

# Northern Virginia

## Industrial Q3 2021

	YoY Chg	12-Mo. Forecast
<b>5.1%</b> Vacancy Rate	▼	▼
<b>137K</b> Net Absorption, SF	▼	▬
<b>\$11.99</b> Asking Rent, PSF	▼	▲

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
<b>3.2M</b> D.C. Metro Employment	▲	▲
<b>5.2%</b> D.C. Metro Unemployment Rate	▼	▼
<b>5.2%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

### Supply: Positive Absorption for Warehouse/Distribution Sector

While the office service (OS) sector registered 43,912 square feet (sf) of negative absorption in Q3 2021, the warehouse/distribution (W/D) sector registered 180,803 sf of positive absorption bringing the overall absorption to 136,891 sf of positive absorption at the end of Q3 2021 and year-to-date (YTD) overall absorption to 632,922 sf of positive absorption. Route 28 Corridor North led the W/D submarkets with 161,696 sf of positive absorption in Q3 2021 bringing YTD W/D absorption to positive 290,486 sf in the submarket. Route 28 Corridor North also led the OS submarkets with 50,383 sf of positive absorption bringing YTD OS absorption to positive 60,403 sf in the submarket.

### Demand: Leasing Activity Increasing

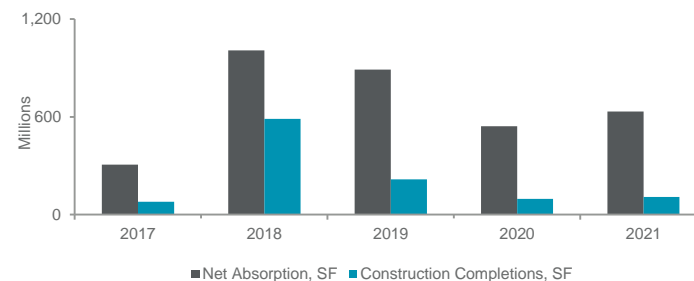
The NoVA industrial market registered 356,028 sf of new leasing activity in Q3 2021- with 66,931 sf of leasing activity in the OS sector and 289,097 sf of leasing activity in the W/D sector. The largest lease of the quarter was a renewal signed by WMATA at 6100 Farrington Avenue for 80,776 sf in the Springfield/I-95 submarket. The largest new lease of the quarter was signed by Chenega Federal Systems at 10505 Furnace Road for 24,758 sf in the Springfield/I-95 submarket. YTD OS leasing activity totaled 563,326 sf and W/D YTD leasing activity totaled 985,095 sf, bringing YTD overall leasing to 1,548,421 sf. YTD renewals totaled 388,217 sf with OS registering 151,928 sf and W/D registering 236,289 sf with 80% of renewals coming from Fairfax County.

### Vacancy: Vacancy Decreasing

Overall vacancy rate in the NoVA market for Q3 2021 was 5.1%- down 100 basis points (bps) year-over-year (YOY). The OS sector registered vacancy rates at 8.8%, down 10 bps YOY and the W/D sector registered vacancy rates at 2.9%, down 150 bps YOY.

The overall asking rate in the NoVA industrial market was \$11.99 per square foot (psf)- up \$0.68 psf YOY. Overall OS sector asking rates were \$13.04 psf, up \$0.40 psf YOY, while the W/D sector asking rates were \$9.94 psf, up \$0.31 psf YOY, at the close of Q3 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 (OS)
Springfield/I-95	13,514,010	565,952	4.2%	48,414	84,408	0	0	\$10.22
Route 28 Corridor South	4,364,160	233,067	5.3%	-19,208	-47,331	0	0	\$9.11
Route 28 Corridor North	11,999,176	193,715	1.6%	161,696	290,486	431,754	0	\$10.06
Manassas	7,494,395	81,994	1.1%	-10,099	240,921	351,320	108,000	\$12.19
<b>Warehouse/Distribution Totals</b>	<b>37,371,741</b>	<b>1,074,728</b>	<b>2.9%</b>	<b>180,803</b>	<b>568,484</b>	<b>783,074</b>	<b>108,000</b>	<b>\$9.94</b>
Springfield/I-95	6,418,054	738,317	11.5%	-24,419	-42,861	0	0	\$14.47
Route 28 Corridor South	7,013,260	785,934	11.2%	-3,874	112,959	0	0	\$11.45
Route 28 Corridor North	6,867,166	289,513	4.2%	50,383	60,403	0	0	\$13.99
Manassas	2,667,323	203,734	7.6%	-66,002	-66,063	0	0	\$11.60
<b>Office Service/Flex Totals</b>	<b>22,965,803</b>	<b>2,017,498</b>	<b>8.8%</b>	<b>-43,912</b>	<b>64,438</b>	<b>0</b>	<b>0</b>	<b>\$13.04</b>
<b>Northern Virginia Totals</b>	<b>60,337,544</b>	<b>3,092,226</b>	<b>5.1%</b>	<b>136,891</b>	<b>632,922</b>	<b>783,074</b>	<b>108,000</b>	<b>\$11.99</b>

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

OS = Office Service/Flex W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6100 Farrington Avenue	Springfield/I-95	WMATA	80,776	Renewal*
22815 Glenn Drive	Route 28 Corridor North	V Alexander & Co Inc	49,257	Renewal*
13821-13843 Redskin Drive	Route 28 Corridor South	General Dynamics	25,097	Renewal*
10505 Furnace Road	Springfield/I-95	Chenega Federal Systems	24,758	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7951 Angleton Court	Springfield/I-95	MFS Lorton, LLC / Unknown	113,122	\$11,100,000 / \$98.12
114 Powers Court	Route 28 Corridor North	114 Powers Court LLC / KTR Capital Partners	38,400	\$8,000,000 / \$208.33
Featherstone Industrial Park (14 bldgs.)	Woodbridge	Finmarc Management / Rosenthal Properties & Stockbridge Capial	748,861	\$104,200,000 / \$139.14

## KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
8511 Virginia Meadows Drive	Manassas	Fidelitone	108,000	Becknell Industrial

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