

FIGURES | NORTHERN VIRGINIA INDUSTRIAL | Q2 2026

Occupancy Gains and Rent Growth Support Industrial Normalization

▲ 3.8%

Vacancy Rate

▲ 273,859

SF Net Absorption

▲ 391,154

SF Construction Delivered

▼ 421,480

SF Under Construction

▲ \$17.41

NNN/YR Direct Lease Rate

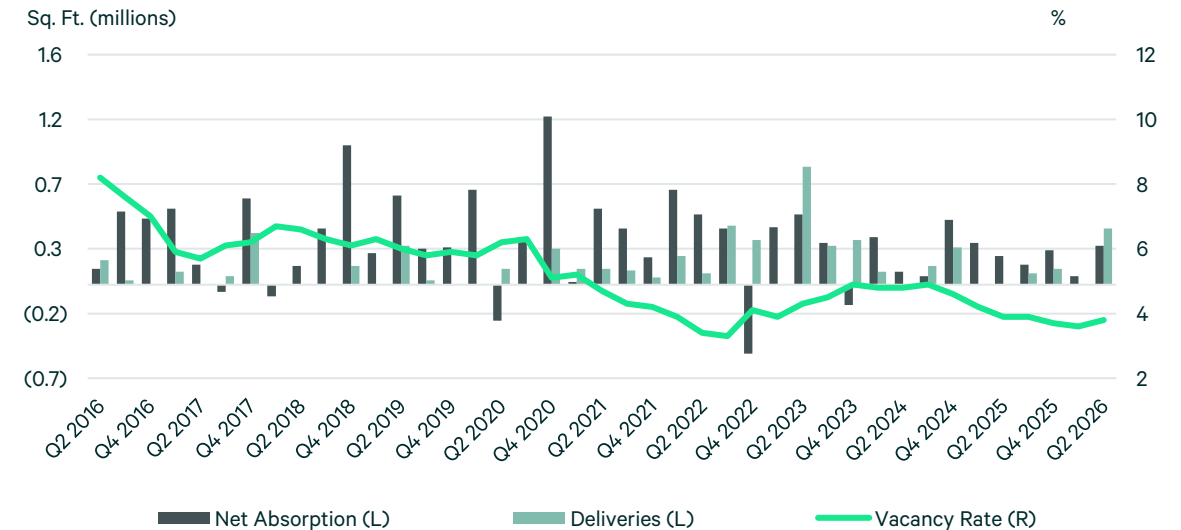
Note: Arrows indicate change from previous quarter.

Market Overview

Across the Northern Virginia industrial market, net absorption in Q2 2026 totaled 274,000 sq. ft. This represents an increase of 216,000 sq. ft. quarter-over-quarter and 71,000 sq. ft. year-over-year. Vacancy settled at 3.8%, an increase of 20 basis points (bps) quarter-over-quarter due to multiple vacant deliveries.

Space under construction totaled 421,000 sq. ft., just more than the square footage that delivered, which totaled 391,000 sq. ft. Average asking rents reached \$17.41 per sq. ft. per annum on a triple net basis (NNN), a 2.8% increase year-over-year. Gross leasing exceeded 1.0 million sq. ft. Of note, Hajoca signed a 54,000 sq. ft. new lease in Newington, and Hub Group also signed a 49,000 sq. ft. new lease in Manassas.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy Rate

Industrial vacancy during the second quarter was 3.8%, 20 basis points above the prior period's 3.6%. Quarterly movements have been minimal over the past few years, with overall vacancy rising roughly 50 basis points from the recent low of 3.3% recorded four years ago.

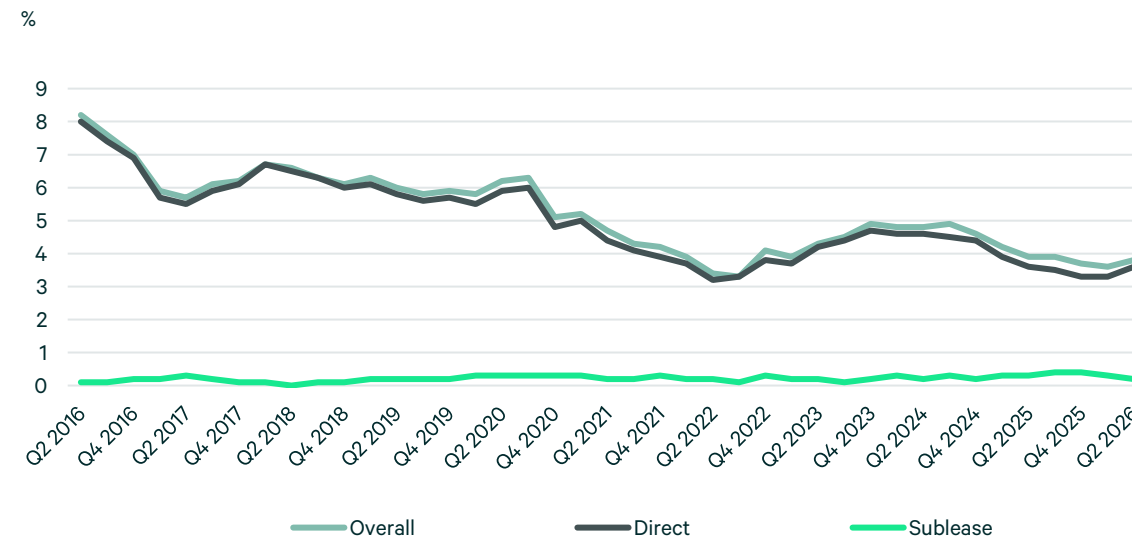
Within the core corridor, Route 28/Dulles North and Route 29/I-66 recorded vacancies of 1.6% and 1.7% respectively, the two lowest among the core industrial submarkets. 2025 saw four quarters of occupancy gains over 100,000 sq. ft. in Route 28/Dulles North, leading to minimal available space in the submarket. Among the core nodes, Manassas had the highest vacancy rate at 6.5%, with Springfield, Route 28/Dulles South and Woodbridge/I-95 clustered in the mid-single digits. Manassas recorded two deliveries in Q2 2026, one of which was vacant totaling 135,000 sq. ft., contributing to the submarket's elevated vacancy rate.

Asking Rent

Market-wide industrial asking rents averaged \$17.41 per sq. ft. in Q2, up 2.8% from the prior quarter and continuing a steady climb. Compared with the same quarter three years earlier, the average rate increased 19.5%, underscoring how pricing has moved materially higher over a sustained period. Within the product mix, warehouse/storage space recorded an asking rent at \$17.94 per sq. ft. Across the market, rental rates have consistently climbed, in contrast with the national average.

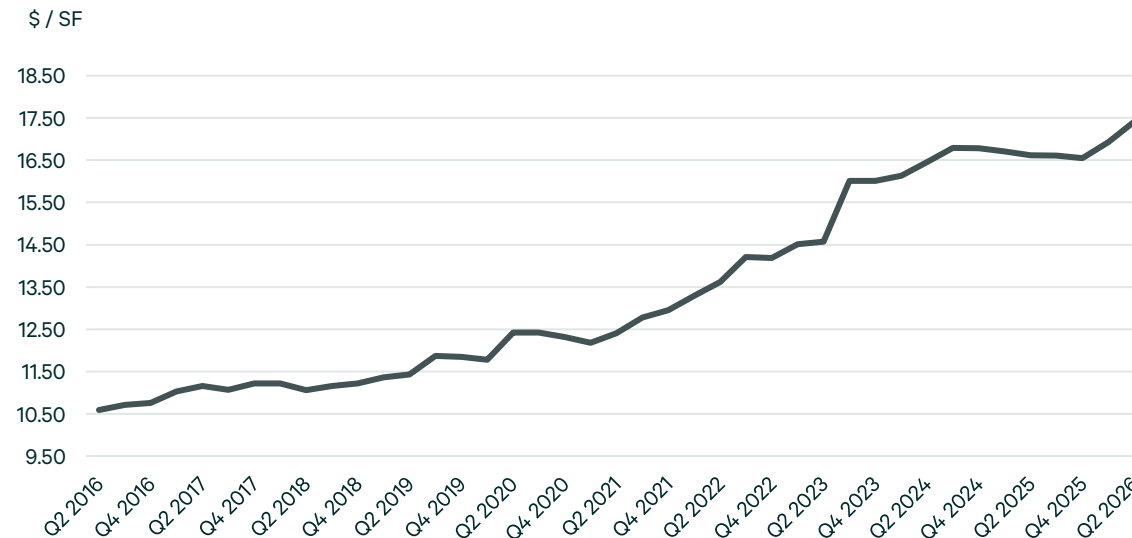
At the submarket level, Route 28/Dulles North recorded an average asking rate of \$21.03 per sq. ft. Space in the submarket is coveted and in low supply, giving landlords more bargaining power when negotiating rents.

Figure 2: Vacancy Rates



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

Net absorption in Q2 2026 resulted in an occupancy gain of 274,000 sq. ft., above both the prior quarter and the same period a year earlier. Over the last four quarters, the market posted a cumulative occupancy gain of 712,000 sq. ft., indicative of the market’s health.

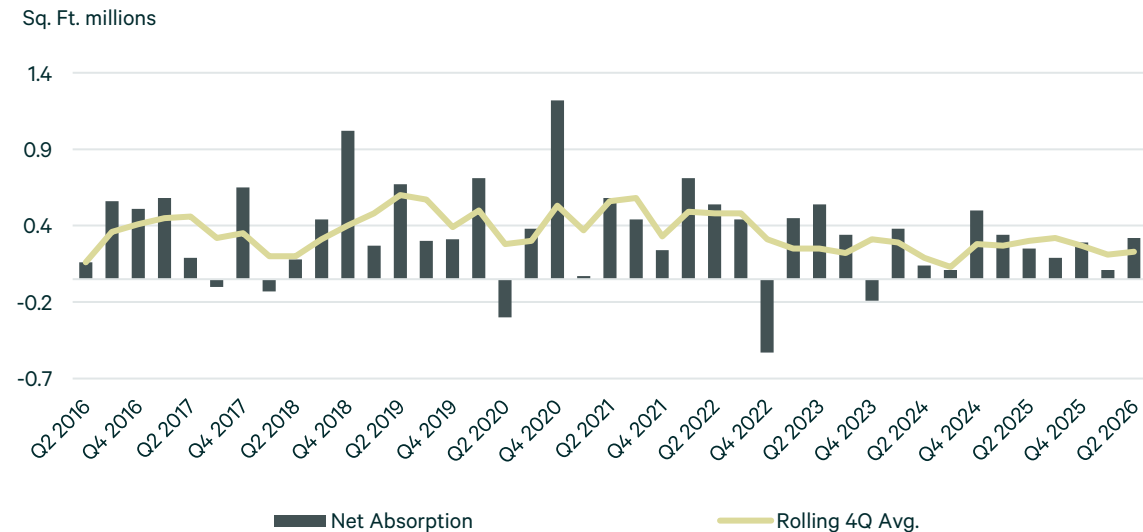
At the submarket level, Manassas recorded the largest occupancy gain at 112,000 sq. ft., followed by Route 28/Dulles North with 48,000 sq. ft. of additional occupied space. Manassas saw little change in occupancy outside of the occupied delivery of 10420 Golf Academy Drive. Other major corridors, including Route 28/Dulles South, Route 29/I-66 and Springfield, also posted positive but smaller occupancy gains. Taken together, these results show that net absorption was positively distributed across the primary submarkets.

Construction Activity

Industrial projects totaling 421,000 sq. ft. were under construction in Q2, while 391,000 sq. ft. delivered. The under-construction pipeline is 47% lower than a year earlier, and quarterly deliveries are below the 817,000 sq. ft. that completed in the corresponding quarter three years earlier.

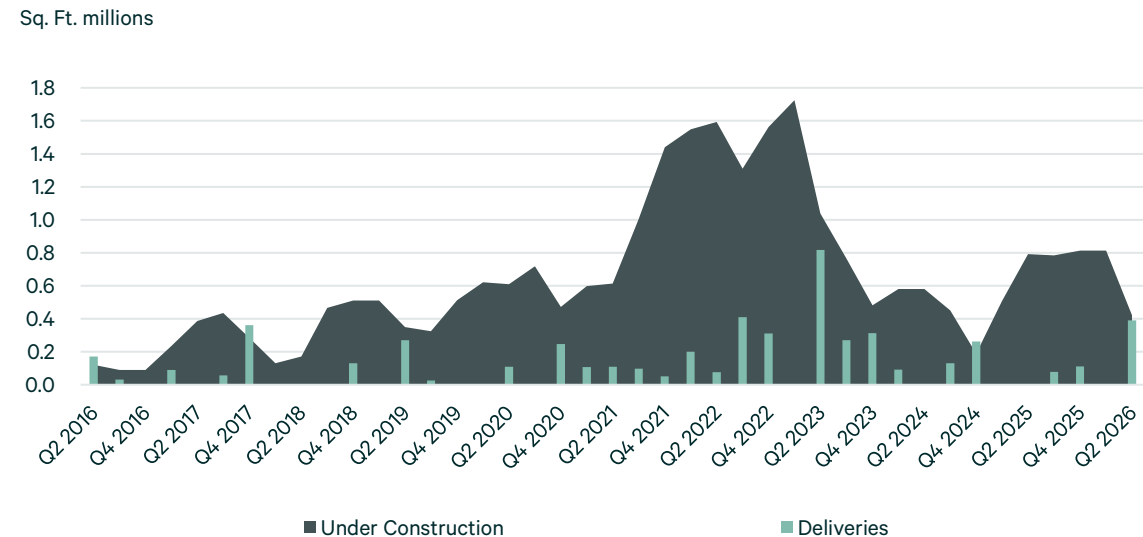
Route 28/Dulles North has the largest concentration of construction, led by the Prologis Dulles Logistics buildings totaling 283,000 sq. ft., combining fully pre-leased and speculative space that is scheduled to deliver in the near term. Woodbridge/I-95 follows with the I-95 Commerce Center at 139,000 sq. ft., which is fully pre-leased.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



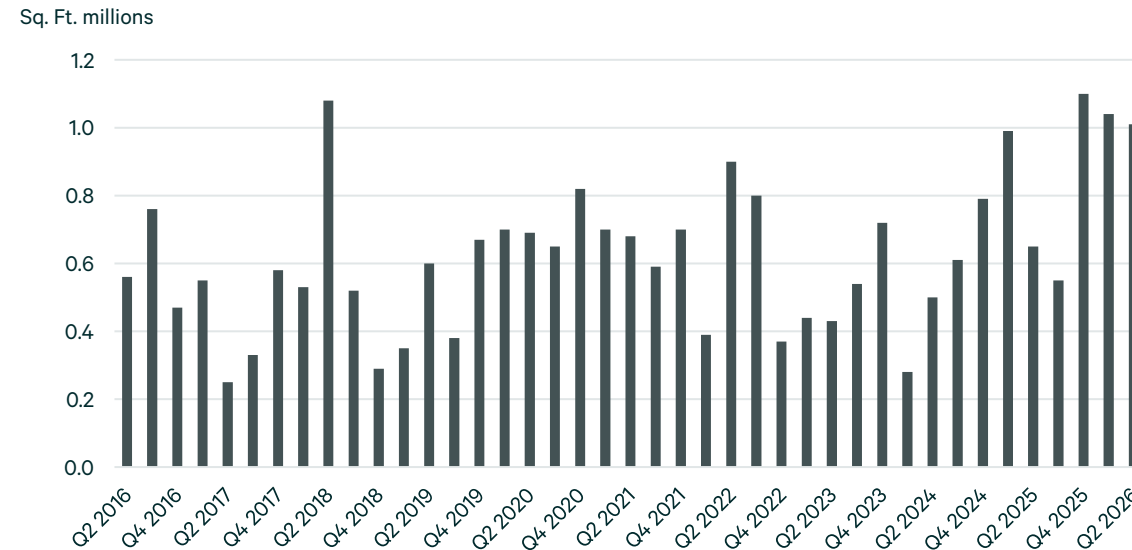
Source: CBRE Research, Q2 2026

Leasing Activity

Gross industrial leasing volume totaled 1.0 million sq. ft. in Q2 2026, down 3% quarter-over-quarter but up 55% year-over-year. Across the market, activity was skewed towards new leases, with notable deals including Hajoca’s lease in Newington and Hub Group’s lease in Manassas. That said, the two largest transactions were renewals, coming from Guernsey and Cavalier Logistics, both in Route 28/Dulles North.

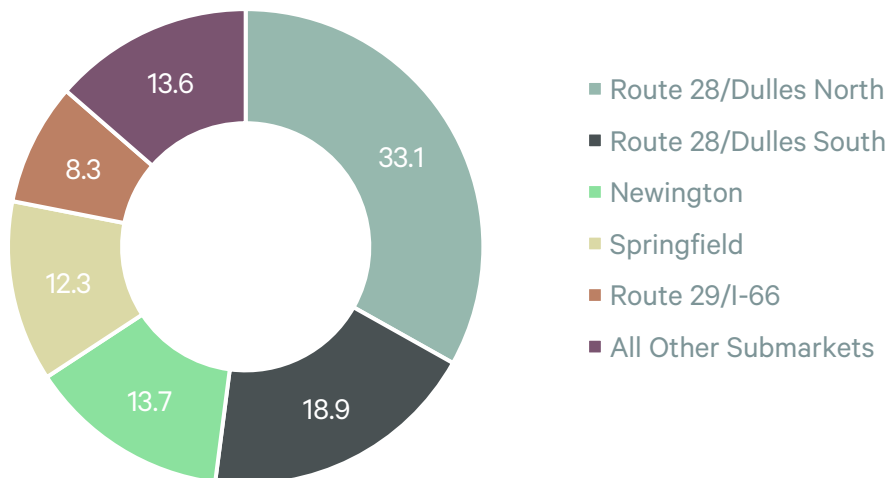
Route 28/Dulles North was the most active submarket during the quarter with 336,000 sq. ft. leased, followed by Route 28/Dulles South at 196,000 sq. ft., while Newington, Springfield, and remaining nodes captured smaller shares of industrial demand. Looking at sectors, 3PL tenants accounted for the highest leasing volume at 207,000 sq. ft., with wholesale and retail users recording the next highest total.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

Figure 8: Select Notable Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Guernsey	61,000	Renewal	45070 Old Ox Rd	Route 28/Dulles North
D.C. Dyna, Inc. dba Cavalier Logistics	58,000	Renewal	45085 Old Ox Rd	Route 28/Dulles North
Hajoca	54,000	New Lease	9610 Gunston Cove Rd	Newington
Hub Group Final Mile	49,000	New Lease	10420 Golf Academy Dr	Manassas
Bay State Pool Supplies	45,000	Renewal	7701 Southern Dr	Springfield
Ferguson Enterprises	40,000	Renewal	5650 General Washington Dr	Springfield
Aquila Hash	30,000	Renewal	45080 Old Ox Rd	Route 28/Dulles North
SI Fulfilment Solutions	28,000	New Lease	23020 Eaglewood Ct	Route 28/Dulles North

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	47.93	7.5	3.8	3.5	0.3	17.26	84,000	73,000	70,000	283,000
100,000-199,999 sq. ft.	18.24	7.8	4.1	4.1	0.0	17.38	192,000	256,000	321,000	139,000
200,000-299,999 sq. ft.	4.15	1.0	1.0	1.0	-	20.27	(2,000)	3,000	-	-
300,000-499,999 sq. ft.	1.98	-	-	-	-	-	-	-	-	-
500,000-749,999 sq. ft.	0.50	37.5	37.5	37.5	-	18.50	-	-	-	-
750,000+ sq. ft.	1.10	-	-	-	-	-	-	-	-	-
Total	73.90	7.1	3.8	3.6	0.2	17.41	274,000	332,000	391,000	421,000

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	49.31	6.9	3.3	3.1	0.2	17.94	209,000	321,000	391,000	421,000
R&D/Flex	24.60	7.5	4.8	4.5	0.2	16.57	65,000	11,000	-	-
Total	73.90	7.1	3.8	3.6	0.2	17.41	274,000	332,000	391,000	421,000

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

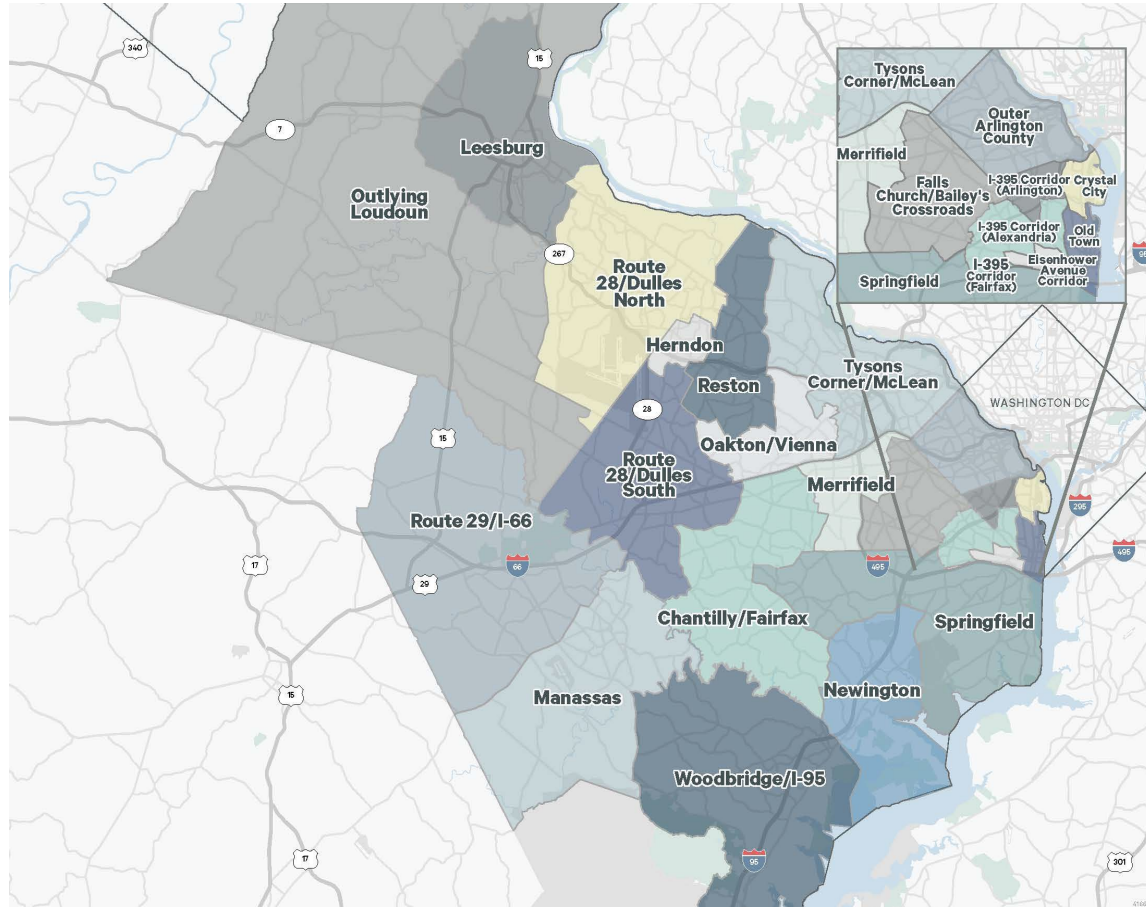
Figure 11

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Chantilly/Fairfax	0.42	5.0	5.0	5.0	-	14.77	-	1,000	-	-
Crystal City	0.07	-	-	-	-	-	-	-	-	-
Eisenhower Avenue Corridor	0.83	5.2	2.8	2.8	-	20.05	(10,000)	(5,000)	-	-
Falls Church/Bailey's Crossroads	0.27	-	2.9	2.9	-	-	(8,000)	(8,000)	-	-
Herndon	0.70	6.8	3.7	3.7	-	16.39	17,000	13,000	-	-
I-395 Corridor (Alexandria)	2.33	5.9	4.0	4.0	-	18.47	5,000	(1,000)	-	-
I-395 Corridor (Arlington)	0.38	0.5	0.5	0.5	-	24.00	7,000	7,000	-	-
I-395 Corridor (Fairfax)	0.05	31.0	31.0	31.0	-	12.29	-	2,000	-	-
Leesburg	0.72	11.0	11.0	11.0	-	17.69	-	(7,000)	-	-
Manassas	5.44	10.0	6.3	6.2	0.1	16.21	122,000	123,000	321,000	-
Merrifield	1.67	6.9	6.7	5.9	0.8	15.25	(4,000)	(11,000)	-	-
Newington	10.31	8.4	5.7	5.2	0.5	16.53	32,000	(27,000)	-	-
Oakton/Vienna	0.26	2.5	-	-	-	27.94	8,000	-	-	-
Old Town	0.54	-	-	-	-	-	-	-	-	-
Outer Arlington County	0.07	-	-	-	-	-	-	-	-	-
Outlying Loudoun	0.10	-	-	-	-	-	-	-	-	-
Reston	0.08	-	-	-	-	-	-	-	-	-
Route 28/Dulles North	18.07	6.1	1.6	1.5	0.1	21.03	64,000	139,000	70,000	283,000
Route 28/Dulles South	10.06	5.1	4.0	3.8	0.2	16.40	30,000	9,000	-	-

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Route 29/I-66	9.41	5.2	1.7	1.7	-	16.42	24,000	93,000	-	-
Springfield	8.26	10.8	5.8	5.4	0.4	17.18	15,000	39,000	-	-
Tysons Corner/McLean	0.46	3.4	-	-	-	-	-	-	-	-
Woodbridge/I-95	3.43	9.6	4.3	4.3	-	17.89	(29,000)	(37,000)	-	139,000
Total	73.90	7.1	3.8	3.6	0.2	17.41	274,000	332,000	391,000	421,000

Source: CBRE Research, Q2 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

CBRE’s market report analyzes all classes of competitive single and multi-tenant industrial buildings that total 10,000+ sq. ft., including owner-occupied buildings, that are located within the submarket boundaries shown on the accompanying map.

Contacts

Chad Robbins
 Research Analyst
 chad.robbins1@cbre.com

Erin Janacek
 Research Manager
 erin.janacek@cbre.com

Stephanie Jennings
 Research Director
 stephanie.jennings@cbre.com