LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2026
DC, WASHINGTON

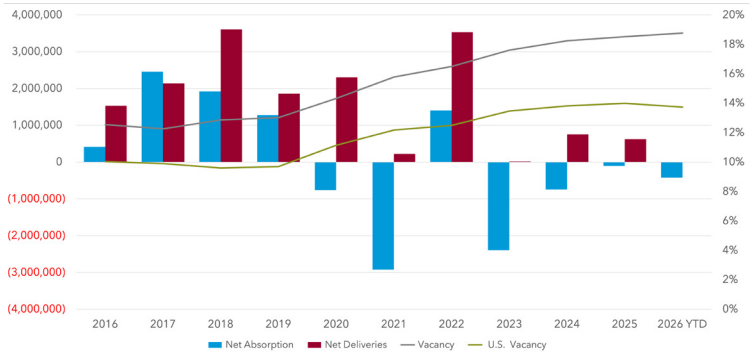
OFFICE MARKET OVERVIEW

LEE & ASSOCIATES DC, NORTHERN VIRGINIA

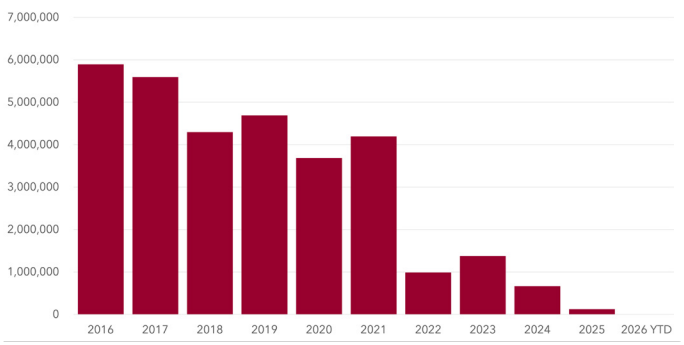
Northern Virginia / DC's office market showed signs of stability in Q3, with vacancy holding nearly unchanged at 18.8%. Trailing 12-month absorption remained negative, reflecting ongoing tenant adjustments, though the vacancy trend has been relatively steady. Asking rents averaged about $36 per square foot annually, remaining above Q1 levels after modestly easing from Q2. No new office space was under construction at quarter-end, giving existing buildings room to absorb demand without added competition from new deliveries. As tenants continue to refine their space needs, stable vacancy and limited new development provide a base for the market to gradually rebalance.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ 12 Mo. Net Absorption SF	(457,116)	(114,499)	(962,442)	(103,111)	447,355
▲ Vacancy Rate	18.76%	18.74%	18.86%	18.79%	18.35%
▼ Avg Asking Rent PSF	$36.39	$36.76	$36.22	$35.33	$-
▲ Sale Price PSF	$204	$136	$269	$127	$160
▼ Cap Rate	--	--	8.27%	7.70%	9.24%
◄ ► Under Construction	-	-	-	124,606	524,606
▼ Inventory	218,265,256	218,720,532	218,720,532	218,863,898	217,555,874

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
*7900 Westpark Dr McLean, VA	536,182 SF	$58,390,385.00 $108.90 PSF	Clark Construction Group Brookfield Asset Management, Inc.	Class A
*1676 International Dr McLean, VA	309,318 SF	Not Disclosed Not Disclosed	JSB Capital Group LLC Brandywine Realty Trust	Class B
600 14th St NW Washington, DC	278,000 SF	$126,000,000 $453.24 PSF	Montclif & FCP CommonWealth Partners & CalPERS	Class A

Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2033 K St NW Washington, DC	107,224 SF	In-Rel Properties	Sheppard, Mullin, Richter & Hampton LLP	Attorneys
1800 Reston Row Plz Reston, VA	77,601 SF	Comstock Companies	QTS	Computer, Data Processing
12010 Sunset Hills Rd Reston, VA	37,844 SF	BXP	MetroStar	Professional, Scientific, and Technical Services

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