

USAID FUNDING FREEZE

IMPLICATIONS FOR DC METRO OFFICE MARKET

MARCH 2025

Better never settles

USAID FUNDING FREEZE

WHEN

On **January 20, 2025**, President Trump, on his first day in office, signed **Executive Order 14169**, titled Reevaluating and Realigning U.S. Foreign Aid.

WHAT

The executive order mandates a 90-day pause on U.S. foreign development assistance to assess programmatic efficiencies and alignment with U.S. foreign policy objectives. As part of this review, the United States Agency for International Development (USAID) has undergone a dramatic restructuring, reducing its global workforce from nearly **10,000** employees to just under **300**. The agency, which operated with a budget exceeding **\$44 billion** in 2024, now faces significant operational cutbacks.

WHERE

The impact of this decision is particularly pronounced in the DMV region, where numerous organizations rely on USAID funding. These organizations collectively occupy over **3.6 million** square feet of leased office space. With federal funding now in question, some have already begun reducing headcount, potentially leading to widespread economic and real estate implications for international aid organizations.

USAID TIMELINE



- **January 1, 2022** – USAID operates as an independent government agency, providing humanitarian aid worldwide. The agency employs 4,675 people in the U.S., with 2,900 workers in the DC Metro area.
- **February 24, 2022** – Russia invades Ukraine, leading to the deadliest European conflict since World War II.
- **December 31, 2022** – USAID's budget increases \$10 billion YoY to over \$48 billion.



- **November 5, 2024** – Donald Trump wins a second presidential term, promising to eliminate government agencies and cut federal spending.
- **December 31, 2024** – USAID has provided \$46 billion in financial aid to Ukraine since Russia's 2022 invasion.



- **December 31, 2023** – USAID's budget reaches \$50 billion.



- **January 20, 2025** – Trump takes office and signs Executive Order 14169 Revaluating Foreign Aid and USAID Administrator Samantha Power steps down
- **February 3, 2025** – Jason Gray is ousted after just two weeks as Acting USAID Administrator.
- **February 4, 2025** – President Trump's administration appoints Secretary of State Marco Rubio as Acting Administrator of USAID and announces that 2,700 USAID workers will be placed on paid leave. USAID-funded organizations begin to furlough or layoff thousands of workers across the country.

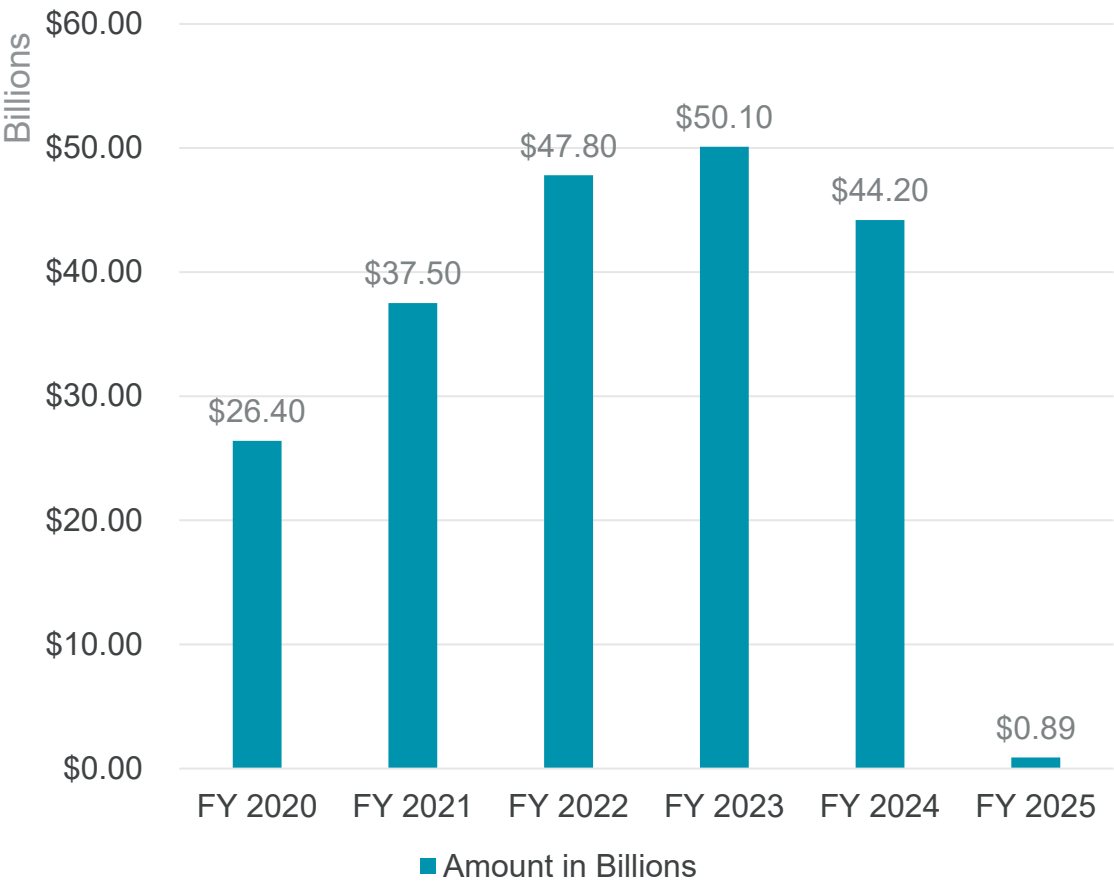
- **February 6, 2025** – The American Foreign Service Association and the American Federation of Government Employees sued the Trump administration, claiming that the dismantling of USAID is unconstitutional and illegal.
- **February 7, 2025** – A federal judge temporarily blocks the administration from putting USAID workers on paid leave.
- **February 13, 2025** – A federal judge orders Donald Trump's administration to temporarily lift the funding freeze that has shut down U.S. humanitarian aid and development work worldwide. The administration has five days to prove compliance.

Source: Cushman & Wakefield Research, USASpending.gov, Warntacker.com

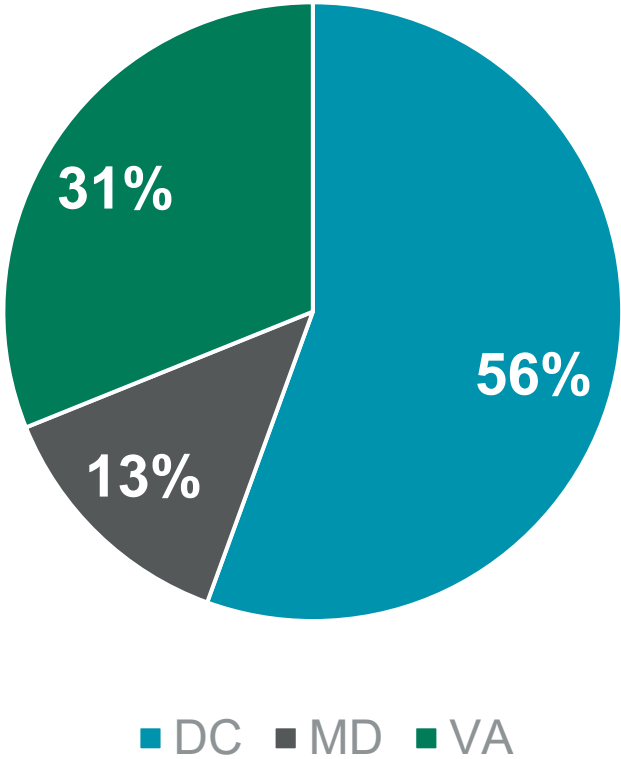
USAID FUNDING DRAMATICALLY IMPACTED IN 2025- DOWN 98% YOY



\$44.2 Billion in budgetary resources in FY 2024 (0.4% of the FY 2024 US Federal Budget)
\$892.1 Million in budgetary resources in FY 2025 (cut by 98%)



Organizations with a Presence in the DMV Have Received
\$19.9 Billion In USAID Contracts in the Last 5 Years

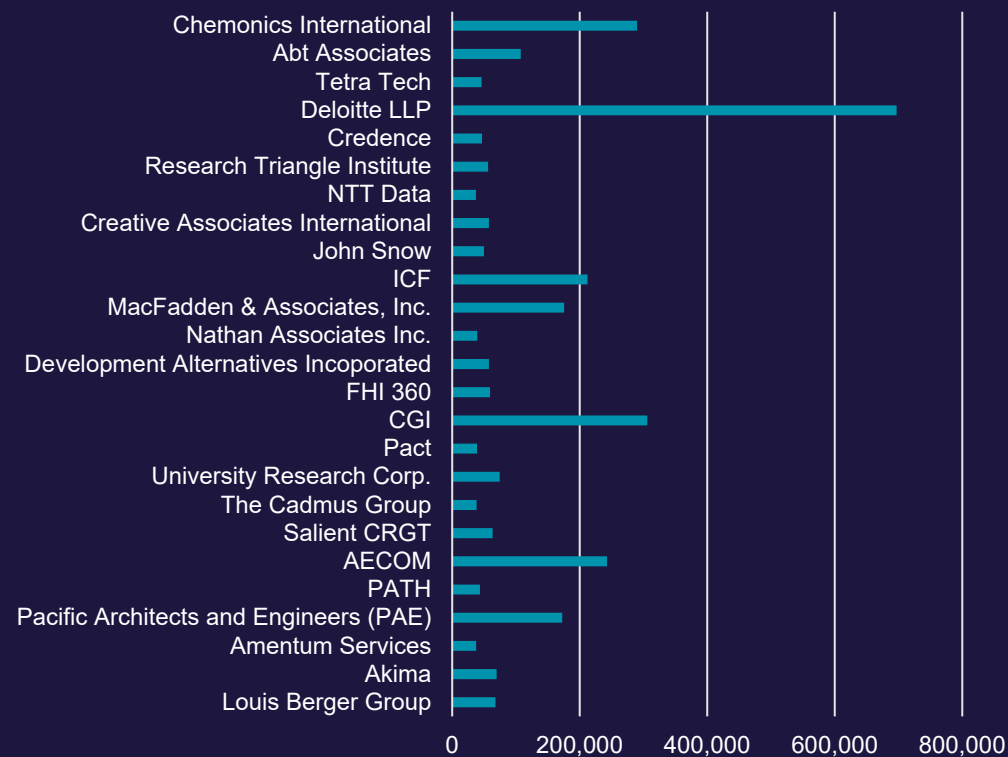


Source: Cushman & Wakefield Research, SAM.gov

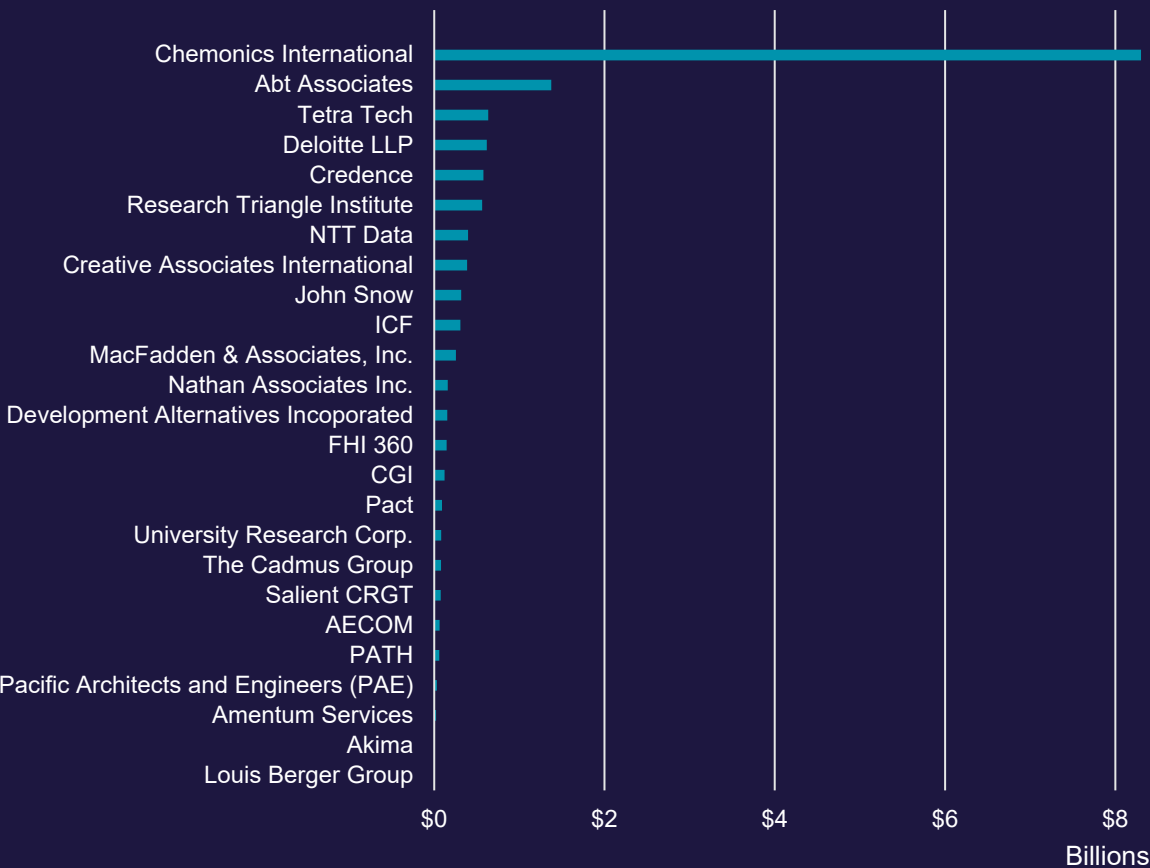
TOP DC METRO FIRMS AND ORGANIZATIONS FUNDED BY USAID



Size Footprint in the DC Metro Area



USAID Funding Received in the Last 5 Years

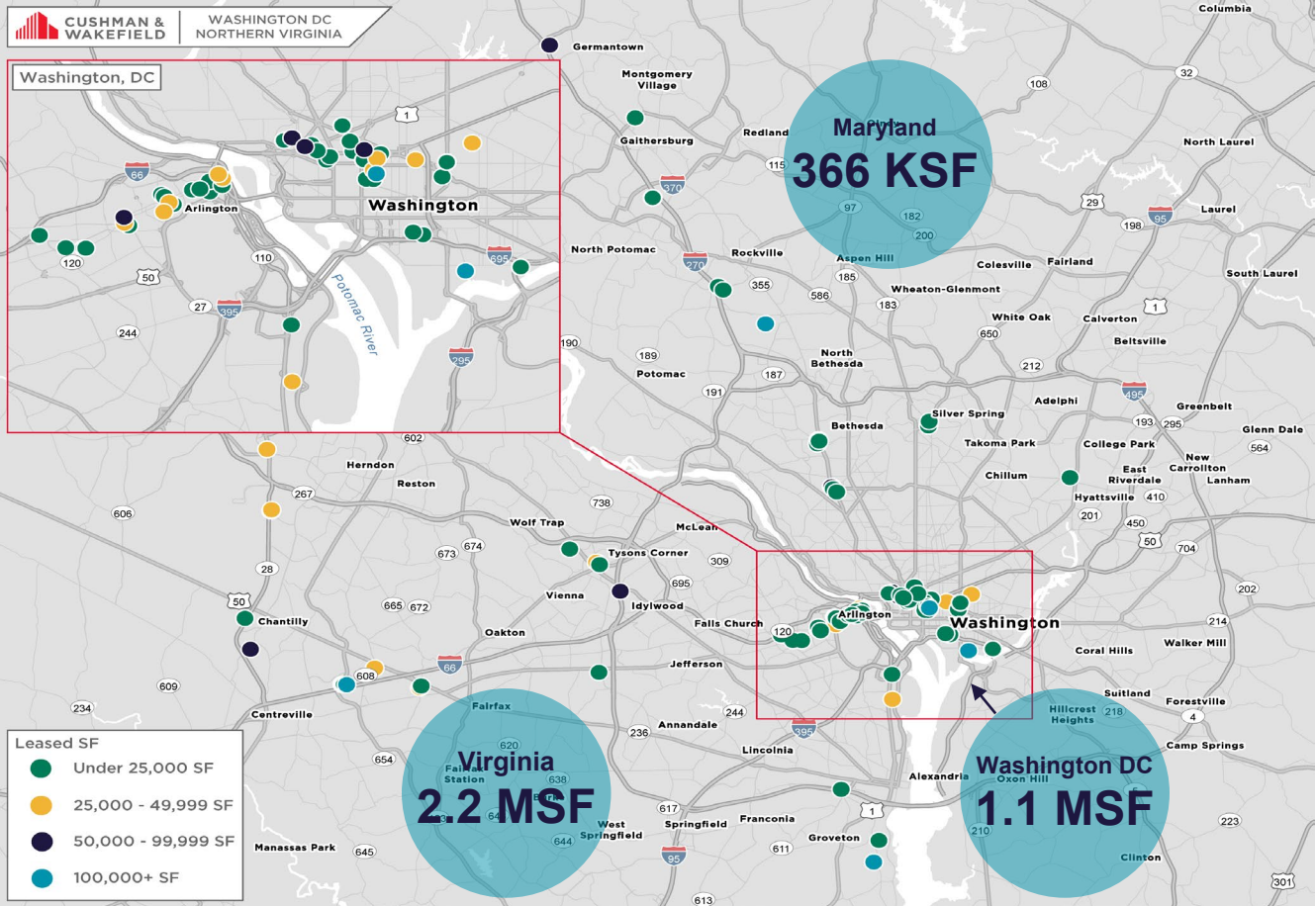


Source: USASpending.gov

AT LEAST 3.6 MSF POTENTIALLY AFFECTED ACROSS THE DMV

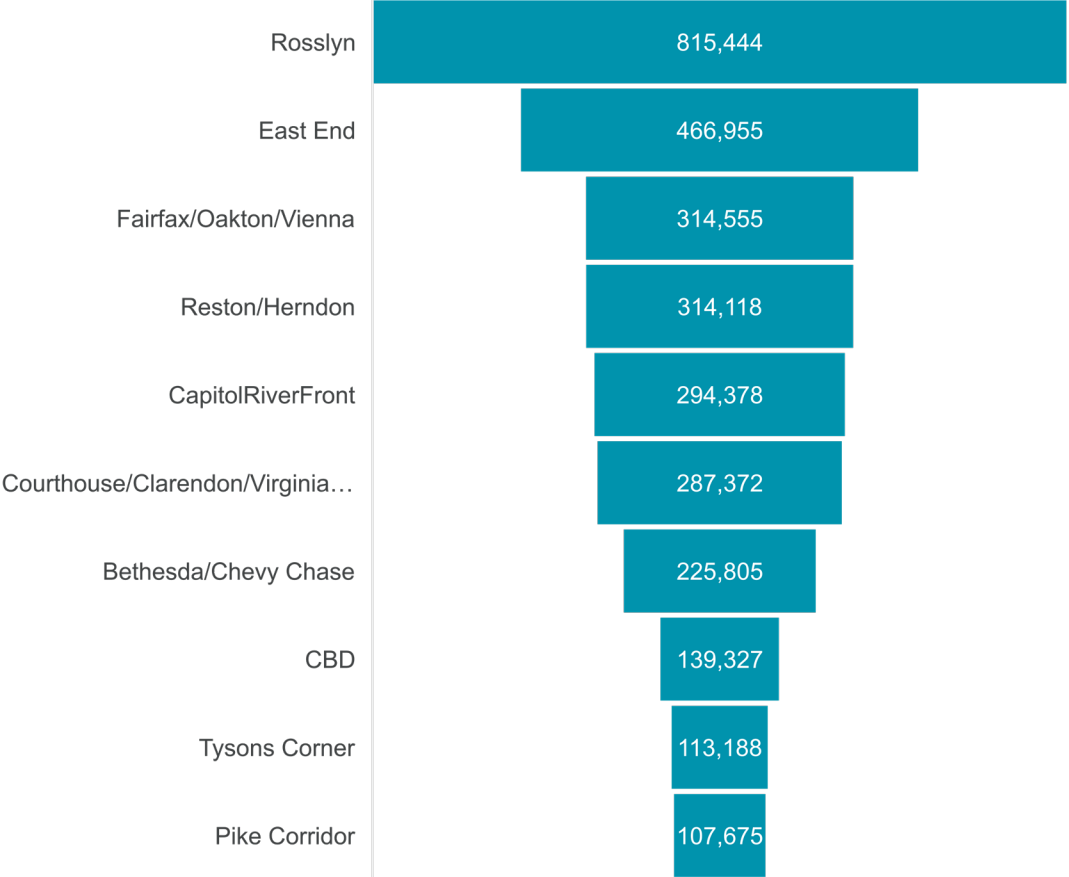


Areas Potentially Impacted



Source: Cushman & Wakefield Research, SAM.gov

Top 10 Submarkets with USAID Funded Tenants by SF



USAID FUNDED ORGANIZATIONS BEGIN TO CUT STAFF



| Organization | Location | Layoff or Furlough | # of Employees affected | Date Announced |
|--------------------------------------|------------|--------------------|-------------------------|----------------|
| USAID | Globally | Layoff | 9,700 | 2/6/2025 |
| Chemonics | DC | Furlough | 600 | 2/3/2025 |
| Credence Management Solutions | VA | Layoff | 400 | 1/28/2025 |
| FHI 360 | Nationwide | Furlough | 1,440 | 2/7/2025 |
| ABT Global | MD | Layoff | 241 | 2/7/2025 |
| The Management of Science for Health | VA | Furlough | 118 | 2/7/2025 |
| DAI Global | MD | Layoff | 382 | 2/3/2025 |
| Church World Service | Nationwide | Furlough | 1,650 | 1/31/2025 |

Source: Cushman & Wakefield Research, Warntacker.com

FOUR KEY TAKEAWAYS

1



After years of budget increases USAID'S budget has decreased **98%** from over **\$44 billion** in **FY 2024** to under **\$890 million** in **FY 2025**.

2



Organizations with a real estate presence in the DMV have received at least **\$19.9 billion** in USAID contracts in the last **5** years, and there could be potentially over **3.6 million** square feet may be impacted.

3



Some organizations have started furloughing and laying off employees and others have notified landlords that they are unable to pay rent.

4



Broader implications to the local economy include local contractors and subcontractors working with USAID on its various global development programs.



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