

YoY Chg 12-Mo. Forecast

5.5%
Vacancy Rate



315K
Net Absorption, SF



\$11.90
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2021

YoY Chg 12-Mo. Forecast

3.1 M
D.C. Metro Employment



6.0%
D.C. Metro Unemployment Rate



6.0%
U.S. Unemployment Rate



Source: BLS

Supply: Positive Absorption for Warehouse/Distribution & Office Service Sectors

Both the office service (OS) and warehouse/distribution (W/D) sectors registered positive absorption in Q1 2021 for a total of positive 314,877 square feet (sf)- OS registered positive 32,422 sf and W/D registered positive 282,455 sf. Manassas led the W/D submarkets with 143,020 sf of positive absorption in Q1 2021. Route 28 Corridor South led the OS submarkets with 69,231 sf of positive absorption and was the only submarket to register positive absorption in the OS sector. No new construction delivered in Q1 2021; however, 364,779 sf is expected to deliver throughout the remainder of the year. This includes 108,000 sf at 8511 Virginia Meadows Drive and 22,800 sf at 12020-12032 Wilton Meadows Court, both in Manassas, scheduled for Q2 2021.

Demand: Leasing Activity Increasing

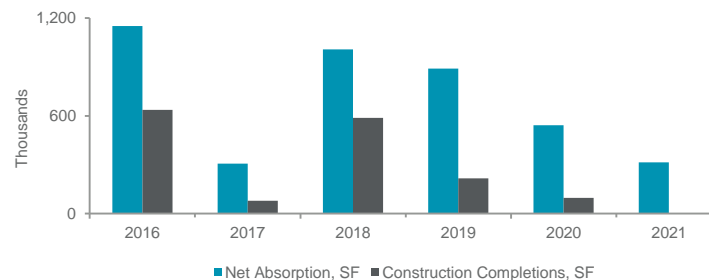
The NoVA industrial market registered 545,079 sf of new leasing activity in Q1 2021- with 205,423 sf of leasing activity in the OS sector and 339,656 sf of leasing activity in the W/D sector. The largest lease of the quarter was a renewal signed by Sky Solutions at 14301 Sullyfield Circle in the Route 28 Corridor South submarket. The largest new lease of the quarter was signed by General Dynamics IT for 39,714 sf at 22750 Glenn Drive in the Route 28 Corridor North submarket. NoVA registered 101,118 sf of renewals in Q1 2021- with 93,958 sf of renewal activity in the OS sector in Fairfax County. Within Fairfax County, Springfield/I-95 registered 20,279 sf and Route 28 Corridor South registered 73,679 sf of new leasing.

Vacancy: Vacancy Decreased from Q4 2020

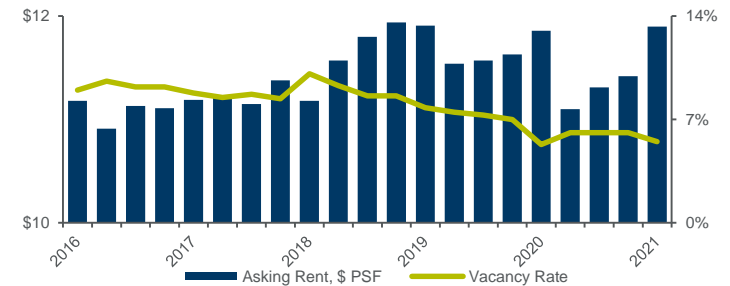
Overall vacancy rate in the NoVA market for Q1 2021 was 5.5%- up 20 basis points (bps) year-over-year (YOY) but down 60 bps from Q4 2020. The OS sector and W/D sector registered vacancy rates at 8.9%, up 160 bps YOY, and 3.3%, down 80 bps YOY, respectively.

The overall asking rate in the NoVA industrial market was \$11.90 per square foot (psf)- up \$0.04 psf YOY. Overall OS sector asking rates were \$13.08 psf, down \$0.67 psf YOY, while the W/D sector asking rates were \$9.90 psf, up \$0.11 psf YOY, at the close of Q1 2021.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Springfield/I-95	13,686,898	644,066	4.7%	6,294	6,294	0	0	\$10.23
Route 28 Corridor South	4,364,160	187,385	4.3%	-1,649	-1,649	0	0	\$8.68
Route 28 North	11,999,176	349,411	2.9%	134,790	134,790	431,754	0	\$9.94
Manassas	7,386,395	71,895	1.0%	143,020	143,020	621,120	0	\$11.27
Warehouse/Distribution Totals	37,436,629	1,252,757	3.3%	282,455	282,455	1,052,874	0	\$9.90
Springfield/I-95	6,416,964	720,816	11.2%	-26,454	-26,454	0	0	\$14.64
Route 28 Corridor South	7,013,260	826,650	11.8%	69,231	69,231	0	0	\$11.18
Route 28 North	6,867,166	353,960	5.2%	-4,044	-4,044	0	0	\$12.71
Manassas	2,667,323	143,982	5.4%	-6,311	-6,311	0	0	\$12.11
Office Service/Flex Totals	22,965,803	2,045,408	8.9%	32,422	32,422	0	0	\$13.08
Northern Virginia Totals	60,402,432	3,298,165	5.5%	314,877	314,877	1,052,874	0	\$11.90

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
14301 Sullyfield Circle	Route 28 Corridor South	Sky Solutions	54,284	Renewal*
22750 Glenn Drive	Route 28 Corridor North	General Dynamics IT	39,714	New Lease
113 Executive Drive	Route 28 Corridor North	Sunbelt Rentals Inc.	23,213	New Lease
470 Spring Park Place	Route 28 Corridor South	IBM	19,395	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
21445 Beaumeade Circle	Route 28 North	Chirisa Capital Management/ AREP-Harrison Street Capital JV	78,347	\$21,500,000/ \$274.42

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