MARKETBEAT
NORTHERN VIRGINIA
INDUSTRIAL Q3 2024

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
4.5% Vacancy Rate	▲	▬
-168K YTD Net Absorption, SF	▼	▬
$16.51 Asking Rent, PSF	▬	▬

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
3.4M Washington, DC Metro Employment	▲	▲
2.9% Washington, DC Metro Unemployment Rate	▲	▲
4.1% Country Unemployment Rate	▲	▼

Source:BLS

SUPPLY: 130KSF DELIVERS IN LOUDOUN

Brookfield Properties' 130,000 square foot (sf) development, Dulles Logistics Center, at 25435 Pleasant Valley Road delivered in Loudon and is currently vacant. Another six developments remain in the pipeline, which will add 488,022 sf of industrial space to Northern Virginia. Three projects totaling 332,900 sf are expected to deliver next quarter including Elion Partners' 232,500 sf warehouse building at 43035 John Mosby Hwy in the Dulles Logistics Park, which has not reported any preleasing. Northern Virginia registered 40,336 sf of positive absorption in the third quarter, bringing year-to-date (YTD) absorption to negative 167,718 sf. California Closets moved into 25,598 sf at 3901 Stonecroft Blvd in Rt 28 South after moving out of 27,044 sf at 22815 Glenn Dr in Rt 28 North. Derr Flooring took 20,668 sf at 45200 Prologis Plaza in Rt 28 North. Stacked Auto went out of business at 22451 Shaw Road and vacated 23,680 sf in Rt 28 North.

DEMAND: FAIRFAX & LOUDOUN DRIVE LEASING

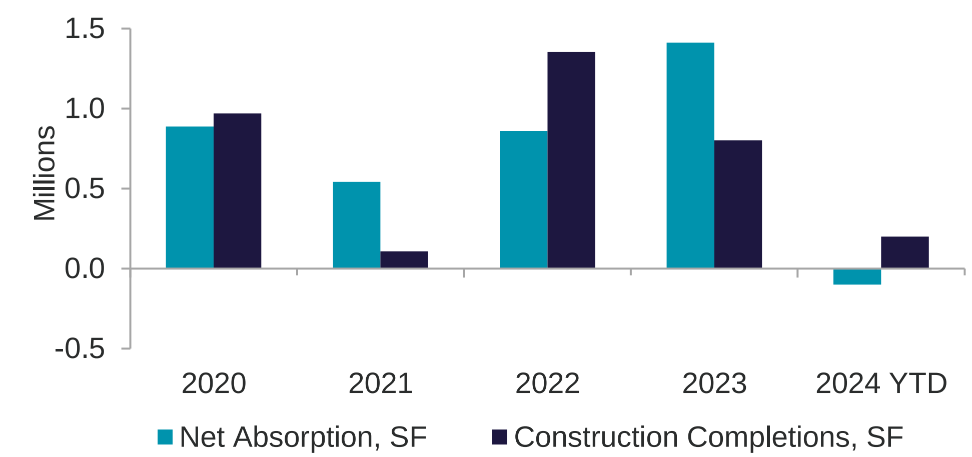
New leasing activity totaled 357,741 sf, which brings YTD new leasing to 1,186,156 sf. W/D accounted for 232,099 sf, 65% of new leasing activity in Q3. Fairfax County inked 137,102 sf in Q3 while Loudon County signed 131,853 sf of new leases, bringing YTD new leasing to 637,110 sf and 326,752 sf, respectively. Fairfax County renewals were driven by East West Marble Company inking 72,569 sf at 3920 Stonecroft Blvd in Rt 28 South and Federal Express Corporation renewing 66,000 sf at 6602-6634 Fleet Dr. Renewal activity totaled 469,414 sf YTD with Fairfax County recording 340,140 sf YTD.

Overall vacancy rates finished the third quarter at 4.5%, up 10 basis points (bps) from last quarter and up 80 bps year-over-year (YOY). OS vacancy was 5.1%, which was down 70 basis points YOY while W/D vacancy rose 170 bps YOY to 4.2%

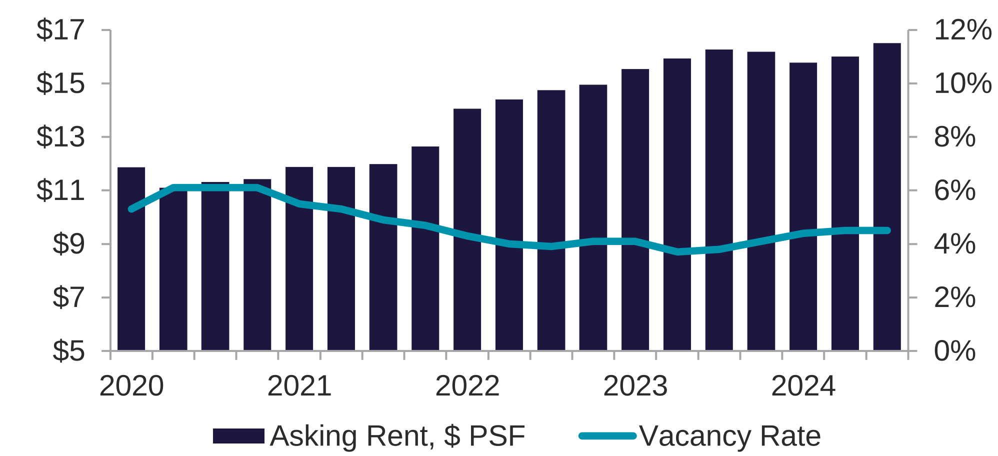
PRICING: RENTS UP YOY

The average overall rental rate in the third quarter was $16.51 per square foot (psf), up $0.51 psf from Q2 and up $0.25 YOY. Rental rates for OS space rose $0.95 psf to $17.86 while W/D rents fell $0.67 psf to $14.99 YOY.

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)	YTD NEW LEASING (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Springfield/I-95	13,244,991	506,977	3.8%	43,872	-73,830	202,219	88,322	0	$16.83
Route 28 Corridor South	4,392,336	165,384	3.8%	-15,183	-140,959	217,622	0	0	$15.07
Route 28 Corridor North	12,948,707	521,722	4.0%	-43,233	-188,603	217,813	338,500	130,020	$17.38
Manassas	8,791,008	460,223	5.2%	-20,950	180,339	177,201	31,200	91,172	$11.09
Warehouse/Distribution Totals	39,377,042	1,654,306	4.2%	-35,494	-223,053	814,855	458,022	221,192	$14.99
Springfield/I-95	6,140,467	526,720	8.6%	17,117	38,036	103,930	0	0	$19.79
Route 28 Corridor South	6,989,260	330,556	4.7%	33,977	-40,745	113,339	30,000	0	$15.87
Route 28 Corridor North	6,963,027	278,231	4.0%	5,023	45,052	108,939	0	0	$16.32
Manassas	2,667,323	33,800	1.3%	19,713	12,992	45,093	0	0	$15.20
Office Service/Flex Totals	22,760,077	1,169,307	5.1%	75,830	55,335	371,301	30,000	0	$17.86
Northern Virginia Totals	**62,137,119**	**2,823,613**	**4.5%**	**40,336**	**-167,718**	**1,186,156**	**488,022**	**221,192**	**$16.51**

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

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3920 Stonecroft Boulevard	Rt 28 Corridor South	East West Marble Co	72,569	Renewal*
6602-6634 Fleet Drive	Springfield/I-95	Federal Express Corp	66,000	Renewal*
101 & 105 Oaklawn Drive	Rt 28 Corridor North	Templemore	50,722	New Lease
8233 Buckeye Timber Drive	Manassas	LKQ	42,549	New Lease
22775 Ladbrook Drive	Rt 28 Corridor North	A&A Transfer	26,896	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
6933 Colchester Park Dr	Manassas	Individual / Amazon	Land Value	$26.8M / $1,283 acre
110 Terminal Dr (2 Bldgs)	Route 28 North	Victory Van / TA Realty	151,424	$35.0M / $231
11124-11128 Industrial Rd	Manassas	NV Waterproofing & Foundation Repair / JK Moving Services	11,320	$10.8M / $954
7398 Ward Park Ln	Springfield/I-95	Jennings Business Park / DH Property Holdings	43,552	$7.2M / $165

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
25435 Pleasant Valley Road	Rt 28 Corridor North	-	130,020	Brookfield
8233 Buckeye Timber Drive	Manassas	LKQ	91,172	Cabot Properties

DECLAN ICARD
Research Analyst
Tel: +1 703 770 3474
Declan.icard@cushwake.com

LAUREN KRAEMER
Associate Director
Tel: +1 202 266 1316
Lauren.kraemer@cushwake.com