

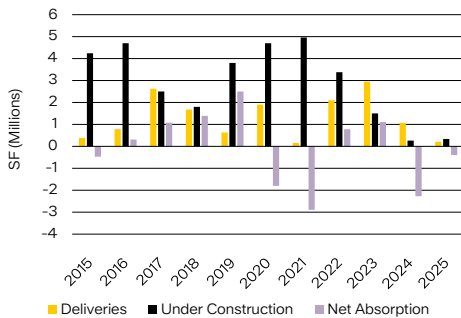
Office Market Spotlight

Northern Virginia

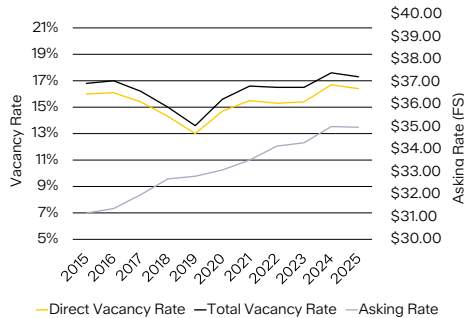
Mid-Q2 2025



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Midway through Q2 2025 the direct vacancy rate in Northern Virginia decreased to 16.4%, down from 16.6% at the end of Q1 2025, while the total vacancy rate decreased to 17.3%, down from 17.5% at the end of Q1 2025.

Northern Virginia has recorded negative 64,388 square feet of net absorption midway through Q2 2025. Tenants contributing to the negative net absorption includes General Dynamics Mission Systems vacating their sublease of 173,414 square feet at 12450 Fair Lakes Circle, Synectics For Management Decisions vacating 28,315 square feet at 1101 Wilson Boulevard, and the United States Postal Service vacating 24,159 square feet at 1735 N Lynn Street.

A total of 666,437 square feet has leased midway through Q2 2025. Tenants executing leases this quarter include WeWork signing a 45,667-square-foot renewal at 1201 Wilson Boulevard, Electronic Warfare Associates signing a 28,091-square-foot sublease at 13873 Park Center Road, and Azure Summit Technology signing 20,975 square feet of relet space at 3050 Chain Bridge Road.

There have been four sales transactions through the first half of Q2 2025, totaling \$111.5 million. The largest sale of the quarter, so far, was 8280 Greensboro Drive - 8280 at the Boro - which traded from The Meridian Group to DSI for \$37,000,000 (\$176 psf). This Class A building totals 209,735 square feet and was 80% leased at the time of sale.

One building has delivered in Northern Virginia quarter-to-date, 1880 Reston Row Plaza (210,000 SF, 22.2% leased). Three buildings remain under construction; 1 & 2 Exchange Street (96,992 SF, 60.1% pre-leased) and HITT's new 270,000-square-foot headquarters at 7125 W Falls Station Boulevard.

Market Stats

YTD Q2 2025

Inventory (SF)	189.6 M
Direct Vacancy	16.4%
Total Vacancy	17.3%
YTD 2025 Absorption (SF)	-396 K
YTD 2025 Leasing Activity (SF)	2.5 M
Under Construction (SF)	337 K
Pre-Leased	93.3%
Deliveries (SF)	210 K

10 Year Averages

2015-2024

Net Absorption (SF)	-30 K per year
Deliveries (SF)	1.4 M per year
Leasing Activity (SF)	10.5 M per year

Asking Rental Rates

(Full Service / PSF)

2015	\$31.17
2024	\$35.02
YTD 2025	\$34.99