567	12.3%	12.4%	\$22.28	1,783,835	160,545	9.0%	0	15,000	90,000
Total - September 2017	92,491,979	13,653,429	14.8%	15.2%	\$26.76	20,417,542	2,259,692	11.1%	856,724	(109,000)	(154,000)
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		

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 2017

Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q3 2017 NET ABSORB. (SF)	JAN. - SEPT. 2017 NET ABSORB. SF
District of Columbia								
Total - September 2017	9,811,733	608,327	6.2%	6.2%	\$13.68	0	(46,000)	42,000
Total - September 2016	9,829,733	688,081	7.0%	7.0%	\$12.87	0		
Northern Virginia								
Beltway (I-495)	3,851,727	211,845	5.5%	5.9%	\$12.14	0	(46,000)	(85,000)
I-95 Corridor	25,333,635	1,722,687	6.8%	6.8%	\$8.95	0	(127,000)	(4,000)
Reston/Herndon	2,238,596	268,632	12.0%	12.2%	\$14.39	0	4,000	2,000
Dulles Corridor	35,361,550	3,005,732	8.5%	8.8%	\$9.80	254,156	107,000	66,000
Prince William County	19,112,115	1,146,727	6.0%	6.0%	\$7.64	624,119	(174,000)	(33,000)
Total - September 2017	85,897,623	6,355,622	7.4%	7.5%	\$9.28	878,275	(236,000)	(54,000)
Total - September 2016	85,943,856	6,558,478	7.6%	7.7%	\$9.35	145,507		
Suburban Maryland								
Prince George's County	56,965,126	4,728,105	8.3%	9.0%	\$7.05	334,034	123,000	74,000
Montgomery County	22,353,088	1,922,366	8.6%	9.0%	\$11.92	330,000	0	(28,000)
Frederick County	16,846,326	1,145,550	6.8%	7.0%	\$7.48	131,293	313,000	395,000
Total - September 2017	96,164,540	7,796,021	8.1%	8.6%	\$8.26	795,327	436,000	441,000
Total - September 2016	95,670,968	7,570,861	7.9%	8.0%	\$8.04	680,214		

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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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