

Office Market Report

Washington, D.C.

Q1 2026

Lincoln

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Metropolitan, D.C. Market Overview

Overall Market Summary

The Washington, D.C. Metropolitan commercial real estate market is comprised of approximately 428.2 million square feet of rentable office space located in the District of Columbia, Northern Virginia, and Suburban Maryland.

The total vacancy rate ticked down 20 basis points to 17.7% at the end of Q1 2026, while the market recorded negative 562,328 square feet of net absorption. Contributing to the negative net absorption was HUD vacating 79,322 square feet at 425 3rd Street, SW in Washington, D.C.

Leasing activity for the quarter totaled 3,555,177 square feet. The largest lease executed was a 110,000-square-foot pre-lease by the University of Maryland ARLIS at 4400 River Road, in the College Park submarket.

A total of 305,000 square feet was under construction at the end of Q1 2026, with 88.5% of the space pre-leased. One building delivered this quarter. 1328 Fenwick Lane (82,000 SF), located in Silver Spring, MD, delivered to owner-user Housing Opportunity Commission of Montgomery County. Two buildings, both in Virginia, remained under construction; 7125 W Falls Station Boulevard (270,000 SF) in Merrifield and 2 Exchange Place - One Loudoun (35,000 SF) in Loudoun. No additional buildings delivered, nor broke ground, in the first quarter.

There were twenty-three sale transactions in Q1 2026, totaling \$834,360,000. The largest sale was 2001 M Street, NW trading to Stream Realty for \$163,300,000 (\$573 psf) at a 9.20% Cap Rate.

Average asking rental rates increased \$1.09 to \$41.53 per square foot, Full Service.

The Washington, D.C. Metropolitan Statistical Area (MSA) lost 103,900 jobs from January 2025 - January 2026, representing negative 3.1% growth over this 12-month period. Sectors losing the most jobs were Government with 52,900, followed by Professional & Business Services with 37,500. Mining, Logging, & Construction, however, gained the most by adding 6,600 jobs over this time period.

The unemployment rate for the D.C. Metro decreased 30 basis points to 3.8% since last quarter (due to a shrinking labor force).

Direct Vacancy

(Q1 2026)

		(YOY)
DC	18.2%	
VA	15.3%	
MD	18.1%	
Metro Area (YTD)	16.9%	

Total Vacancy

(Q1 2026)

		(YOY)
DC	19.0%	
VA	16.0%	
MD	19.0%	
Metro Area (YTD)	17.7%	

Total Net Absorption

(SF, YTD Q1 2026)

		(YOY)
DC	-558,680	
VA	-90,672	
MD	87,024	
Metro Area (YTD)	-562,328	

Leasing Activity

(SF, YTD Q1 2026)

		(YOY)
DC	1,193,407	
VA	1,513,464	
MD	848,306	
Metro Area (YTD)	3,555,177	

Market Outlook

Market fundamentals for the Metropolitan Washington, D.C. office market were a little mixed for Q1 2026. Total vacancy decreased 20 basis points to 17.7% quarter-over-quarter due to a reduction in inventory and subsequent removal of available space. While the region as a whole recorded negative net absorption, Suburban Maryland was the only jurisdiction to record positive net absorption for the quarter. Total leasing activity for the region decreased 37.2% quarter-over-quarter, however, capital markets heated up with an 81.0% increase in sales. The office-to-something-else redevelopment trend continued into 2026 with approximately 3.7 M SF removed from the office inventory in Q1. Notable removals were 1825 & 1875 Connecticut Avenue, NW (685,000 SF) and 5001 Eisenhower Avenue (607,000 SF), both sites are going residential. Expected to break ground in Washington, D.C. in Q2 2026 is the new, 320,000-square-foot Trophy project at 725 12th Street, NW. The building is already 86.5% pre-leased, illustrating the continued desire for high-quality, amenitized space in the ever tightening Trophy market of D.C. Trophy vacancy dropped 220 basis points from 11.0% to 8.8% in Q1 2026.

MetroRail ridership continues to improve, reflecting a continued influx of employees returning to the office. Year-to-date 2026 MetroRail ridership is at 77.1% of 2019 ridership, averaging 482,000 passengers per day (Monday-Friday, excluding holidays). YTD 2026 MetroRail ridership is already up 2.8% compared to 2025.

The current Washington, D.C. Metropolitan Statistical Area (MSA) unemployment rate of 3.8% is among the lowest of the ten largest commercial office markets nationally, outpacing; Boston, Chicago, Houston, Los Angeles, New York, Philadelphia, San Francisco, and Seattle. Only Atlanta and Dallas/Ft. Worth have a lower unemployment rate than the D.C. MSA.

The current national unemployment rate is 4.3%.

GSA / National Capital Region (NCR)

The Federal Government continues to advance its efforts to reduce its footprint across the region. The data reported in March under the USE IT Act revealed that all agencies are operating under the mandated 60% utilization target. While there are some questions surrounding the Government's methodology, the results should further accelerate consolidation. The disposal of federal buildings in Washington continues to advance, with GSA's Regional Office Building being sold last month and the Liberty Loan Building currently under contract. It was also announced that the Department of Education will vacate its federal headquarters, backfilling an office formerly leased to USAID. The Department of Energy will then move from its current federal headquarters at the Forrestal Building into Education's, freeing up the building for sale.

D.C. Market Summary

The Washington, D.C. office market currently consists of 801 buildings, over 25,000 square feet, totaling approximately 154.9 million square feet of rentable space.

As of January 2026, the unemployment rate for the District of Columbia increased to 6.7%, while the unemployment for the Washington, D.C. Metropolitan area decreased to 3.8%. The national unemployment rate decreased to 4.3%.

The Washington, D.C. Metropolitan Statistical Area (MSA) lost 103,900 jobs from January 2025 - January 2026, representing 3.1% decline Y-o-Y. Sectors losing the most jobs were Government with 52,900, followed by Professional & Business Services with 37,500 and Leisure & Hospitality with 5,600. In contrast, Mining, Logging & Construction gained the most, adding 6,600 jobs over the same period.

The D.C. market recorded negative 558,690 square feet of net absorption in Q1 2026. Contributing to the negative net absorption was HUD (Housing and Urban Development) vacating 79,322 square feet at 425 3rd Street, SW.

The Washington, D.C. market totaled 1,193,407 square feet of leasing in Q1 2026. Howard University signed the largest lease this quarter with a 93,924-square-foot sublease at 650 Massachusetts Avenue, NW.

There were eight sale transactions, totaling \$499,500,000 in Q1 2026. The largest sale to occur this quarter was 2001 M Street, NW sold to Stream from Brookfield /DWS Group for \$163.3M (\$573 psf).



	Q1 2026	Q4 2025	Q1 2025
Direct Vacancy	18.2%	17.7%	16.5%
Total Vacancy	19.0%	18.6%	17.4%
Net Absorption (SF)	-559K	-149K	328K
Leasing Activity (SF)	1.2 M	2.0 M	1.9 M
Under Construction (SF)	-	-	-
Under Construction % Pre-Leased	-	-	-
Deliveries (SF)	-	-	-
Average Asking Rental Rate (PSF, Full Service)	\$55.07	\$54.79	\$54.67
Sales Volume	\$499.5 M	\$205.0 M	\$651.5 M
Unemployment D.C. Metro Area	3.8%	4.1%	3.4%
Sublease Space Available (SF)	2.6 M	2.8 M	3.0 M

Vacancy Rate

The direct vacancy in D.C. increased to 18.2% at the end of Q1 2026, totaling approximately 28.2 million square feet total of vacant space. Total vacancy increased to 19.0%, totaling approximately 29.4 million square feet.

Sublease vacancy decreased to 0.8% at the end of Q1 2026, with approximately 1.2 million square feet of vacant space available, while a total of 2.6 million square feet of sublease is being marketed as available (1.7% of the total availability rate).

The amount of sublease space available decreased 124,000 square feet since Q4 2025. Approximately 76% of this space was subleased to Howard University, taking Georgetown University's former space.

Net Absorption

The Washington, D.C. market recorded negative 558,690 square feet of net absorption in Q1 2026, a significant increase from the negative 149,078 square feet absorbed in Q4 2025.

Tenants contributing to the negative net absorption included Crowell vacating 342,685 square feet at 1001 Pennsylvania Avenue, NW relocating into approximately 200,000 square feet at 600 5th Street, NW and HUD (Housing and Urban Development) vacating 79,322 square feet at 425 3rd Street, SW.

The Central Business District (CBD) market recorded negative 173,530 square feet of net absorption in Q1 2026, while the East End recorded negative 241,625 square feet of net absorption in Q1 2026.

Leasing Activity

Total leasing activity for transactions over 10,000 square feet ("large deals") totaled approximately 597,000 square feet in Q1 2026. Of these leases 10,000 square feet and greater, 68% were tenants relocating to new space, while 32% were tenants renewing in-place or subleasing.

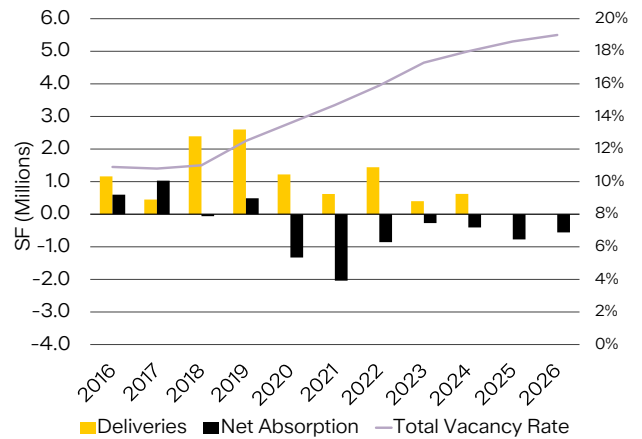
Notably, all large tenant relocations (330,000 SF) in Q1 were to Trophy or Class A assets, highlighting continued tenant preference for high-quality, amenity-rich spaces in prime locations.

Among direct relocations over 10,000 square feet, the non-profit and associations sector led with 29% of transactions and accounted for 21% (68,000 SF) of the square footage leased. Media and communication services followed at 12% of these transactions, highlighting ongoing activity in these industries.

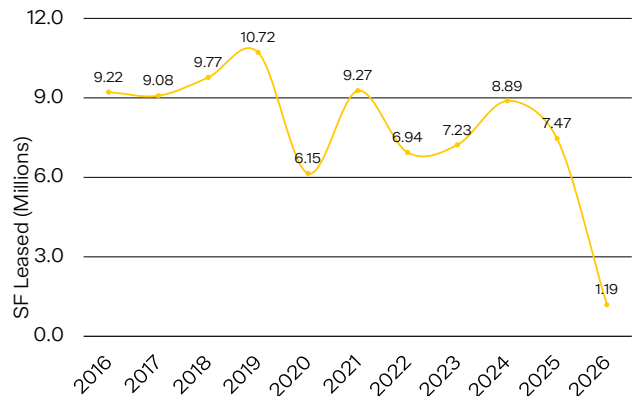
For all deals over 10,000 square feet, legal and government tenants made up 23% of the square footage leased (137,100 SF), with several among the Top Ten by size—reinforcing their role as consistent drivers of demand in the D.C. office market.

The Washington, D.C. market totaled 1,193,407 square feet of leasing in Q1 2026, representing a 40.6% decrease compared to the 2,009,521 square feet leased in Q4 2025.

Deliveries | Net Absorption | Vacancy Rate



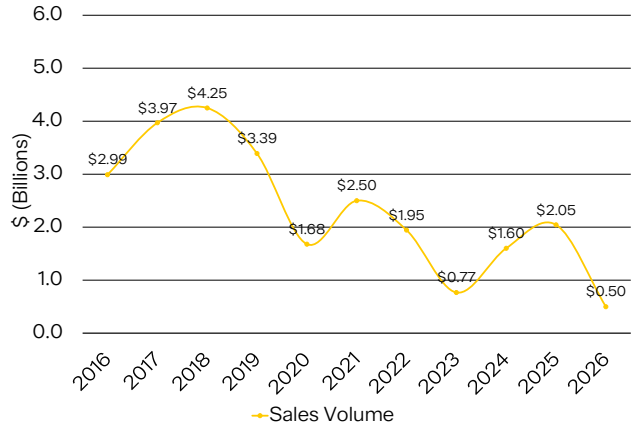
Leasing Activity



Sales Volume

There were eight sale transactions, totaling \$499,500,000 in Q1 2026. The three largest sales transactions this quarter included; 2001 M Street, NW selling to Stream Realty for \$163.3 M (\$573 psf), 2445 M Street, NW selling to Eagle Cliff Real Estate for \$101.0 M (\$337 psf), and 1401 New York Avenue, NW selling to Carr Properties/ Barings for \$85.0 M (\$402 psf).

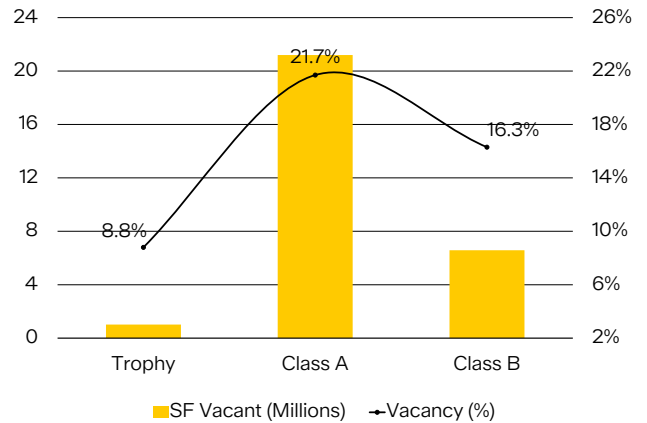
Sales Volume



Vacant Space Available & Vacancy By Class

In Q1 2026, the total vacancy rate for Trophy in D.C. decreased to 8.8% (approx. 1.0 M SF), Class A total vacancy increased to 21.7% (approx. 21.2 M SF), while Class B total vacancy increased to 16.3% (approx. 6.6 M SF).

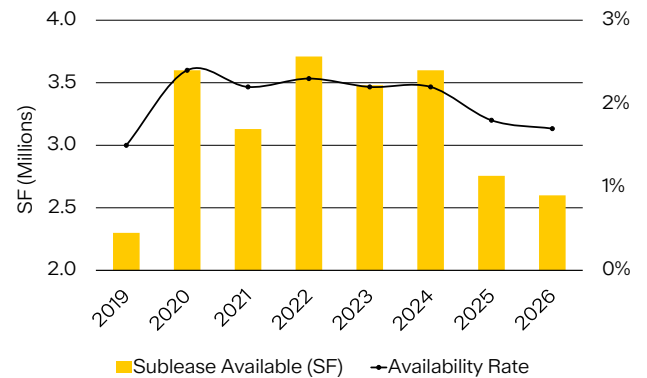
Vacant Space Available & Vacancy By Class



Sublease Space Available

Approximately 2,633,000 square feet of sublease space was available at the end of Q1 2026. The amount of sublease space available has decreased approximately 124,000 square feet since Q4 2025. Approximately 76% of this space was subleased to Howard University, backfilling Georgetown University's former location.

Sublease Space Available





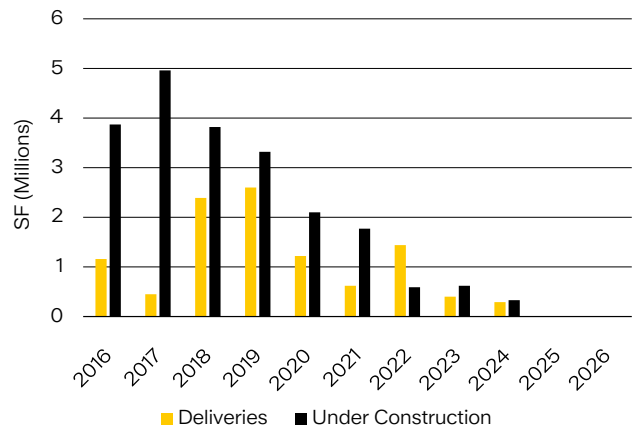
Construction

No new buildings broke ground, nor delivered, in the Washington, D.C. market in Q1 2026.

725 12th Street, NW was still being demolished at the end of Q1 2026, with ground up construction expected to begin in Q2 2026. The new 320,000-square-foot Trophy asset remains 86.5% pre-leased to McDermott, Will, & Schulte and Cooley is expected to deliver in late 2028.

Additionally, 2100 M Street, NW is expected to be demolished and redeveloped into a new 320,000-square-foot Trophy property. The project is currently 75.0% pre-leased to Sidley Austin, anticipating a 2028 construction start to align with Sidley's projected 2031 commencement.

Deliveries | Under Construction



Address	RBA (SF)	CLASS	DELIVERING	PRE-LEASED
-	-	-	-	-

Top Ten Leases

In Q1 2026, there were six new leases, three renewals, and one sublease in the Top Ten. There were no leases executed over 100,000 square feet.

The largest deal executed this quarter was by Howard University with a 93,924-square-foot sublease at 650 Massachusetts Avenue, NW.

The largest public sector lease signed this quarter was GSA - Department of Justice renewal for 62,000 square feet at 1331 F Street, NW.

The Legal sector was well represented in the Top Ten this quarter. Ogletree Deakins leased 24,041 square feet at 1776 Eye Street, NW, Kellen renewed 32,927 square feet at 529 14th Street, NW, and Willkie Farr & Gallagher signed a 17,739-square-foot lease at 1875 K Street, NW.











Media / Communications tenants also contributed to the Top Ten. Washington Times (Media DC) renewed

a 33,079-square-foot lease at 1152 15th Street, NW and an undisclosed broadcasting tenant leased 31,188 square feet at 1325 G Street, NW.









Business Services and Biotech were also present with Convene signing a 26,615-square-foot lease at 600 14th Street, NW and Bristol Myers Squibb leasing 21,647 square feet at 250 Massachusetts Avenue, NW.

Rounding out the Top Ten was Sports & Entertainment with the Washington Commanders signing a 60,000 square feet lease at 2200 Pennsylvania Avenue, NW.

The Washington, D.C. market totaled 1,193,407 square feet of leasing in Q1 2026, representing a 40.6% decrease compared to the 2,009,521 square feet leased in Q4 2025.

		Tenant	Size (SF)	Type	
	01	650 Mass 650 Massachusetts Avenue, NW	Howard University	93,924	Sublease
	02	1331 F 1331 F Street, NW	GSA - Department of Justice	62,000	Renewal
	03	2200 Penn 2200 Pennsylvania Avenue, NW	Washington Commanders	60,000	New
	04	Columbia Center 1152 15th Street, NW	Washington Times (Media DC)	33,079	Renewal
	05	National Press Building 529 14th Street, NW	Kellen	32,927	Renewal
	06	1325 G 1325 G Street, NW	Undisclosed Broadcasting	31,188	New
	07	Hamilton Square 600 14th Street, NW	Convene	26,615	New
	08	Republic Place 1776 Eye Street, NW	Ogletree Deakins	24,041	New
	09	Capitol Crossing 250 Massachusetts Avenue, NW	Bristol-Myers Squibb	21,647	New
	10	1875 K 1875 K Street, NW	Willkie Farr & Gallagher	17,739	New

Top D.C. Sales Transactions (over \$10.0M)

Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Comment
 2001 M 2001 M Street, NW	CBD	Jan 2026	\$163.3M	\$573	Stream Realty	Brookfield / DWS Group	284,994	A	93%	9.20% Cap Rate
 2445 M 2445 M Street, NW	West End	Mar 2026	\$101.0M	\$337	Eagle Cliff Real Estate	Beacon Capital Partners	299,668	A	91%	N/A Cap Rate
 1401 NY 1401 New York Avenue, NW	East End	Jan 2026	\$85.0M	\$402	Carr Properties / Barings	AXA Investment / Stewart Investment	211,446	A	94%	11.00% Cap Rate
 Watergate 600 New Hampshire Avenue, NW	West End	Mar 2026	\$52.5M	\$166	Jetset Hospitality	Elme Communities	316,000	A	80%	19.90% Cap Rate
 633 Indiana 633 Indiana Ave, NW	East End	Jan 2026	\$30.7M	\$163	Johns Hopkins University	Zuckerman Gravely	188,672	B	100%	Owner user
 Colorado Building 1341 G Street, NW	East End	Jan 2026	\$27.0M	\$203	America First	Douglas Development	132,714	A	55%	N/A Cap Rate
 301 7th* 301 7th Street, SW	Southwest	Mar 2026	\$24.3M	\$26	Dalian Development	GSA	940,096	C	0%	Expected mixed-use conversion
 10 G 10 G Street, NE	NoMa	Feb 2026	\$20.0M	\$78	MRP Realty / Snell / SJG Properties	American Psychological Association	256,503	A	60%	11.69% Cap Rate
 Colorado Building 1341 G Street, NW	East End	Jan 2026	\$20.0M	\$151	Douglas Development	New York Life Company	132,714	A	55%	REO

*Federal building. Not included in office inventory or sales for the quarter.



Outlook

Market fundamentals softened further in Washington, D.C. in Q1 2026. Total vacancy rose to 19.0%, while the market recorded negative 558,690 square feet of net absorption, and leasing activity decreased by 41% from Q4 2025. Sales volume, however, totaled \$499.5 M in Q1 2026, a 129% increase from Q4 2025. Trophy assets continued to outperform the broader market, with vacancy declining 220 basis points from 11.0% to 8.8% in Q1 2026. Limited inventory, coupled with a constrained pipeline, has driven an increase in average Trophy asking rents. Average asking Trophy rents increased \$7.00 psf to approximately \$66.00 NNN in Q1 2026 (with a few assets asking over \$100.00 NNN). The office inventory in D.C. continued to decrease in the Q1 2026 with approximately 685K SF (1825 & 1875 Connecticut Avenue, NW) removed for future residential redevelopment. This office to residential trend is expected to continue throughout 2026, and with no new buildings expected to deliver in the near future, the office inventory of D.C. will continue to compress.

Reduced Government spending on certain Federal agencies is expected as outlined in the Trump Administration's 2027 budget proposal, including a 10% spending cut to non-defense agencies. Locally, the GSA is expected to continue its efforts to reduce the Federal footprint across the D.C. region through space consolidations and the disposition of properties. The former GSA Regional Office Building sold in Q1 2026 to a developer and the Liberty Loan Building is currently under contract to an undisclosed buyer.

MetroRail ridership continues to improve, reflecting a continued influx of employees returning to the office. Year-to-date 2026 MetroRail ridership is currently at 77.1% of 2019 ridership, averaging 482,000 passengers per day (Monday-Friday, excluding holidays). YTD 2026 MetroRail ridership is already up 2.8% compared to 2025.



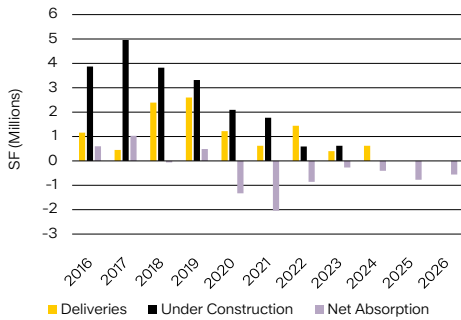
Market Spotlights

Washington, D.C.

Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	154.9 M
Direct Vacancy	18.2%
Total Vacancy	19.0%
YTD 2026 Absorption (SF)	-559 K
YTD 2026 Leasing Activity (SF)	1.2 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in the Washington, D.C. market increased to 18.2% at the end of Q1 2026, up from 17.7% at the end of Q4 2025. Total vacancy increased to 19.0% at the end of Q1 2026, up from 18.6% at the end of Q1 2025.

The D.C. market recorded negative 558,690 square feet of net absorption in Q1 2026, a significant increase from the 149,078 square feet absorbed in Q4 2025. Tenants contributing to the negative net absorption this quarter included HUD (Housing and Urban Development) vacating 79,322 square feet at 425 3rd Street, SW and Rally Health vacating 39,697 square feet at 3000 K Street, NW.

A total of 1,193,407 square feet was leased in Q1 2026, a major decrease from the 2,009,521 square feet leased in Q4 2025. Tenants executing leases this quarter included the Washington Commanders signing for a 60,000-square-foot lease at 2200 Pennsylvania Avenue, NW and Washington Times (Media DC) renewing for 33,079 square feet at 1152 15th Street, NW.

There were eight sale transactions in Q1 2026, totaling \$499,500,000. The largest sale to occur this quarter was 2001 M Street, NW trading to Stream from Brookfield / DWS Group for \$163.3M (\$573 psf).

725 12th Street, NW was still being demolished at the end of Q1 2026, with ground up construction expected to begin in Q2 2026. The new 320,000-square-foot Trophy asset remains 86.5% pre-leased to McDermott, Will, & Schulte and Cooley is expected to deliver in late 2028. 2100 M Street, NW will also be demolished and redeveloped into a 320,000 SF Trophy property. The building is currently 75.0% pre-leased to Sidley Austin, with construction anticipated to begin in 2028 for a projected 2031 delivery.

10 Year Averages 2016-2025

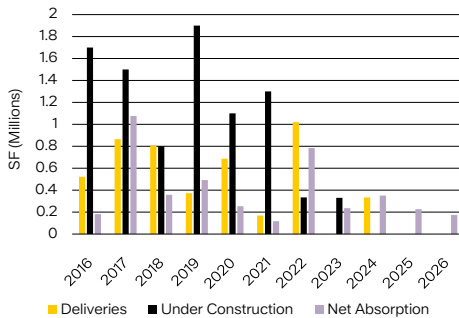
Net Absorption (SF)	-362 K per year
Deliveries (SF)	1.1 M per year
Leasing Activity (SF)	8.5 M per year

Asking Rental Rates (Full Service / PSF)

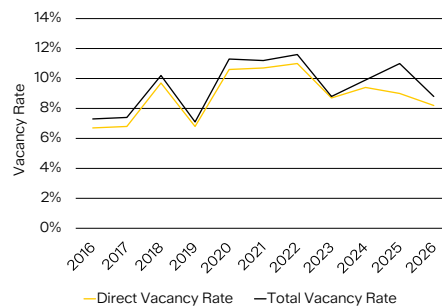
2016	\$52.96
2025	\$54.79
YTD 2026	\$55.07



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	11.4 M
Direct Vacancy	8.2%
Total Vacancy	8.8%
YTD 2026 Absorption (SF)	174 K
YTD 2026 Leasing Activity (SF)	95 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in the Trophy market decreased to 8.2% at the end of Q1 2026, down from 9.0% at the end of Q4 2025.

Total vacancy in the Trophy market decreased to 8.8% at the end of Q1 2026, down from 11.0% at the end of Q4 2025.

The Trophy submarket recorded 174,459 square feet of net absorption in Q1 2026, an increase from the 89,112 square feet absorbed in Q4 2025. Tenants contributing to the positive net absorption this quarter included Crowell Moring moving into 202,475 square feet at 600 5th Street, NW and Davis Polk expanding into 15,481 square feet at 1050 17th Street, NW.

A total of 95,400 square feet was leased in Q1 2026, a decrease from the 345,916 square feet leased in Q4 2025. Tenants executing leases this quarter included Ryan Tax expanding for 7,903 square feet at 2050 M Street, NW and an undisclosed tenant leasing 7,570 square feet at 2100 Pennsylvania Avenue, NW.

Construction activity remains limited to a couple of downtown projects. The redevelopment of 725 12th Street, NW into a Trophy asset is also underway, with demolition ongoing and construction pending. The project is 86.5% pre-leased to McDermott Will & Schulte and Cooley and is scheduled to deliver in late 2028. 2100 M Street, NW will also be redeveloped into a 320,000-square-foot Trophy office, 75.0% pre-leased to Sidley Austin LLP, with demolition targeted for 2028.

10 Year Averages 2016-2025

Net Absorption (SF)	408 K per year
Deliveries (SF)	478 K per year
Leasing Activity (SF)	757 K per year

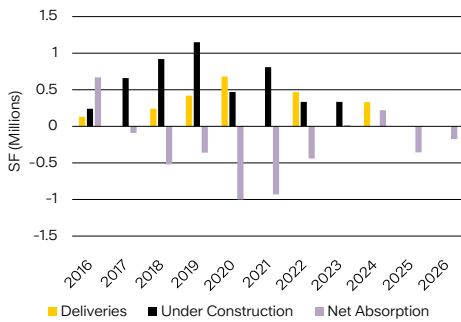
Asking Rental Rates (Triple Net / PSF)

YTD 2026	\$65.67
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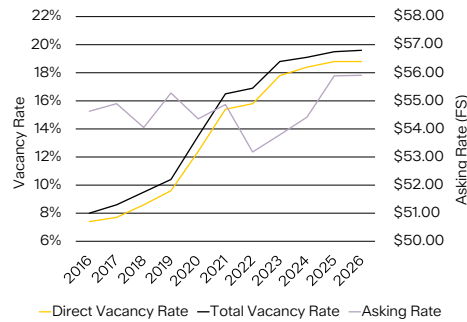
*The Triple Nets for Trophy buildings (for FS equivalent) ranges from \$32.00 - \$38.00 psf



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	46.5 M
Direct Vacancy	18.8%
Total Vacancy	19.6%
YTD 2026 Absorption (SF)	-174 K
YTD 2026 Leasing Activity (SF)	376 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD remained flat at 18.8% at the end of Q1 2026.

Total vacancy in the CBD market increased to 19.6% at the end of Q1 2026 up from 19.5% at the end of Q4 2025.

The CBD recorded negative 173,530 square feet of net absorption in Q1 2026, a major decline from the 85,751 square feet absorbed in Q4 2025. Tenants contributing to the negative net absorption this quarter included Union of Concerned Scientist vacating 20,651 square feet at 1825 K Street, NW (relocating to a 12,000-square-foot sublease at 1350 Eye Street, NW) and United Nations vacating 23,032 square feet at 1750 Pennsylvania Avenue, NW.

A total of 375,964 square feet was leased in Q1 2026, a decrease from the 851,535 square feet leased in Q4 2025. Tenants executing leases this quarter included the Washington Commanders signing a 60,000-square-foot lease at 2200 Pennsylvania Avenue, NW and Ogletree Deakins signing for 24,041 square feet at 1776 Eye Street, NW.

There was one sale transaction in the CBD this quarter. 2001 M Street, NW sold to Stream as an investment sale from Brookfield Properties / DWS Group for \$163,250,000 (\$573 psf). This 285,000-square-foot, Class A building was 93% leased at the time of sale and traded at a 9.20% Cap Rate.

10 Year Averages 2016-2025

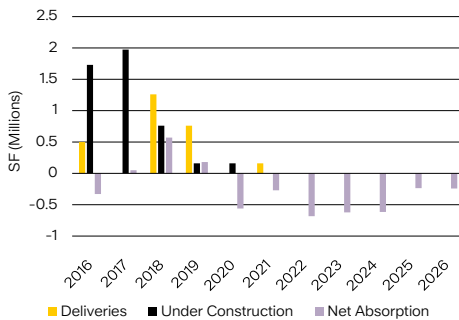
Net Absorption (SF)	-279 K per year
Deliveries (SF)	227 K per year
Leasing Activity (SF)	2.3 M per year

Asking Rental Rates (Full Service / PSF)

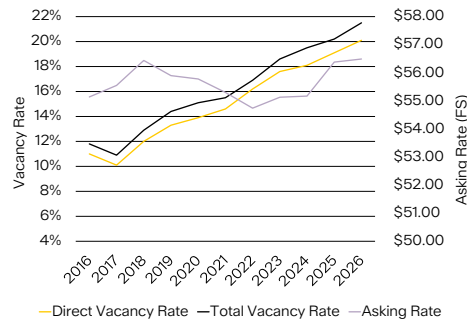
2016	\$55.14
2025	\$55.89
YTD 2026	\$55.91



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	52.2 M
Direct Vacancy	20.1%
Total Vacancy	21.5%
YTD 2026 Absorption (SF)	-242 K
YTD 2026 Leasing Activity (SF)	584 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in East End increased to 20.1% at the end of Q1 2026, up from 19.1% at the end of Q4 2025.

Total vacancy in the East End increased to 21.5% at the end of Q1 2026, up from 20.2% at the end of Q4 2025.

The East End recorded negative 241,625 square feet of net absorption in Q1 2026, an increase from the negative 187,670 square feet absorbed in Q4 2025. Tenants contributing to the negative net absorption included Earthjustice vacating 35,081 square feet at 1001 G Street, NW and Palladium vacating 32,724 square feet at 1331 Pennsylvania Avenue, NW.

A total of 584,182 square feet was leased in Q1 2026, an increase from the 524,500 square feet leased in Q4 2025. Tenants executing leases this quarter included GSA - Department of Justice signing a 62,000-square-foot renewal at 1331 F Street, NW and Kellen renewing 32,927 square feet at 529 14th Street, NW.

There were four sale transactions in the East End this quarter. 1401 New York Avenue, NW was sold to Carr Properties / Barings for \$85,000,000 (\$402 psf), 633 Indiana Avenue, NW sold to Johns Hopkins University as an owner-user sale for \$30,700,000 (\$163 psf), and 1341 G Street, NW traded as an REO sale to Douglas Development for \$20,000,000 (\$151 psf), before being immediately resold to America First for \$27,000,000 (\$203 psf).

10 Year Averages 2016-2025

Net Absorption (SF)	-249 K per year
Deliveries (SF)	268 K per year
Leasing Activity (SF)	2.9 M per year

Asking Rental Rates (Full Service / PSF)

2016	\$55.14
2025	\$56.38
YTD 2026	\$56.49

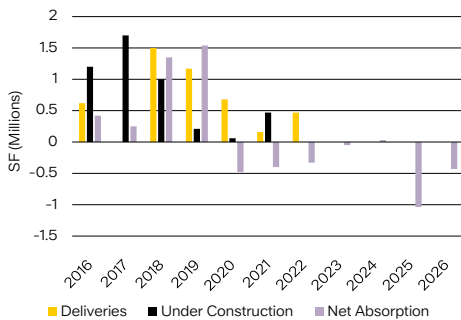
Market Spotlight

CBD / East End Class A

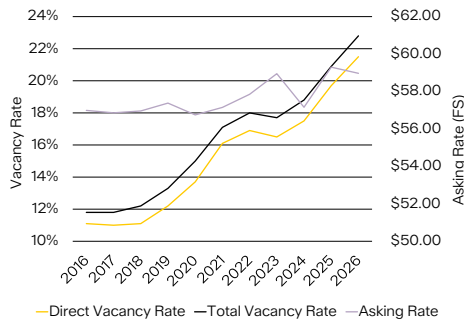
Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	63.0 M
Direct Vacancy	21.5%
Total Vacancy	22.8%
YTD 2026 Absorption (SF)	-430 K
YTD 2026 Leasing Activity (SF)	770 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD / East End Class A increased to 21.5% at the end of Q1 2026, up from 19.7% at the end of Q4 2025.

Total vacancy in the CBD / East End Class A market increased to 22.8% at the end of Q1 2026, up from 20.9% at the end of Q4 2025.

The Class A market recorded negative 429,512 square feet of net absorption in Q1 2026, a notable increase from the negative 96,193 square feet of Class A space absorbed in Q4 2025. Tenants contributing to the negative net absorption this quarter included Consumer Healthcare Products Association vacating 23,946 square feet at 1625 Eye Street, NW.

Class A leasing activity totaled 769,759 square feet in Q1 2026, a decrease from the 1,071,633 square feet leased in Q4 2025. Tenants executing leases this quarter included Washington Times (Media DC) renewing for 33,079 square feet at 1152 15th Street, NW and ECMC Foundation signing for 13,996 square feet at 1300 Connecticut Avenue, NW.

There were four Class A sale transactions in the CBD / East End this quarter. 2001 M Street, NW sold to Stream for \$163,300,000 (\$573 psf), 1401 New York Avenue, NW sold to Carr Properties/Barings for \$85,000,000 (\$402 psf), and 1341 G Street, NW (Colorado Building) sold to Douglas Development for \$20,000,000 (\$151 psf), before being immediately resold to America First for \$27,000,000 (\$203 psf).

10 Year Averages 2016-2025

Net Absorption (SF)	129 K per year
Deliveries (SF)	493 K per year
Leasing Activity (SF)	3.5 M per year

Asking Rental Rates (Full Service / PSF)

2016	\$56.99
2025	\$59.30
YTD 2026	\$58.97

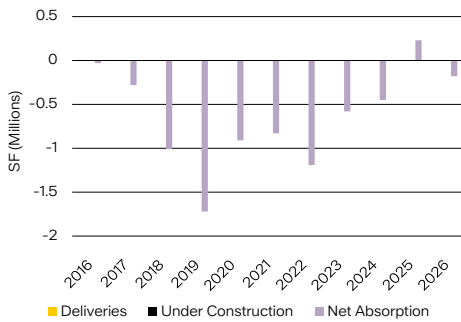
Market Spotlight

CBD / East End Class B

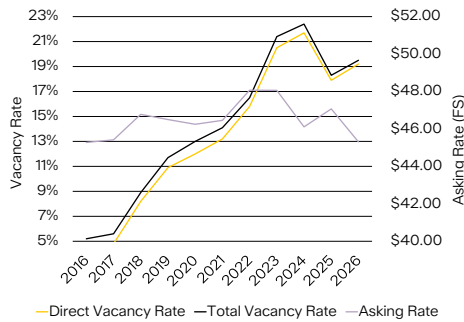
Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	25.0 M
Direct Vacancy	19.2%
Total Vacancy	19.5%
YTD 2026 Absorption (SF)	-179 K
YTD 2026 Leasing Activity (SF)	169 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in CBD / East End Class B increased to 19.2% at the end of Q1 2026, up from 17.9% at the end of Q4 2025.

Total vacancy in the CBD / East End Class B market increased to 19.5% at the end of Q1 2026, up from 18.3% at the end of Q4 2025.

Class B buildings recorded a total of negative 178,610 square feet of net absorption in Q1 2026, a notable decrease from the 14,244 square feet of Class B absorbed in Q4 2025. Contributing to the negative net absorption this quarter was Kiernan Trebach vacating 40,542 square feet at 1233 20th Street, NW and Department of Youth vacating 31,337 square feet at 450 H Street, NW, leaving the property vacant.

Class B leasing activity totaled 169,075 square feet in Q1 2026, an increase from the 96,774 square feet leased in Q4 2025. Tenants executing leases this quarter included GSA - Department of Justice signing a 62,000-square-foot renewal at 1331 F Street, NW and Templeton Academy signing for 10,338 square feet at 825-829 7th Street, NW.

There was one Class B sale reported in the CBD / East End this quarter. 633 Indiana Avenue, NW sold to Johns Hopkins University as an owner-user sale for \$30,700,000 (\$163 psf).

10 Year Averages 2016-2025

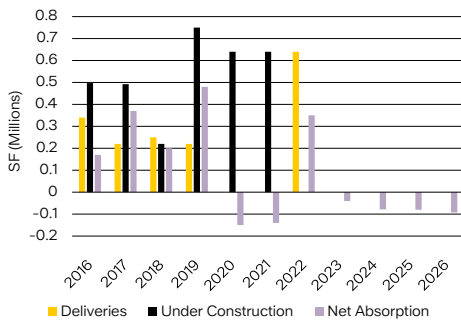
Net Absorption (SF)	-678 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	1.5 M per year

Asking Rental Rates (Full Service / PSF)

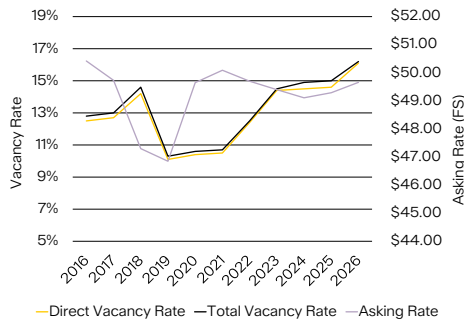
2016	\$45.28
2025	\$47.07
YTD 2026	\$45.31



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	13.0 M
Direct Vacancy	16.1%
Total Vacancy	16.2%
YTD 2026 Absorption (SF)	-92 K
YTD 2026 Leasing Activity (SF)	11 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Southwest increased to 16.1% at the end of Q1 2026, up from 14.6% at the end of Q4 2025.

Total vacancy in the Southwest market increased to 16.2% at the end of Q1 2026, up from 15.0% at the end of Q4 2025.

The Southwest recorded negative 92,490 square feet of net absorption in Q1 2026, a decline from the 29,075 square feet absorbed in Q4 2025. Tenants contributing to the negative net absorption included Department of Housing and Urban Development (HUD) vacating 79,322 square feet at 425 3rd Street, SW and Graduate School USA vacating 21,000 square feet at 600 Maryland Avenue, SW.

A total of 11,121 square feet was leased in Q1 2026, a major decrease from the 176,881 square feet leased in Q4 2025. Tenants executing leases this quarter included Congressional Hispanic Caucus Institute signing for 4,400 square feet at 800 Maine Avenue, SW.

There were no sales transactions in Southwest this quarter.

10 Year Averages 2016-2025

Net Absorption (SF)	108 K per year
Deliveries (SF)	167 K per year
Leasing Activity (SF)	937 K per year

Asking Rental Rates (Full Service / PSF)

2016	\$52.22
2025	\$49.29
YTD 2026	\$49.66

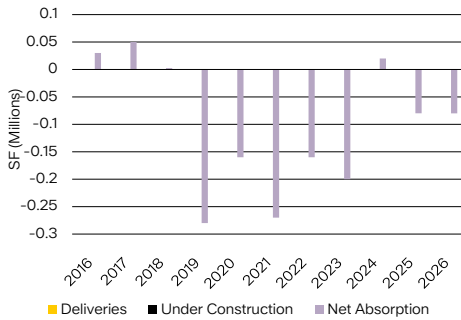
Market Spotlight

West End / Georgetown

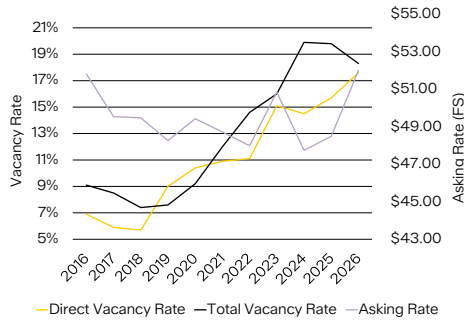
Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	7.7 M
Direct Vacancy	17.6%
Total Vacancy	19.1%
YTD 2026 Absorption (SF)	-82 K
YTD 2026 Leasing Activity (SF)	27 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in West End / Georgetown increased to 17.6% at the end of Q1 2026, up from 15.7% at the end of Q4 2025.

Total vacancy in the West End / Georgetown market increased to 19.1% at the end of Q1 2026, up from 18.3% at the end of the Q4 2025.

The West End / Georgetown recorded negative 82,287 square feet of net absorption in Q1 2026, an improvement from the negative 107,772 square feet absorbed in Q4 2025. Tenants contributing to the negative net absorption included Rally Health vacating 39,697 square feet at 3000 K Street, NW.

A total of 27,258 square feet was leased in Q1 2026, a decrease from the 128,222 square feet leased in Q4 2025. Tenants executing leases this quarter included an undisclosed tenant signing for 8,168 square feet at 3299 K Street, NW and The Boat Company signing for 3,774 square feet at 2600 Virginia Avenue, NW.

There were two sale transactions in the West End / Georgetown this quarter. 2445 M Street, NW sold to Eagle Cliff Real Estate from Beacon Capital Partners for \$101,000,000 (\$337 psf) and 600 New Hampshire Avenue, NW sold to Jetset Hospitality from Elme Communities for \$52,500,000 (\$166 psf).

10 Year Averages 2016-2025

Net Absorption (SF)	-105 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	355 K per year

Asking Rental Rates (Full Service / PSF)

2016	\$51.83
2025	\$48.50
YTD 2026	\$52.02

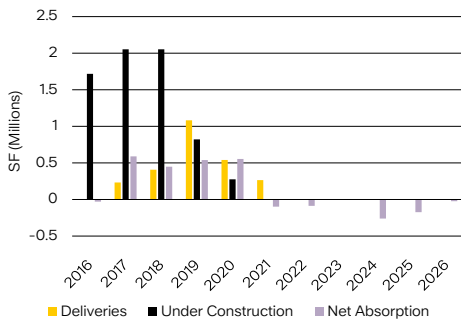
Market Spotlight

Capitol Hill / NoMa

Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	18.6 M
Direct Vacancy	17.3%
Total Vacancy	17.7%
YTD 2026 Absorption (SF)	-24 K
YTD 2026 Leasing Activity (SF)	120 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Capitol Hill / NoMa increased to 17.3% at the end of Q1 2026, up from 16.7% at the end of Q4 2025.

Total vacancy in the Capitol Hill / NoMa market increased to 17.7% at the end of Q1 2026, up from 17.2% at the end of Q4 2025.

Capitol Hill / NoMa recorded negative 23,668 square feet of net absorption in Q1 2026, a decrease from the 39,926 square feet absorbed in Q4 2025. Tenants contributing to the negative net absorption included Nelson Mullins vacating 60,284 square feet at 101 Constitution Avenue, NW and relocating to approximately 45,000 square feet at 901 15th Street, NW.

A total of 120,400 square feet was leased in Q1 2026, a decrease from the 242,131 square feet leased in Q4 2025. Tenants executing leases this quarter included Bristol-Myers Squibb signing for 21,647 square feet at 250 Massachusetts Avenue, NW and Gray Local Media Inc. signing for 17,398 square feet at 750 1st Street, NE.

There was one sale transaction in Capitol Hill/ NoMa this quarter. 10 G Street, NE sold to a joint venture between MRP Realty, Snell Properties, and SJG Properties from American Psychological Association (APA) for \$20,000,000 (\$78 psf). The Class A, 256,500-square-foot property was 60% leased at time of sale and traded at a 11.69% Cap Rate.

10 Year Averages 2016-2025

Net Absorption (SF)	150 K per year
Deliveries (SF)	253 K per year
Leasing Activity (SF)	1.4 M per year

Asking Rental Rates (Full Service / PSF)

2016	\$52.49
2025	\$54.69
YTD 2026	\$54.70

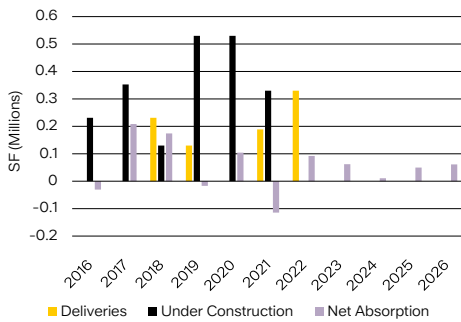
Market Spotlight

Capitol Riverfront

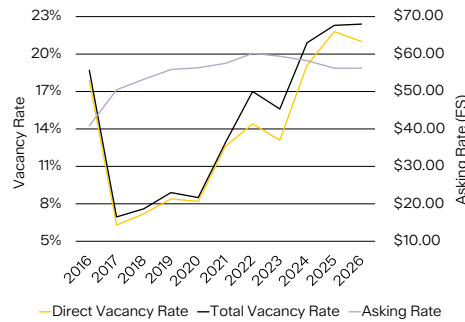
Q1 2026



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats Q1 2026

Inventory (SF)	3.4 M
Direct Vacancy	21.0%
Total Vacancy	22.4%
YTD 2026 Absorption (SF)	61 K
YTD 2026 Leasing Activity (SF)	27 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

Direct vacancy in Capitol Riverfront decreased to 21.0% at the end of Q1 2026, down from 21.8% at the end of Q4 2025.

Total vacancy in the Capitol Riverfront market decreased to 22.4% at the end of Q1 2026, down from 23.3% at the end of Q4 2025.

The Capitol Riverfront recorded 61,092 square feet of net absorption in Q1 2026, significant increase from the 3,310 square feet absorbed in Q4 2025. Tenants contributing to the positive net absorption included Burr & Forman moving into 12,486 square feet at 99 M Street, SE and WSP USA moving into 12,500 square feet at 80 M Street, SE.

A total of 27,080 square feet was leased in Q1 2026, a decline from the 51,743 square feet leased in Q4 2025. Tenants executing leases this quarter included Thorn Run Partners renewing for 10,000 square feet at 100 M Street, SE and Epirus signing for 6,590 square feet at 80 M Street, SE.

There was no sale transaction in Capitol Riverfront this quarter.

10 Year Averages 2016-2025

Net Absorption (SF)	54 K per year
Deliveries (SF)	88 K per year
Leasing Activity (SF)	287 K per year

Asking Rental Rates (Full Service / PSF)

2016	\$48.06
2025	\$56.23
YTD 2026	\$56.21

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