

Northern Virginia

Industrial Q2 2021

YoY Chg 12-Mo. Forecast

5.3%
Vacancy Rate



388K
Net Absorption, SF



\$11.88
Asking Rent, PSF

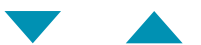


(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

3.2 M
D.C. Metro
Employment



5.5%
D.C. Metro
Unemployment Rate



5.9%
U.S.
Unemployment Rate



Source: BLS

Supply: Positive Absorption for Office Sector

While the office service (OS) sector registered 69,416 square feet (sf) of positive absorption in Q2 2021, the warehouse/distribution (W/D) sector registered 7,174 square feet of negative absorption bringing the overall absorption to 62,242 sf of positive absorption at the end of Q2 2021 and year-to-date (YTD) overall absorption to 388,031 sf of positive absorption. Springfield/I-95 led the W/D submarkets with 29,700 sf of positive absorption in Q2 2021 bringing YTD W/D absorption to 35,994 sf in the submarket. Route 28 Corridor South led the OS submarkets with 47,602 sf of positive absorption bringing YTD OS absorption to positive 116,833 sf in the submarket.

Demand: Leasing Activity Increasing

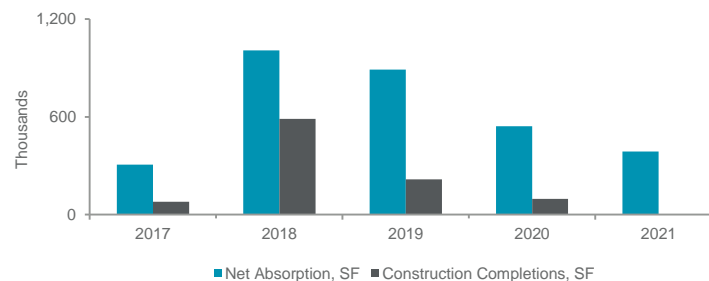
The NoVA industrial market registered 259,399 sf of new leasing activity in Q2 2021- with 161,373 sf of leasing activity in the OS sector and 98,026 sf of leasing activity in the W/D sector. The largest lease of the quarter was a new lease signed by Dynalectric at 3900 Stonecroft Blvd for 34,278 sf in the Route 28 Corridor South submarket. The largest renewal of the quarter was signed by WorldPac, Inc. at 6636-6672 Fleet Dr for 30,046 sf in the Springfield/I-95 submarket. YTD OS leasing activity totaled 388,100 sf and W/D YTD leasing activity totaled 445,532 sf.

Vacancy: Vacancy Decreasing

Overall vacancy rate in the NoVA market for Q2 2021 was 5.3%- down 80 basis points (bps) year-over-year (YOY). The OS sector registered vacancy rates at 8.6%, up 70 bps YOY and the W/D sector registered vacancy rates at 3.4%, down 160 bps YOY.

The overall asking rate in the NoVA industrial market was \$11.88 per square foot (psf)- down \$0.78 psf YOY. Overall OS sector asking rates were \$13.13 psf, up \$0.52 psf YOY, while the W/D sector asking rates were \$9.94 psf, up \$0.14 psf YOY, at the close of Q2 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	614,366	4.5%	29,700	35,994	0	0	\$10.24
Route 28 Corridor South	4,364,160	213,859	4.9%	-30,874	-28,123	0	0	\$8.92
Route 28 North	11,999,176	355,411	3.0%	-6,000	128,790	431,754	0	\$9.96
Manassas	7,386,395	71,895	1.0%	0	143,020	621,120	0	\$11.27
Warehouse/Distribution Totals	37,436,629	1,255,531	3.4%	-7,174	279,681	1,052,874	0	\$9.94
Springfield/I-95	6,418,054	713,898	11.1%	1,500	-18,442	0	0	\$14.55
Route 28 Corridor South	7,013,260	782,060	11.2%	47,602	116,833	0	0	\$11.41
Route 28 North	6,867,166	339,896	4.9%	14,064	10,020	0	0	\$12.66
Manassas	2,667,323	137,732	5.2%	6,250	-61	0	0	\$12.16
Office Service/Flex Totals	22,965,803	1,973,586	8.6%	69,416	108,350	0	0	\$13.13
Northern Virginia Totals	60,402,432	3,229,117	5.3%	62,242	388,031	1,052,874	0	\$11.88

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

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3900 Stonecroft Blvd	Route 28 Corridor South	Dynalectric	34,278	New Lease
6636-6672 Fleet Dr	Springfield/I-95	WorldPac, Inc.	30,046	Renewal*
22685 Holiday Park Dr	Route 28 Corridor North	United States Customs & Border Patrol	23,535	New Lease
8308 Cinder Bed Rd	Springfield/I-95	AT&T	22,600	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
319 Mill St NE	Fairfax/Oakton/Vienna	Mill Street LLC / Mitco Asset Management	23,000	\$5,000,000/\$217.39

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