

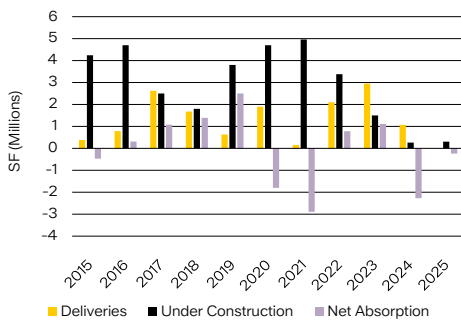
Office Market Spotlight

Northern Virginia

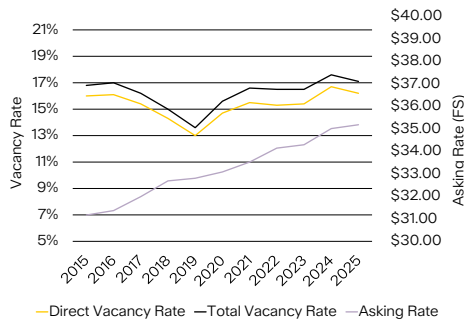
Mid-Q3 2025



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Midway through Q3 2025 the direct vacancy rate in Northern Virginia decreased to 16.2%, down from 16.5% at the end of Q2 2025, while the total vacancy rate decreased to 17.1%, down from 17.4% at the end of Q2 2025.

Northern Virginia has recorded 204,266 square feet of positive net absorption midway through Q3 2025. Tenants contributing to the positive net absorption includes Cellebrite moving into 33,024 square feet of relet space at 1861 International Drive, ICR, Inc. moving into 20,579 square feet at 14155 Newbrook Drive, and the Association of State & Territorial Health Officials moving into 19,663 square feet of relet space at 2461 S Clark Street.

A total of 875,008 square feet has leased midway through Q3 2025. Tenants executing leases this quarter include BAE Systems signing a 136,995-square-foot relet at 11487 Sunset Hills Road, Best Value Technology signing a 34,041-square-foot extension at 13530 Dulles Technology Drive, and Spectric Labs signing a 23,367-square-foot expansion at 4800 Westfields Boulevard.

There have been seven sales transactions through the first half of Q3 2025, totaling \$349.9 million. The largest sale of the quarter, so far, was Harrison Street Capital's MOB Portfolio, which traded from Harrison Street Capital to Remedy Medical and Kayne Anderson for \$191,000,000 (\$287 psf). This seven-building portfolio totals 665,957 square feet and was 71% leased at the time of sale.

No buildings have delivered in Northern Virginia as of mid-Q3 2025. Two buildings remain under construction: 2 Exchange Street (35,000 SF, 0% pre-leased) and HITT's new 270,000-square-foot headquarters at 7125 W Falls Station Boulevard.

Market Stats

YTD Q3 2025

Inventory (SF)	189.4 M
Direct Vacancy	16.2%
Total Vacancy	17.1%
YTD 2025 Absorption (SF)	-237 K
YTD 2025 Leasing Activity (SF)	4.5 M
Under Construction (SF)	305 K
Pre-Leased	88.5%
Deliveries (SF)	-

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	\$35.19