MARKETBEAT

Northern Virginia

INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.9% Vacancy Rate	▲	–
327K YTD Net Absorption, SF	▼	–
$16.08 Asking Rent, PSF *(Overall, Net Asking Rent)*	–	–

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6M Northern VA Employment	▲	▲
3.4% Northern VA Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

THIRD STRAIGHT QUARTER OF GROWTH AS VACANCY TIGHTENS

Northern Virginia's industrial market extended its growth streak into Q3, recording 149,000 square feet (sf) of absorption. This brings year-to-date (YTD) absorption to 327,000 sf, a sharp turnaround from the negative 64,000 sf posted through the same period last year. With vacancy declining to 4.9%, down 20 basis points (bps) from Q2 but up 40 bps year-over-year (YOY), the market continues to demonstrate healthy tenant demand and limited new supply.

Route 28 North once again led activity, anchored by the year's largest lease: DB Schenker's move into newly delivered space at ELP Dulles Logistics Park and Rivian move into a 42,500-sf service center at 42734 Trade West Dr, reinforcing its role as the region's industrial hub. Offsetting these gains were Rubicon Storage's exit from 34,000 sf at 22860 Ladbrook Dr and Culligan's 15,000-sf departure at 45095 Old Ox Rd in Route 28 North. Overall, sustained leasing momentum and minimal construction continue to support a tight, landlord-favored environment across core Northern Virginia submarkets.

DEMAND: NEW LEASING REMAINS STEADY

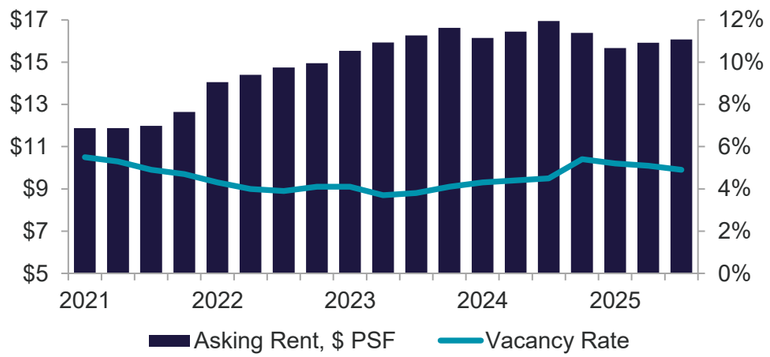
Leasing activity tempered in Q3 with 411,000 sf of new leases signed, bringing YTD volume to 1.8 million square feet (msf), up 32% from the same period in 2024. Route 28 North and Manassas led all submarkets with 154,000 sf inked each, followed by Springfield (76,000 sf) and Route 28 South (27,000 sf). Despite the slower quarter, demand remains healthy across core industrial nodes, reaffirming Northern Virginia's position as one of the region's most supply-constrained markets. With vacancy under 5% and construction largely on pause, tenants continue to face limited options for modern warehouse and distribution space, particularly in infill locations along the Route 28 corridor and I-66. While leasing momentum has stabilized, the pace of deal execution remains extended as occupiers weigh long-term space needs amid a cautious economic backdrop

PRICING: RENTS TICK UP BUT REMAIN BELOW LAST YEAR

Overall asking rates ended Q3 at $16.08 per square foot (psf), up $0.16 psf from Q2 but down $0.87 psf YOY. Springfield ($18.56 psf) and Route 28 North ($16.75 psf) recorded the highest average asking rents, reflecting continued tenant preference for well-located, modern product in key distribution hubs. While rents remain below their 2024 peak, limited new supply and tightening vacancy are expected to support gradual rent firming over the next several quarters.

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)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Springfield/I-95	13,278,556	1,000,676	7.5%	-56,309	-135,104	192,148	0	0	$14.91
Route 28 Corridor South	4,392,336	65,872	1.5%	41,470	53,264	158,832	73,540	0	$16.18
Route 28 Corridor North	13,242,060	510,519	3.9%	201,829	352,974	747,614	388,880	42,543	$16.02
Manassas	9,005,809	300,763	3.3%	-7,688	70,106	306,698	349,200	0	$8.88
Warehouse/Distribution Totals	39,918,761	1,877,830	4.7%	179,302	341,240	1,405,292	811,620	42,543	$13.92
Springfield/I-95	6,140,467	514,885	8.4%	-259	21,614	81,368	0	0	$19.87
Route 28 Corridor South	6,988,355	360,681	5.2%	-12,500	8,883	180,460	0	0	$16.08
Route 28 Corridor North	6,884,356	244,367	3.5%	-18,854	8,816	121,453	0	0	$16.96
Manassas	2,667,323	75,070	2.8%	1,736	-53,668	24,246	0	0	$13.58
Office Service/Flex Totals	22,680,481	1,195,003	5.3%	-29,877	-14,355	407,527	0	0	$18.37
Northern Virginia Totals	**62,599,242**	**3,072,833**	**4.9%**	**149,425**	**326,885**	**1,812,819**	**811,620**	**42,543**	**$16.08**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
10420 Golf Academy Dr	Manassas	TBC Corp.	134,513	New Lease
45610 Terminal Dr	Route 28 Corridor North	EPL Archives	37,688	New Lease
45055 Underwood Ln	Route 28 Corridor North	MEI Rigging & Crating	27,934	New Lease
113 Executive Dr	Route 28 Corridor North	Sunbelt Rentals	25,737	Renewal*
7520-7522 Fullerton Rd	Springfield/I-95	Impero Wine	17,280	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
3920 Stonecroft Blvd	Route 28 South	Nuveen / WestPark Properties	159,665	$54 M / $338.21
202 Lane Ct	Route 28 North	Individual / EMMM Corp.	50,762	$10.5 M / $207.51

KEY UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
10341 Golf Academy Dr	Manassas	-	184,800	Clarion Partners
44080 Little River Tpke	Rt 28 Corridor North	-	70,400	Penzance
11982 Wilton Meadows Ct	Manassas	-	31,200	N to N Fiber, Inc.

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