Office Market Report

Washington, D.C.

Q4 2025

Lincoln

Contents

Metropolitan D.C. Market Overview

Overall Market Summary

The Washington, D.C. Metropolitan commercial real estate market is comprised of approximately 431.5 million square feet of rentable office space located in the District of Columbia, Northern Virginia, and Suburban Maryland.

The total vacancy rate ticked down 10 basis points to 17.9% at the end of Q4 2025, while the market recorded 119,971 square feet of net absorption. Contributing to the positive net absorption this quarter included Westat moving into 182,040 square feet at 7501 Wisconsin Avenue in Bethesda, MD.

Leasing activity totaled 5,660,021 square feet for the quarter. The largest lease executed in the market was a 600,000-square-foot renewal by Deloitte at 1901 N Lynn Street - Waterview Tower in Arlington, VA.

A total of 387,000 square feet was under construction at the end of Q4 2025, with 91.0% of the space pre-leased. Two of the buildings currently under construction, located in Virginia, are HITT's new headquarters at 7125 W Falls Station Boulevard (270,000 SF) in Merrifield and 2 Exchange Place - One Uptown (35,000 SF) in Loudoun. 1328 Fenwick Lane (82,000 SF), in Silver Spring, is the lone building under construction in Maryland.

There were seventeen sales transactions in Q4 2025, totaling $461,090,000. Among the larger sales was 15050 Conference Center Drive - Stonegate I trading to COPT Defense from DWS for $40,200,000 ($283 psf). Located in the Route 28 South submarket of VA, this 142,000-square-foot, Class A building was 100% leased at time of sale and traded at a 9.00% Cap Rate.

Average asking rental rates increased $0.07 to $41.59 per square foot, Full Service.

The D.C. Metropolitan Statistical Area (MSA) lost 48,500 jobs from November 2024-November 2025, representing negative 1.4% growth over this 12-month period.

The unemployment rate for the D.C. Metro decreased to 4.1% in Q4 2025, a decrease of 20 basis points since last quarter (primarily due to a shrinking labor force).

Direct Vacancy
(Q4 2025)

		(YOY)
DC	17.7%	▲
VA	16.0%	▼
MD	18.2%	▲
Metro Area (YTD)	17.1%	

Total Vacancy
(Q4 2025)

		(YOY)
DC	18.6%	▲
VA	16.8%	▼
MD	19.0%	▲
Metro Area (YTD)	17.9%	

Net Absorption
(SF, YTD Q4 2025)

		(YOY)
DC	-821,704	▼
VA	-229,518	▼
MD	-329,628	▼
Metro Area (YTD)	-1,380,850	

Leasing Activity
(SF, YTD Q4 2025)

		(YOY)
DC	7,466,327	▼
VA	8,833,655	▼
MD	2,949,682	▼
Metro Area (YTD)	19,249,664	

Market Outlook

Despite a 43-day Government shutdown and the significant loss of Federal jobs across the region, market fundamentals for the Metropolitan Washington, D.C. office market showed some signs of stabilization and improvement in 2025. The total vacancy rate remained flat around 17.9% Y-o-Y (primarily due to a reduction in inventory). Even though the market absorbed approximately negative 1.4 M SF in 2025, this represented a notable improvement from the negative 3.8 M SF absorbed in 2024. Total leasing activity, however, decreased 10.3% in 2025 compared to 2024 (19.2 M SF leased in 2025 vs 21.4 M SF leased in 2024). Approximately 4.5 M SF was removed from the office inventory in 2025 to make way for new residential (primarily), or data center, development; this trend is expected to continue. Lastly, the office construction pipeline remains at historic lows with only three buildings, totaling 387,000 square feet, under construction in the D.C. Metro.

Kastle Systems "return-to-office" tracker averaged approximately 50% for the D.C. Metro in 2025, with an RTO Peak Day average of 60%. A few of these individual peak days has hit 64% RTO (a new high). Year-end MetroRail ridership was at 75.0% of 2019 ridership, averaging 469,000 passengers per day (Monday-Friday, excluding holidays).

According to the Bureau of Labor Statistics (BLS), the unemployment rate in the D.C. Metro decreased to 4.1% in Q4 2025, while the national unemployment rate increased to 4.6%. From November 2024-November 2025, sectors experiencing the most job losses were Government with 46,000, followed by Professional & Business Services with 20,300. The Mining, Logging & Construction sector, however, gained the most with 9,600 new jobs.

GSA / National Capital Region (NCR)

The Federal Government had an eventful end of 2025, shaped by the Government shutdown. The shutdown halted active procurements, impacting project schedules nationally. The plan to dispose of underutilized Federal buildings across the country continues to move forward. The FBI has confirmed their plan to relocate from the Hoover Building to the Ronald Reagan Building, other agencies such as the Department of Agriculture and Department of Energy are likely to follow. There is a maintained level of optimism that these federal relocations can result in additional leasing demand for the market. The newest iteration of GSA's broker contract should be awarded by the middle of 2026, which typically coincides with increased procurement activity.

D.C. Market Summary

The Washington, D.C. office market currently consists of 804 buildings, over 25,000 square feet, totaling approximately 155.5 million square feet of rentable space.

As of November 2025, the unemployment rate for the District of Columbia increased to 6.2%, while the unemployment rate for the Washington, D.C. Metropolitan area decreased to 4.1%. The national unemployment rate increased to 4.6%.

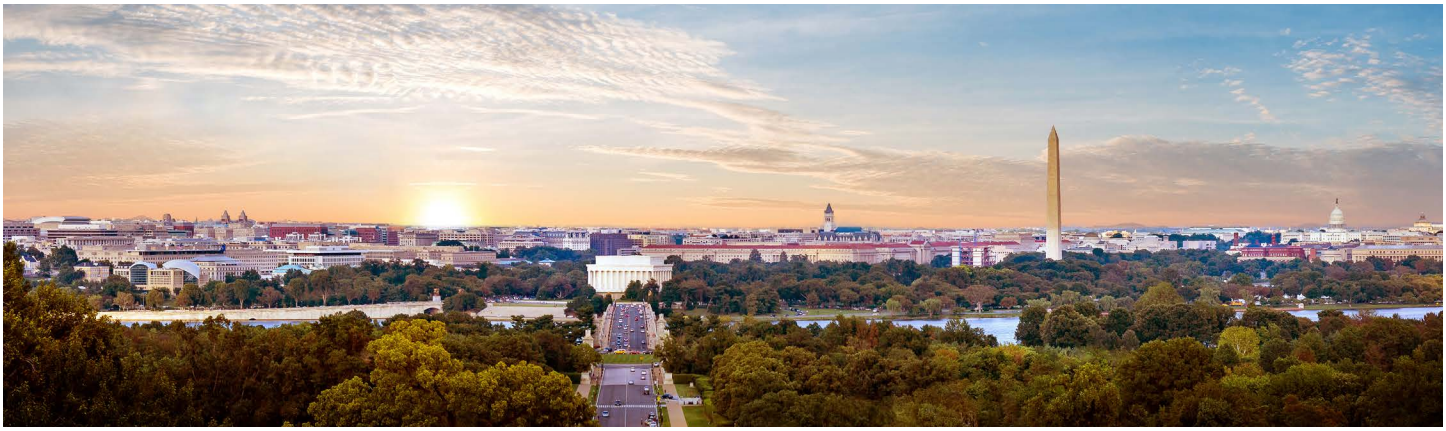
The Washington, D.C. Metropolitan Statistical Area (MSA) lost 48,500 jobs from November 2024 - November 2025, representing a 1.4% decline Y-o-Y. Sectors losing the most jobs were Government with 46,000, followed by Professional & Business Services with 20,300 and Trade, Transportation, & Utilities with 5,800. In contrast, Mining, Logging & Construction gained the most, adding 9,600 jobs over the same period.

The D.C. market recorded negative 149,078 square feet of net absorption in Q4 2025. Contributing to the negative net absorption was Federal Bureau of Investigation (FBI) vacating 250,689 square feet at 1025 F Street, NW (The Woodies Building).

The Washington, D.C. market totaled 2,009,521 square feet of leasing in Q4 2025. Law firm Sidley Austin signed the largest lease this quarter with a 240,000-square-foot pre-lease at 2100 M Street, NW.

There were six sale transactions, totaling $205,000,000 in Q4 2025. The largest sale to occur this quarter was 2100 M Street, NW, selling for land value, to Boston Properties from Alliance Bernstein for $55,000,000 ($183 psf). This property will be redeveloped into a 320,000-square-foot, Trophy asset with Sidley Austin pre-leasing 75.0% of the future building.

	Q4 2025	Q3 2025	Q4 2024
Direct Vacancy	17.7%	17.4%	17.0%
Total Vacancy	18.6%	18.5%	18.0%
Net Absorption (SF)	-149 K	-443 K	-320 K
Leasing Activity (SF)	2.0 M	1.8 M	1.7 M
Under Construction (SF)	-	-	-
Under Construction % Pre-Leased	-	-	-
Deliveries (SF)	-	-	-
Average Asking Rental Rate (PSF, Full Service)	$54.79	$54.90	$53.51
Sales Volume	$205.0 M	$183.5 M	$764.6 M
Unemployment D.C. Metro Area	4.1%	4.3%	3.2%
Sublease Space Available (SF)	2.8 M	3.0 M	3.2 M



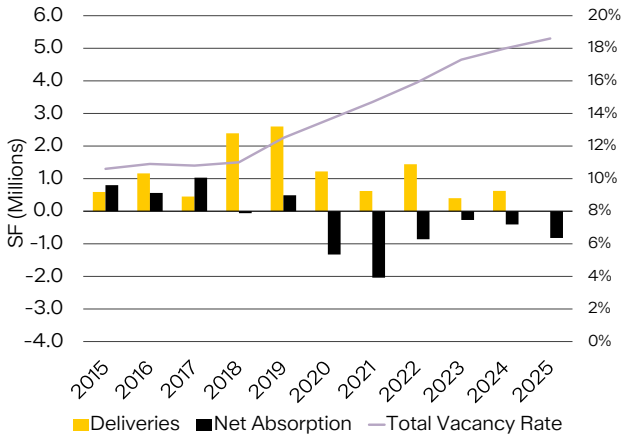
Vacancy Rate

The total vacancy rate in D.C. increased to 18.6% at the end of Q4 2025, totaling approximately 29.2 million square feet of vacant space. Direct vacancy increased to 17.7%, totaling approximately 26.4 million square feet.

Sublease vacancy decreased to 0.9% at the end of Q4 2025, with approximately 1.4 million square feet of vacant space available, while a total of 2.8 million square feet of sublease is being marketed as available (1.8% of the total availability rate).

The amount of sublease space available decreased 291,000 square feet since Q3 2025. Approximately 50% of this space was subleased, while the other half was withdrawn from the market for lease.

Deliveries | Net Absorption | Vacancy Rate



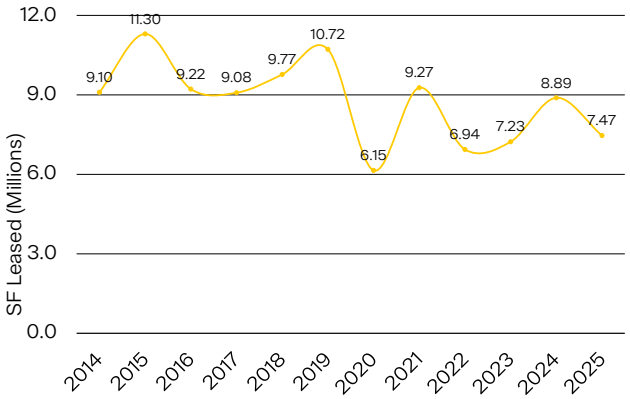
Net Absorption

The Washington, D.C. market recorded negative 149,078 square feet of net absorption in Q4 2025, bringing the year-end total to negative 821,704 square feet absorbed in 2025.

Tenants contributing to the negative net absorption this quarter included the Federal Bureau of Investigation (FBI) vacating 250,689 square feet at 1025 F Street, NW and William Sale Partnership (WSP) vacating 64,439 square feet at 1250 23rd Street, NW.

The Central Business District (CBD) recorded 85,751 square feet of net absorption in Q4 2025 (-355,700 SF absorbed YE 2025), while the East End recorded negative 187,670 square feet of net absorption in Q4 2025 (-213,141 SF absorbed YE 2025).

Leasing Activity



Leasing Activity

Leasing activity for transactions over 10,000 square feet ("large deals") totaled approximately 1.30 M square feet in Q4 2025. Of these leases, 57% were tenants relocating or expanding into to new space, 37% were tenants renewing, and 6% were subleasing.

Notably, all major tenant relocations in Q4 (638,000 SF) were to Trophy or Class A properties, reflecting ongoing tenant preference for premium, amenity-rich spaces in prime locations.

Among relocations over 10,000 square feet (direct space only), non-profits / associations and professional services led all sectors with 63% of these transactions and accounted for 42% (or 269,000 SF) of the square footage leased. The FIRE sector followed with 16% of transactions, representing a smaller share of overall relocation activity.

Of the leases signed over 10,000 square feet in Q4, legal and public sector tenants made up 44% of the square footage leased (577,000 SF) with several leases among the Top Ten—reinforcing their role as significant drivers of demand in the D.C. office market.

Federal government leasing reflected fewer, but larger transactions, Y-o-Y, totaling approximately 1.45 M square feet leased in 2025.

Sales Volume

There were six sale transactions, totaling $205,000,000 in Q4 2025. The largest sale was 2100 M Street, NW, trading to BXP from Alliance Bernstein for $55,000,000 ($183 psf). The building sold for land value as BXP expects to redevelop the site into a Trophy asset. Other large sales included 1100 New Jersey Avenue, SE trading to Onward Investors from WC Smith for $43,000,000 ($143 psf), and 1400 K Street, NW trading to Taicoon Property from AustralianSuper / Brookfield properties for $35,500,000 ($180 psf).

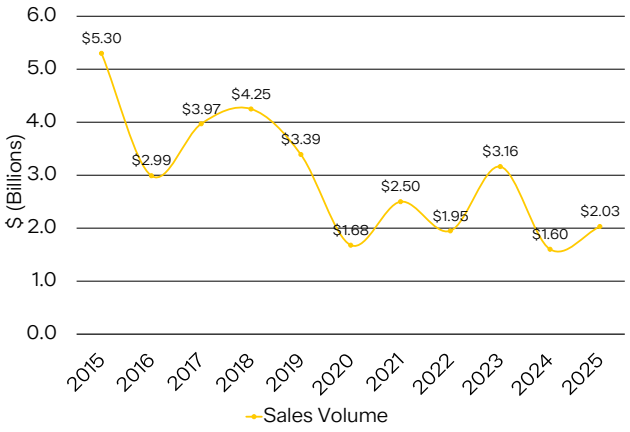
Vacant Space Available & Vacancy By Class

At the end of 2025, the total vacancy rate for Trophy in D.C. increased to 11.0% (approx. 1.2 M SF), Class A total vacancy increased to 21.3% (approx. 20.9 M SF), while Class B total vacancy remained flat at 16.0% (approx. 6.6 M SF). Class C vacancy increased to 3.1% with approximately 153,100 square feet vacant.

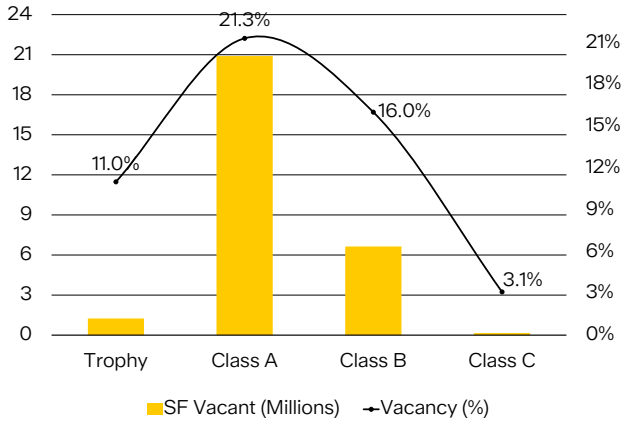
Sublease Space Available

Approximately 2,800,000 square feet of sublease space was available at the end of Q4 2025. The amount of sublease space available decreased approximately 291,000 square feet since Q3 2025. Approximately 50% of this space was subleased, while the other half was withdrawn from the market for lease.

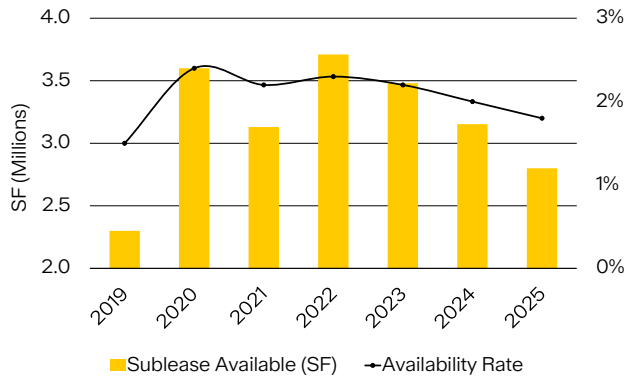
Sales Volume

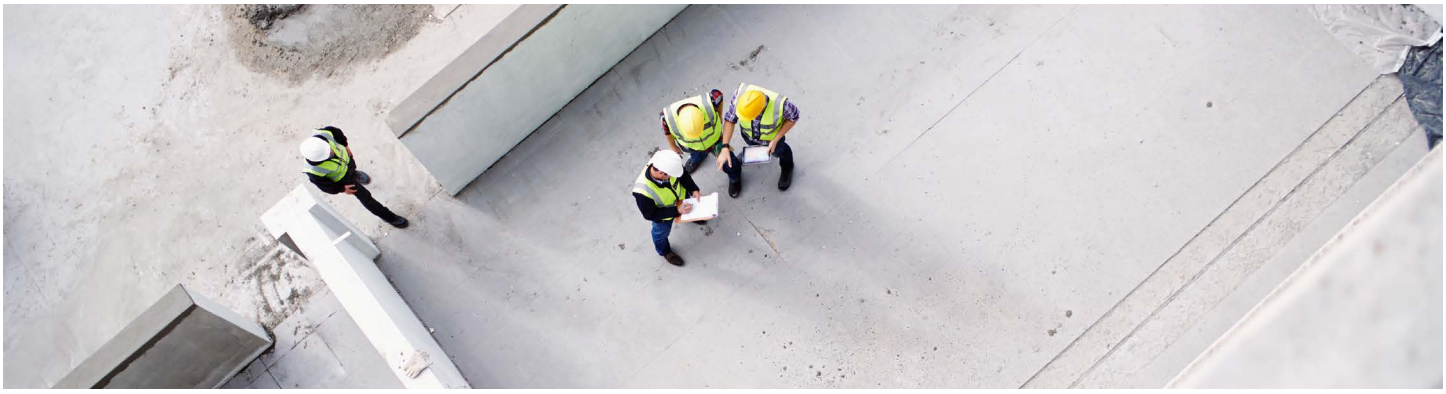


Vacant Space Available & Vacancy By Class



Sublease Space Available





Construction

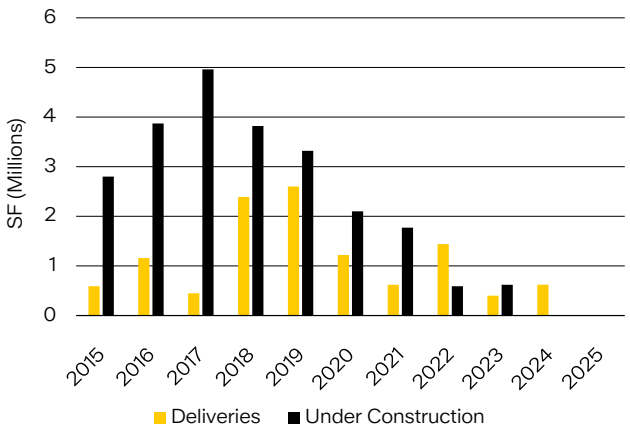
No new buildings broke ground, nor delivered, in the Washington, D.C. market in Q4 2025.

Renovations at 600 5th Street, NW delivered this quarter. The building remains 50.6% leased to law firm Crowell & Moring.

725 12th Street, NW is still undergoing demolition and will be redeveloped into a new 320,000-square-foot Trophy asset. The new building, expected to deliver in late 2028, is currently 86.5% pre-leased to McDermott, Will & Emory and Cooley LLP.

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 Q4 2025, there were five renewals, four relocations, and one pre-lease in the Top Ten. Three leases executed were over 100,000 square feet.

The largest deal executed this quarter was by law firm Sidley Austin signing a 240,000-square-foot pre-lease at 2100 M Street, NW, relocating from 1501 K Street, NW.

The largest public sector lease was a renewal by the GSA - National Transportation Safety Board (NTSB) for 163,538 square feet at 470-490 L'Enfant Plaza, SW.

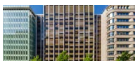
Nonprofits and associations were well represented this quarter. Aspen Institute renewed for 75,859 square feet at 2300 N Street, NW, National Cable & Telecommunications Association renewed for 53,000 square feet at 25 Massachusetts Avenue, NW, and American Medical Association executed a new lease for 36,886 square feet at 200 Massachusetts Avenue, NW (relocating from 25 Massachusetts Avenue, NW).

Financial and Business Services were also present in the Top Ten. Independent Community Bankers of America (ICBA) signed for 35,050 square feet at 1100 New York Avenue, NW (relocating from 1666 K Street, NW), Municipal Securities Rulemaking Board signed for 34,407 square feet at 1101 K Street, NW, (relocating from 1300 Eye Street, NW) and Analysis Group signed for 54,000 square feet at 1701 Rhode Island Avenue, NW (relocating from 800 17th Street, NW).

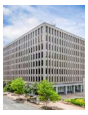
Rounding out the Top Ten was the Government and Legal sector. In addition to the GSA - NTSB renewal, the GSA - Department of Treasury signed a 120,497-square-foot renewal at 1750 Pennsylvania Avenue, NW and Bracewell renewed for 53,250 square feet at 2001 M Street, NW.

Private-sector tenants continued to dominate leasing activity, accounting for 72% of total square footage leased (of transactions 10,000+ SF), in 2025.

The Washington, D.C. market totaled 2,009,521 square feet of leasing in Q4 2025, bringing the year-end total to 7,466,327 square feet leased.

			Tenant	Size (SF)	Type
	01	**2100 M** 2100 M Street, NW	Sidley Austin	240,000	Pre-lease
	02	**L'Enfant Plaza Office** 470-490 L'Enfant Plaza, SW	GSA - National Transportation Safety Board	163,538	Renewal
	03	**1750 Penn** 1750 Pennsylvania Avenue, NW	GSA - Department of Treasury	120,497	Renewal
	04	**2300 N** 2300 N Street, NW	Aspen Institute	75,859	Renewal
	05	**1701 RI** 1701 Rhode Island Avenue, NW	Analysis Group	54,000	Relocation
	06	**2001 M** 2001 M Street, NW	Bracewell LLP	53,250	Renewal
	07	**25 Mass** 25 Massachusetts Ave, NW	National Cable & Telecommunications Association (NCTA)	53,000	Renewal
	08	**Capitol Crossing** 200 Massachusetts Avenue, NW	American Medical Association	36,886	Relocation
	09	**Greyhound Building** 1100 New York Avenue, NW	Independent Community Bankers of America	35,050	Relocation
	10	**1101 K** 1101 K Street, NW	Municipal Securities Rulemaking Board	34,507	Relocation

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

	Property	Submarket	Date Sold	Price	Price (PSF)	Buyer	Seller	RBA (SF)	Class	Leased	Comment
	**2100 M** 2100 M St, NW	CBD	Dec 2025	$55.0M	$183	BXP (Boston Properties)	Alliance Bernstein	301,347	B	0%	Sold for land value. Trophy redevelopment.
	**1100 NJ** 1100 New Jersey Ave, SE	Capitol Riverfront	Dec 2025	$43.0M	$143	Onward Investors	WC Smith	299,772	A	82%	Short sale
	**1400 K** 1400 K St, NW	East End	Oct 2025	$35.5M	$180	Taicoon Property	Brookfield / Australian Super	197,000	B	60%	Investment sale
	**1145 19th** 1145 19th St, NW	CBD	Dec 2025	$30.0M	$226	Nuveen	Diversified Healthcare Trust	133,000	B	61%	Part of an 8-building portfolio sale.
	**2121 Virginia** 2121 Virginia Ave, NW	CBD	Dec 2025	$23.5M	$164	Carr Properties	Pan American Health Organization	143,366	B	0%	Sold for land value. Residential redevelopment.
	**USBC Innovation** 1900 W Pl, NE	Uptown	Oct 2025	$18.0M	$216	U.S. Black Chambers Inc	Douglas Development Corporation	83,250	B	0%	Part of a 3-building portfolio sale

Outlook

Market fundamentals in Washington, D.C. softened further at year-end 2025. The market ended the fourth quarter with total vacancy increasing to 18.6% quarter-over-quarter (with total vacancy increasing 60 basis points Y-o-Y), while the market recorded negative 149,078 square feet of net absorption in Q4 2025. Due to a few significant move-outs, in both the public and private sector, a total of negative 821,704 square was absorbed in 2025, roughly double the negative 406,314 square feet absorbed in 2024. On a more positive note, leasing totaled 2,009,521 square feet in the fourth quarter, representing the highest quarterly total in 2025, and the highest quarterly total since Q3 2024. The office inventory in D.C. continued to decrease in 2025 with approximately 1.2 M SF removed for future residential redevelopment. This office to residential trend is expected to continue through 2026, and with no new buildings expected to deliver in the near future, the office inventory of D.C. will continue to compress.

Despite broader market softness, trends indicate a slow but steady market stabilization in the top end of the market. Demand in 2025 continued to concentrate in Trophy and Class A assets, where fundamentals remain comparatively resilient. Pre-leasing was strong throughout the year, driven by law firm activity, at two future Trophy developments (725 12th St and 2100 M St). Strong leasing in Trophy and Class A assets (77% of the total SF leased in 2025) reinforces the ongoing flight-to-quality trend especially in the Trophy class.

The federal sector remains a key source of uncertainty. Government employment declined over the course of 2025, weighing on office demand, while the GSA continued to evaluate its long-term footprint with an emphasis on consolidation and utilization efficiency. Through the Trump Administration directive for Federal employees to return to the office five days a week, coupled with corporate America's push for more days in the office, the D.C. region experienced and uptick in RTO and Metro Ridership. In 2025, the Kastle Systems weekly "return-to-office" tracker averaged approximately 50% for the D.C. Metro, with an RTO Peak Day average of 60%. A few of these individual peak days hit just above 64% RTO (a new high). Year-end MetroRail ridership was at 75.0% of 2019 ridership, averaging 469,000 passengers per day in 2025 (Monday-Friday).

Market Spotlights

Washington, D.C.

Q4 2025

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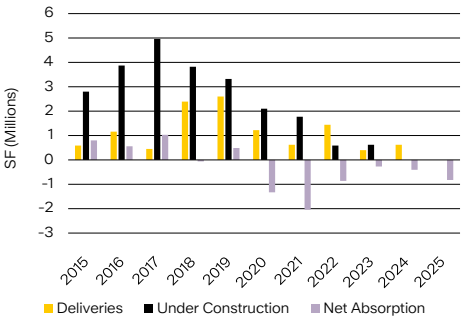
Market Spotlight

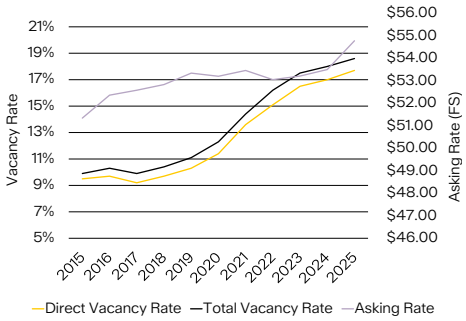
Washington, D.C.

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in the Washington, D.C. market increased to 17.7% at the end of Q4 2025, up from 17.4% at the end of Q3 2025. Total vacancy slightly increased to 18.6% at the end of Q4 2025, up from 18.5% at the end of Q3 2025. While vacancy has ticked up over the past year, overall conditions remain relatively stable as the market works through ongoing demand and backfill dynamics.

The D.C. market recorded negative 149,078 square feet of net absorption in Q4 2025, an improvement from the negative 432,616 square feet absorbed in Q3 2025. Tenants contributing to the negative net absorption this quarter included Federal Bureau of Investigation (FBI) vacating 250,689 square feet at 1025 F Street, NW and UBS vacating 55,166 square feet at 1501 K Street, NW.

A total of 2,009,521 square feet was leased in Q4 2025, a notable increase from the 1,754,344 square feet leased in Q3 2025. Tenants executing leases this quarter included the GSA - National Transportation Safety Board (NTSB) renewing a 163,538-square-foot lease at 470-490 L'Enfant Plaza, SW and Analysis Group signing for 54,000 square feet at 1701 Rhode Island Avenue, NW.

There were seven sale transactions in Q4 2025, totaling $218,300,000. The largest sale to occur this quarter was 2100 M Street, NW selling for land value to Boston Properties from Alliance Bernstein for $55,000,000 ($183 psf).

600 5th Street, NW renovations delivered this quarter. The building remains 50.6% leased to law firm Crowell & Moring. Additionally, 725 12th Street, NW is undergoing demolition and will be redeveloped into a new 320,000-square-foot trophy asset. The new building, expected to deliver in late 2028, is currently 86.5% pre-leased to McDermott, Will & Emory and Cooley LLP.

Market Stats
Q4 2025

Inventory (SF)	155.5M
Direct Vacancy	17.7%
Total Vacancy	18.6%
YTD 2025 Absorption (SF)	-822 K
YTD 2025 Leasing Activity (SF)	7.5 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	-205 K per year
Deliveries (SF)	1.1 M per year
Leasing Activity (SF)	8.9 M per year

Asking Rental Rates
(Full Service / PSF)

2015	$50.52
2024	$53.51
YTD 2025	$54.79

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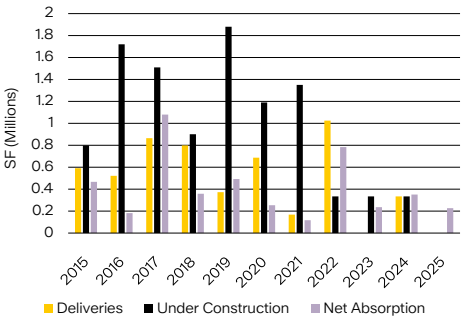
Market Spotlight

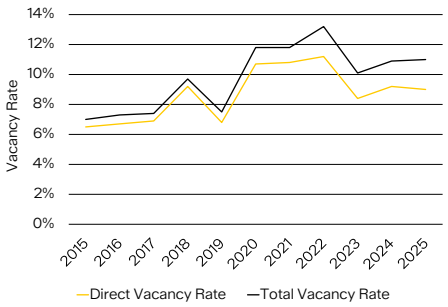
Trophy

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in the Trophy market increased to 9.0% at the end of Q4 2025, up from 7.3% in Q3 2025, as total vacancy rose to 11.0% at the end of Q4 2025, up from 9.4% in Q3 2025.

Despite the recent increase in Trophy vacancy, demand for top-tier office space remains steady, with current vacancy levels temporarily elevated following the delivery of the renovated 600 5th Street, NW. This building is approximately 399,617 square feet and 50.6% pre-leased to Crowell & Moring, with the remaining space currently in lease-up, influencing overall Trophy metrics.

The Trophy submarket recorded 89,112 square feet of net absorption in Q4 2025, an increase from the 41,492 square feet absorbed in Q3 2025. Tenants contributing to the positive net absorption this quarter included Kelley Drye & Warren moving into 65,539 square feet at 670 Maine Avenue, SW and Heidrick & Struggles moving into 10,327 square feet at 1700 M Street, NW.

A total of 345,916 square feet was leased in Q4 2025, a significant increase from the 130,777 square feet in Q3 2025. Notable transactions included Sidley Austin signing a 240,000-square-foot pre-lease at 2100 M Street, NW, TelevisaUnivision signing a 22,668-square-foot renewal 101 Constitution Avenue, NW, and University of Michigan signing for 11,614 square feet at 1700 M Street, 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 & Emery 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 construction targeted for 2028.

Market Stats
Q4 2025

Inventory (SF)	11.3 M
Direct Vacancy	9.0%
Total Vacancy	11.0%
YTD 2025 Absorption (SF)	227 K
YTD 2025 Leasing Activity (SF)	810 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	459 K per year
Deliveries (SF)	565 K per year
Leasing Activity (SF)	797 K per year

Asking Rental Rates
(Triple Net / PSF)

YTD 2025	$58.65

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

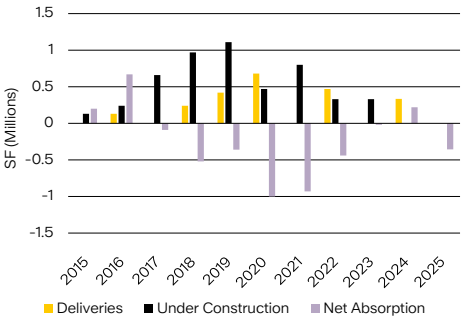
Lincoln

Market Spotlight

CBD

Q4 2025

Deliveries / Under Construction / Net Absorption



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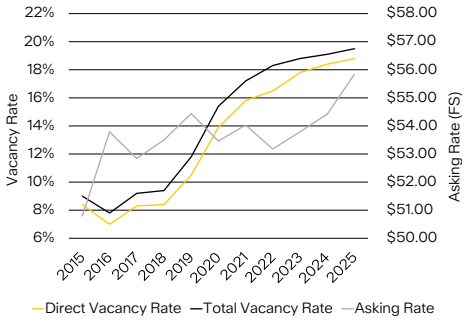


Direct vacancy in the CBD decreased to 18.8% at the end of Q4 2025, down from the 19.1% at the end of Q3 2025.

Total vacancy in the CBD market decreased to 19.5% at the end of Q4 2025, down from 20.0% at the end of Q3 2025.

The CBD recorded 85,751 square feet of net absorption in Q4 2025, a significant increase from the negative 64,373* square feet absorbed in Q3 2025. Tenants contributing to the positive net absorption this quarter included Mariana Tek moving into 20,411 square feet at 1717 K Street, NW.

A total of 851,535 square feet was leased in Q4 2025, a notable increase from the 442,877 square feet leased in Q3 2025. Tenants executing leases this quarter included Sidley Austin signing a 240,000-square-foot pre-lease at 2100 M Street, NW and Leading Authorities signing for 17,739 square feet at 1875 K Street, NW

There were three sale transactions in the CBD this quarter. 2100 M Street, NW sold to BXP for $55,000,000 ($183 psf), 1145 19th Street, NW sold to Nuveen for $30,000,000 ($226 psf), and 2121 Virginia Avenue, NW to Carr Properties for $23,500,000 ($164 psf). 2100 M will be redeveloped into a 320,000 SF Trophy asset, while 2121 Virginia will be converted into a 320-unit residential building.

* Net absorption was revised down to reflect that the Department of the Treasury did not vacate 120,497 SF at 1750 Pennsylvania Avenue, NW in Q3 2025. The USDT still occupies the entirety of their space at 1750 Penn, having signed a short-term, 24-month extension in Q4 2025.

Market Stats
Q4 2025

Inventory (SF)	46.7 M
Direct Vacancy	18.8%
Total Vacancy	19.5%
YTD 2025 Absorption (SF)	-356 K
YTD 2025 Leasing Activity (SF)	2.3 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	-227 K per year
Deliveries (SF)	227 K per year
Leasing Activity (SF)	2.4 M per year

Asking Rental Rates
(Full Service / PSF)

2015	$50.79
2024	$54.42
YTD 2025	$55.89

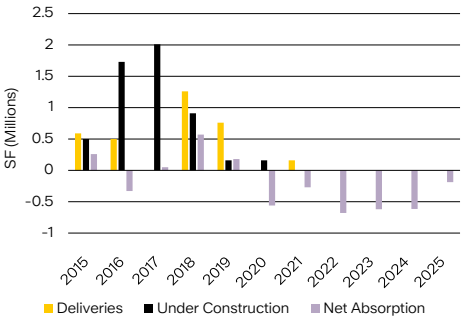
Lincoln

Market Spotlight

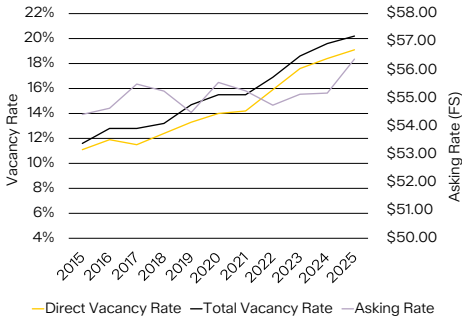
East End

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in East End increased to 19.1% at the end of Q4 2025, up from 17.8% at the end of Q3 2025.

Total vacancy in the East End increased to 20.2% at the end of Q4 2025, up from 19.1% at the end of Q3 2025.

The East End recorded negative 187,670 square feet of net absorption in Q4 2025, a slight improvement from negative 248,107 square feet absorbed in Q3 2025. Tenants contributing to the negative net absorption included FBI vacating 250,689 square feet at 1025 F Street, NW and Share our Strength vacating 35,146 square feet at 1030 15th Street, NW.

A total of 524,500 square feet was leased in Q4 2025, a decrease from the 961,145 square feet leased in Q3 2025. Tenants executing leases this quarter included Independent Community Bankers of America signing a 35,050-square-foot new lease at 1100 New York Avenue, NW and American Society of Nephrology renewing for 34,197 square feet at 1401 H Street, NW.

There was one sale transaction in the East End this quarter. 1400 K Street, NW sold to Taicoon Property from Brookfield Property / AustralianSuper as an investment sale for $35,500,000 ($180 psf).

Renovations at 600 5th Street, NW (399,617 SF) were completed in Q4 2025. This trophy conversion is 50.6% pre-leased to Crowell & Moring.

Market Stats
Q4 2025

Inventory (SF)	52.4 M
Direct Vacancy	19.1%
Total Vacancy	20.2%
YTD 2025 Absorption (SF)	-213 K
YTD 2025 Leasing Activity (SF)	2.9 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	-202 K per year
Deliveries (SF)	327 K per year
Leasing Activity (SF)	3.2 M per year

Asking Rental Rates
(Full Service / PSF)

2015	$54.41
2024	$55.17
YTD 2025	$56.38

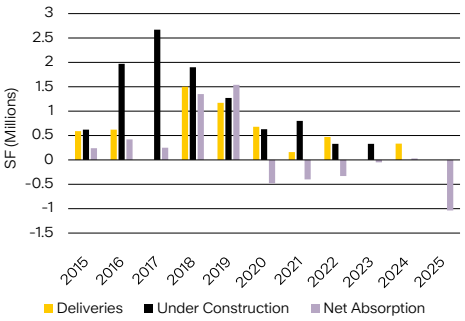
Lincoln

Market Spotlight

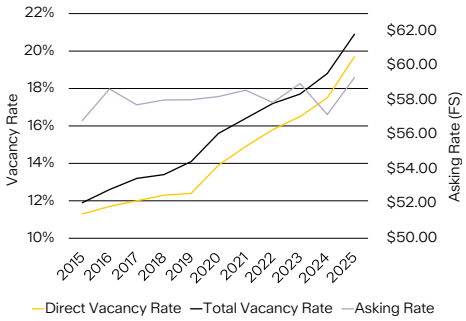
CBD / East End Class A

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in CBD / East End Class A increased to 19.7% at the end of Q4 2025, up from 18.1% at the end of Q3 2025.

Total vacancy in the CBD / East End Class A market increased to 20.9% at the end of Q4 2025, up from 20.4% at the end of Q3 2025.

The Class A market recorded negative 96,193 square feet of net absorption in Q4 2025, an improvement from the negative 487,395 square feet of Class A space absorbed in Q3 2025. Tenants contributing to the negative net absorption this quarter included UBS vacating 55,166 square feet at 1501 K Street, NW.

Class A leasing activity totaled 1,071,633 square feet in Q4 2025, a significant increase from the 880,424 square feet leased in Q3 2025. Tenants executing leases this quarter included Municipal Securities Rulemaking Board signing for 34,407 square feet at 1101 K Street, NW and Entertainment Software Association signing for 21,762 square feet at 901 New York Avenue, NW.

Renovations at 600 5th Street, NW (399,617 SF) were completed in Q4 2025. This trophy conversion is 50.6% pre-leased to Crowell & Moring.

There was no Class A sale in the CBD /East End this quarter.

Market Stats
Q4 2025

Inventory (SF)	73.7 M
Direct Vacancy	19.7%
Total Vacancy	20.9%
YTD 2025 Absorption (SF)	-1.0 M
YTD 2025 Leasing Activity (SF)	4.9 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	257 K per year
Deliveries (SF)	552 K per year
Leasing Activity (SF)	3.6 M per year

Asking Rental Rates
(Full Service / PSF)

2015	$56.81
2024	$57.16
YTD 2025	$59.30

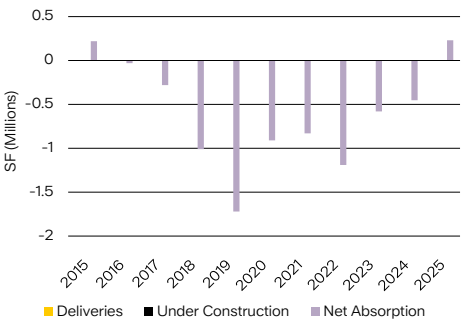
Lincoln

Market Spotlight

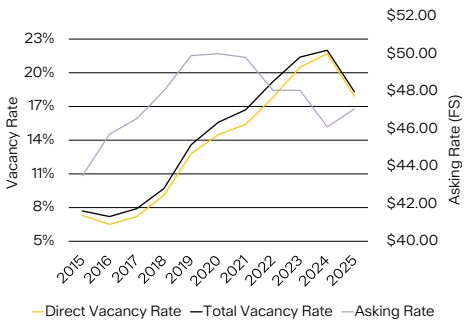
CBD / East End Class B

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in CBD / East End Class B remained flat at 17.9% at the end of Q4 2025.

Total vacancy in the CBD / East End Class B market decreased slightly to 18.3% at the end of Q4 2025, down from 18.4% at the end of Q3 2025.

Class B buildings recorded a total of negative 14,244 square feet of net absorption in Q4 2025, a slight increase from the negative 11,712 square feet of Class B absorbed in Q3 2025. Tenants contributing to the negative net absorption this quarter included The Clearing, Inc vacating 15,439 square feet at 1250 Connecticut Avenue, NW.

Class B leasing activity totaled 96,774 square feet in Q4 2025, a significant decrease from the 550,974 square feet leased in Q3 2025. Tenants executing leases this quarter included Jacobson Lopez signing for 6,962 square feet at 1300 19th Street, NW and Maximus signing for 6,961 square feet at 1000 Vermont Avenue, NW.

There were four Class B sale transactions in the CBD / East End this quarter. The three largest trades included 2100 M Street, NW selling for land value to BXP from Alliance Bernstein for $55,000,000 ($183 psf), 1400 K Street NW selling to Taicoon Property from Brookfield / AustralianSuper for $35,500,000 ($180 psf), and 1145 19th Street, NW selling to Nuveen from Diversified Healthcare Trust for $30,000,000 ($226 psf).

Market Stats
Q4 2025

Inventory (SF)	23.8 M
Direct Vacancy	17.9%
Total Vacancy	18.3%
YTD 2025 Absorption (SF)	230 K
YTD 2025 Leasing Activity (SF)	897 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	-678 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	1.6 M per year

Asking Rental Rates
(Full Service / PSF)

2015	$43.50
2024	$46.11
YTD 2025	$47.07

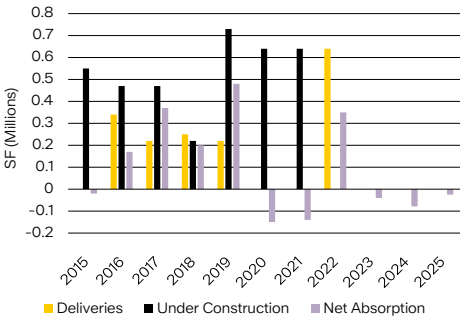
Lincoln

Market Spotlight

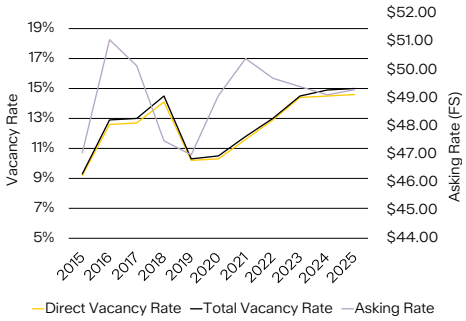
Southwest

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in Southwest decreased to 14.6% at the end of Q4 2025, down from 14.8% at the end of Q3 2025.

Total vacancy in the Southwest market decreased to 15.0% at the end of Q4 2025, down from 15.3% at the end of Q3 2025.

The Southwest recorded 29,075 square feet of net absorption in Q4 2025, an increase from the negative 12,835 square feet absorbed in Q3 2025. Tenants contributing to the positive net absorption included Kelley Drye & Warren moving into 65,539 square feet at 670 Maine Avenue, SW.

A total of 176,881 square feet was leased in Q4 2025, a major increase from the 21,621 square feet leased in Q3 2025. Tenants executing leases this quarter included GSA - National Transportation Safety Board renewing 163,538 square feet at 470-490 L'Enfant Plaza, SW.

There were no sale transactions in Southwest this quarter.

Market Stats
Q4 2025

Inventory (SF)	13.0 M
Direct Vacancy	14.6%
Total Vacancy	15.0%
YTD 2025 Absorption (SF)	-25 K
YTD 2025 Leasing Activity (SF)	360 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	114 K per year
Deliveries (SF)	167 K per year
Leasing Activity (SF)	977 K per year

Asking Rental Rates
(Full Service / PSF)

2015	$47.05
2024	$49.11
YTD 2025	$49.29

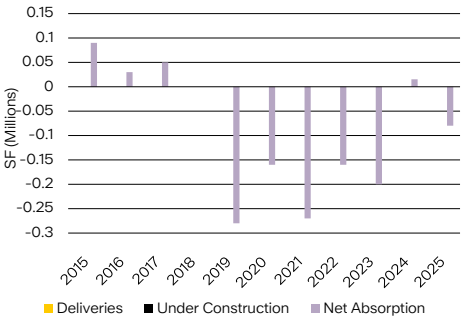
Lincoln

Market Spotlight

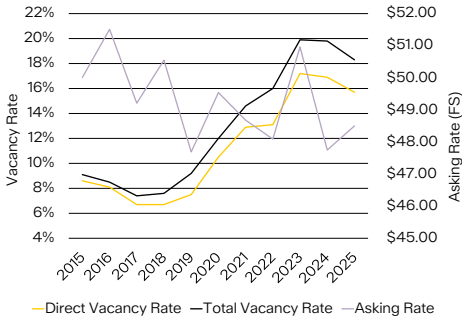
West End / Georgetown

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in West End / Georgetown decreased to 15.7% at the end of Q4 2025, down from 16.0% at the end of Q3 2025.

Total vacancy in the West End / Georgetown market decreased to 18.3% at the end of Q4 2025, down from 18.6% at the end of the Q3 2025.

The West End / Georgetown recorded negative 107,772 square feet of net absorption in Q4 2025, down from the 1,954 square feet absorbed in Q3 2025. Tenants contributing to the negative net absorption included William Sale Partnership (WSP) vacating 64,439 square feet at 1250 23rd Street, NW and KIPP DC vacating 18,780 square feet at 2600 Virginia Avenue, NW (Watergate).

While absorption was negative for the quarter, vacancy decreased due to the removal of 3300 Whitehaven St, NW (Harris Building) from the office inventory. This 146,000-square-foot, Class B building will be demolished and redeveloped into residential.

A total of 128,222 square feet was leased in Q4 2025, an increase from the 74,486 square feet leased in Q3 2025. Tenants executing leases this quarter included Aspen Institute renewing for 75,869 square feet and Capital Power signing for 6,562 square feet at 2300 N Street, NW, respectively.

There were no sale transactions in the West End / Georgetown this quarter.

Market Stats
Q4 2025

Inventory (SF)	7.8 M
Direct Vacancy	15.7%
Total Vacancy	18.3%
YTD 2025 Absorption (SF)	-80 K
YTD 2025 Leasing Activity (SF)	467 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	-88 K per year
Deliveries (SF)	- per year
Leasing Activity (SF)	331 K per year

Asking Rental Rates
(Full Service / PSF)

2015	$50.01
2024	$47.75
YTD 2025	$48.50

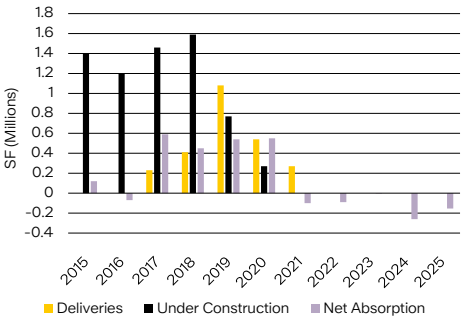
Lincoln

Market Spotlight

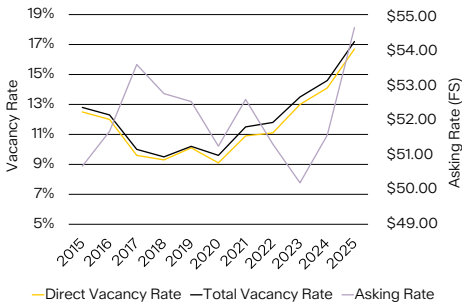
Capitol Hill / NoMa

Q4 2025

Deliveries / Under Construction / Net Absorption



Vacancy Rate



Direct vacancy in Capitol Hill / NoMa decreased to 16.7% at the end of Q4 2025, down from 17.0% at the end of Q3 2025.

Total vacancy in the Capitol Hill / NoMa market decreased to 17.2% at the end of Q4 2025, down from 17.5% at the end of Q3 2025.

Capitol Hill / NoMa recorded 39,926 square feet of net absorption in Q4 2025, a notable improvement from the negative 46,278 square feet absorbed in Q3 2025. Tenants contributing to the positive net absorption included KIPP DC moving from 2600 Virginia Avenue, NW into 15,905 square feet at 1255 Union Street, NW and Alliance for Regenerative Medicine relocating from 1015 18th Street, NW into 9,378 square feet at 20 F Street, NW.

A total of 242,131 square feet was leased in Q4 2025, an increase from the 123,427 square feet leased in Q3 2025. Tenants executing leases this quarter included National Cable & Telecommunications Association renewing for 53,000 square feet at 25 Massachusetts Avenue, NW, American Medical Association signing for 36,886 square feet at 200 Massachusetts Avenue, NW, and TelevisaUnivision renewing for 22,668 square feet at 101 Constitution Avenue, NW.

There were no sale transactions in Capitol Hill / NoMa this quarter.

Market Stats
Q4 2025

Inventory (SF)	18.6 M
Direct Vacancy	16.7%
Total Vacancy	17.2%
YTD 2025 Absorption (SF)	-154 K
YTD 2025 Leasing Activity (SF)	1.0 M
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	178 K per year
Deliveries (SF)	253 K per year
Leasing Activity (SF)	1.4 M per year

Asking Rental Rates
(Full Service / PSF)

2015	$50.68
2024	$51.58
YTD 2025	$54.69

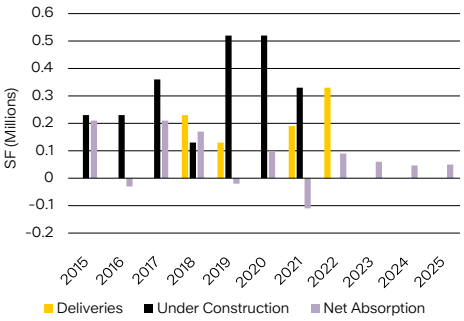
Lincoln

Market Spotlight

Capitol Riverfront

Q4 2025

Deliveries / Under Construction / Net Absorption



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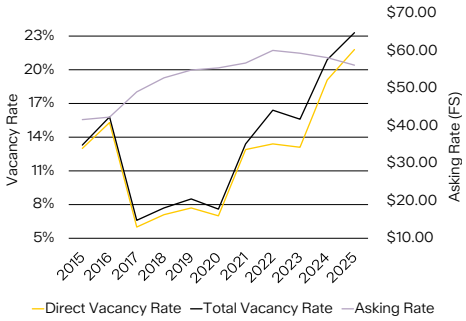

Direct vacancy in Capitol Riverfront decreased to 21.8% at the end of Q4 2025, down from 22.3% at the end of Q3 2025.

Total vacancy in the Capitol Riverfront market decreased to 23.3% at the end of Q4 2025, down from 23.0% at the end of Q3 2025.

The Capitol Riverfront recorded 3,310 square feet of net absorption in Q4 2025, a decrease from the 28,279 square feet absorbed in Q3 2025. Tenants contributing to the positive net absorption included R&P Technology moving into 23,553 square feet at 300 M Street, SE.

A total of 51,743 square feet was leased in Q4 2025, a decline from the 96,817 square feet leased in Q3 2025. Tenants executing leases this quarter included BAE systems signing a renewal for 25,768 square feet and Analex renewing for 10,137 square feet both at 1220 12th Street, SE.

There was one sale transaction in Capitol Riverfront this quarter. 1100 New Jersey Avenue, SE sold to Onward Investors from WC Smith for $43,000,000 ($143 psf). This 299,772-square-foot, Class A building was 82% leased at time of sale.

Market Stats
Q4 2025

Inventory (SF)	3.4 M
Direct Vacancy	21.8%
Total Vacancy	23.3%
YTD 2025 Absorption (SF)	50 K
YTD 2025 Leasing Activity (SF)	243 K
Under Construction (SF)	-
Pre-Leased	-
Deliveries (SF)	-

10 Year Averages
2015-2024

Net Absorption (SF)	70 K per year
Deliveries (SF)	88 K per year
Leasing Activity (SF)	290 K per year

Asking Rental Rates
(Full Service / PSF)

2015	$41.69
2024	$58.23
YTD 2025	$56.23

Washington, D.C. Leasing & Market Research

Adam Biberaj
Managing Director,
Senior Vice President

Merrill Turnbull
Managing Director,
Senior Vice President

Jae Lee
Senior Vice President

John Olson
Senior Vice President

Tim Whitebread
Vice President

McKay Elliot
Vice President

William Ruppe
Vice President

Alex Cholet
Assistant Vice President

Joe Mehok
Vice President
Market Research

Verina Ashari
Senior Associate
Market Research

Lincoln Property Company

Washington, D.C.
101 Constitution Ave. NW
Suite 325 East
202.513.6700

Arlington
1530 Wilson Blvd.
Suite 200
703.522.4600

Rockville
1101 Wootton Pkwy.
Suite 410
301.304.8300

Baltimore
300 West Pratt St.
Suite 520
410.659.1234

www.lpc.com

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