

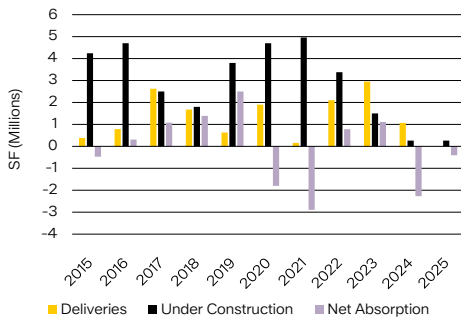
Office Market Spotlight

Northern Virginia

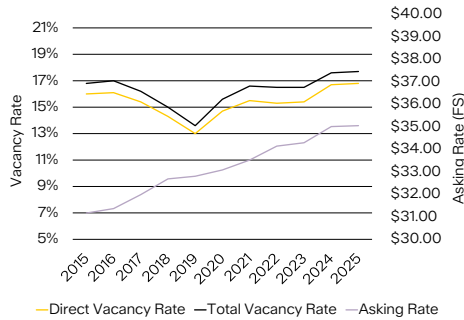
Mid-Q1 2025



Deliveries / Under Construction / Net Absorption



Vacancy Rate



Market Stats

YTD Q1 2025

| | |
|--------------------------------|---------|
| Inventory (SF) | 190.7 M |
| Direct Vacancy | 16.8% |
| Total Vacancy | 17.7% |
| YTD 2025 Absorption (SF) | -404 K |
| YTD 2025 Leasing Activity (SF) | 716 K |
| Under Construction (SF) | 546 K |
| Pre-Leased | 18.3% |
| Deliveries (SF) | - |

Midway through Q1 2025 the direct vacancy rate in Northern Virginia increased to 16.8%, up from 16.7% at the end of Q4 2024, while the total vacancy rate increased to 17.7%, up from 17.6% at the end of Q4 2024.

Northern Virginia has recorded negative 403,928 square feet of net absorption quarter-to-date. Tenants contributing to the negative net absorption includes Peterson Companies vacating 32,637 square feet at 12500 Fair Lakes Circle - Fair Lakes I, Planned Systems International vacating 31,000 square feet at 3717 Columbia Pike, and Wallace Center vacating their sublease of 30,616 square feet at 2451 Crystal Drive.

A total of 715,827 square feet has leased midway through Q1 2025. Tenants executing leases this quarter include FM Global signing a 31,569-square-foot sublease at 1906 Reston Metro Plaza, NALEJ Corp signing a 21,879-square-foot relet at 4075 Wilson Boulevard, and Tetra Tech signing a 21,064-square-foot relet at 1515 N Courthouse Road

There has been four sales transactions through the first half of Q1 2025, totaling \$227.9 M. The largest sale of the quarter, so far, was 8401 & 8405 Greensboro Drive - Highline I & II, trading to CIM Group from Westbrook Partners for \$148,000,000 (\$318 psf). These two Class A buildings, totaling 465,727 square feet in size, were 61% leased at the time of sale.

Three buildings are currently under construction in Northern Virginia; 1880 Reston Row Plaza (210,000 SF, 22.2% pre-leased) expected to deliver Q2 2025, 1 Exchange Street (52,500 SF, 0.0% pre-leased), and HITT's new 283,000-square-foot headquarters at 7054 Haycock Road, Falls Church, broke ground in Q1 2025.

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 | \$35.06 |