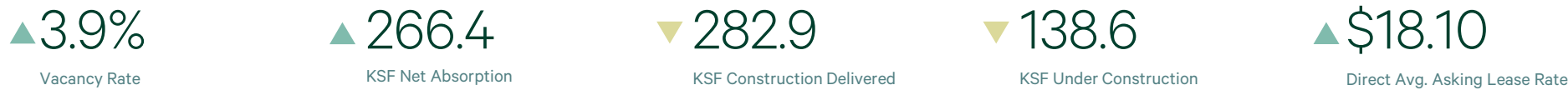


FIGURES | NORTHERN VIRGINIA INDUSTRIAL | Q3 2026

Northern Virginia Industrial Market Posts Another Quarter of Occupancy Growth



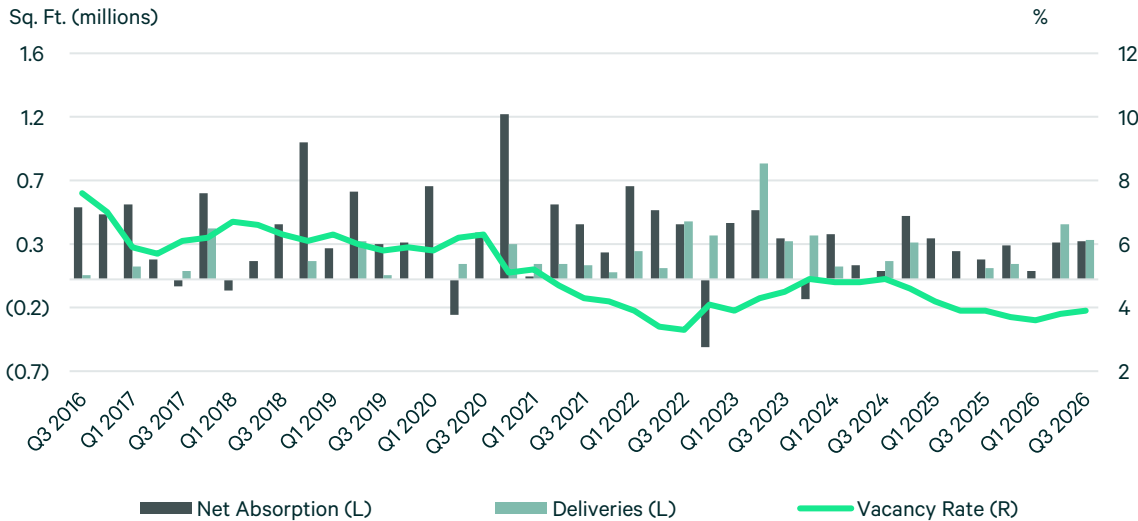
Note: Arrows indicate change from previous quarter.

Market Overview

The industrial market in Northern Virginia remains tight, showcasing steady occupancy gains and active leasing alongside continued new supply in Q3 2026. Net absorption totaled 266,000 sq. ft., with vacancy increasing slightly to 3.9%. A total of 283,000 sq. ft. was completed during the quarter, with about 61% of newly delivered space still available. Following the deliveries, just one project remains under construction. The average asking rent increased to \$18.10 per sq. ft., continuing the upward trend in pricing.

Over the past decade, the market trended toward lower vacancy, which fell from 7.6% in Q3 2016 to 3.9% in Q3 2026, a 370 basis points (bps) decline. Most quarters recorded positive net absorption, including every quarter since Q4 2023. Rates rose steadily and limited new construction leased up quickly, reflecting the consistent competitiveness of the Northern Virginia industrial market. The market continues to post strong fundamentals through the first three quarters of 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Despite moderate occupancy gains in Q3 2026, the delivery of speculative construction pushed the overall industrial vacancy rate up slightly quarter-over-quarter to 3.9%. However, since Q3 2023, overall vacancy has declined 60 bps, highlighting the gradual tightening in the market over the past few years.

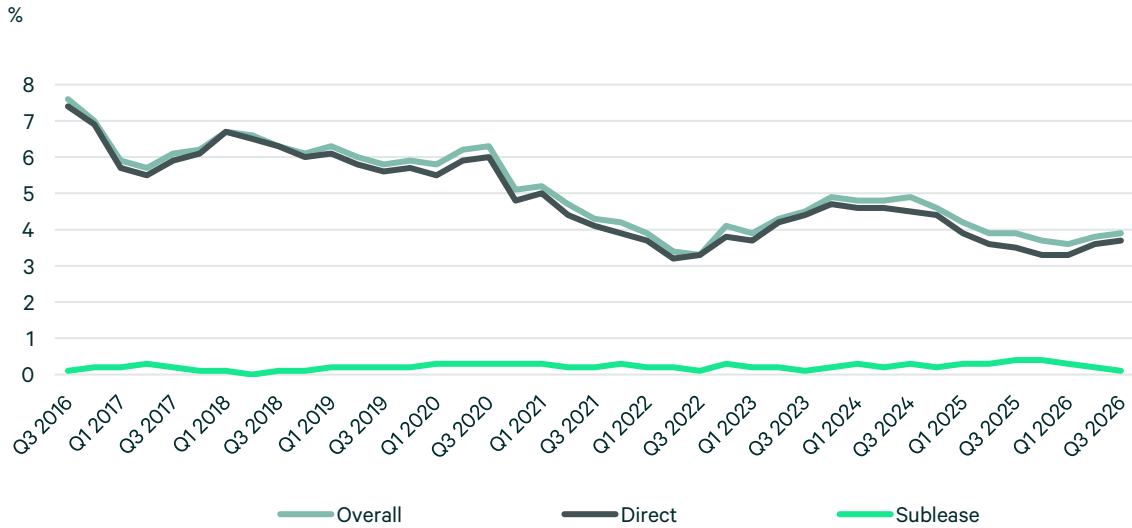
Vacancy patterns across Northern Virginia core industrial submarkets in Q3 2026 showed tight conditions in several corridors. Route 29/I-66 recorded one of the lowest vacancy levels at 2.0%, with Route 28/Dulles North close behind at 2.1%, reflecting limited options along these major freight routes. By contrast, Springfield posted a 6.0% vacancy rate, moderately high in comparison to other submarkets. That said, vacancy remains low in Northern Virginia when compared to other industrial markets across the United States.

Asking Rent

Industrial asking rents continued to climb higher, averaging to \$18.10 per sq. ft. per annum on a triple-net (NNN) basis, representing a 4.0% increase quarter-over-quarter. Warehouse space remained the highest-priced product type, with average asking rents of \$19.08 per sq. ft. NNN.

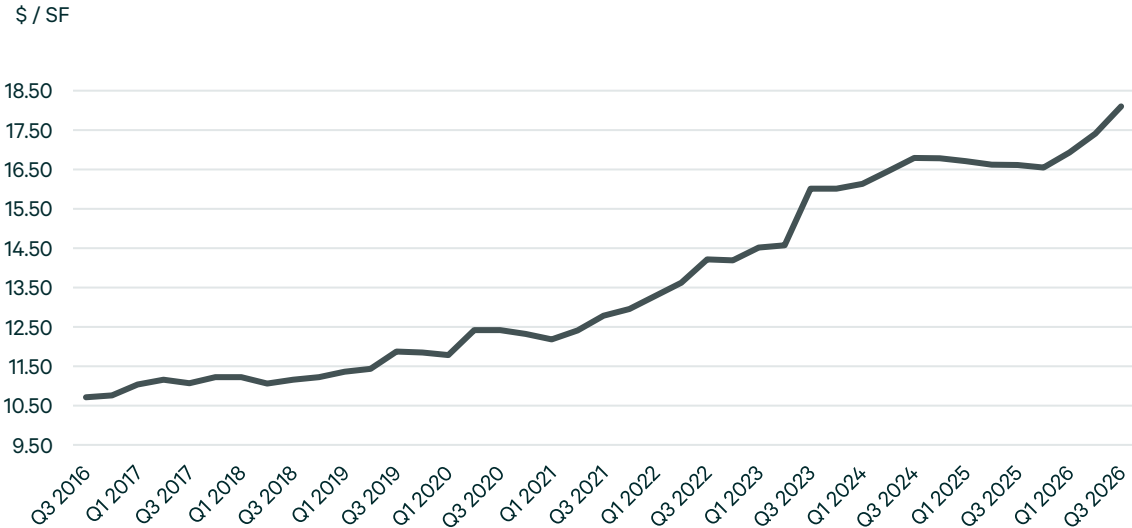
Class A space delivering in Route 28/Dulles North was a major driver of increasing asking rates, as well as the incredibly tight supply in the market. As of Q3 2026, warehouse space in the submarket averages \$22.51 per sq. ft. NNN. Given the low vacancy of 2.9%, landlords have more power when it comes to pricing.

Figure 2: Vacancy Rates



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

In Q3 2026, the Northern Virginia industrial market recorded occupancy gains totaling 266,000 sq. ft., representing the strongest quarter of net absorption so far this year. From Q4 2025 through Q3 2026, cumulative net absorption reached 825,000 sq. ft., indicating consistent occupancy gains over the past four quarters.

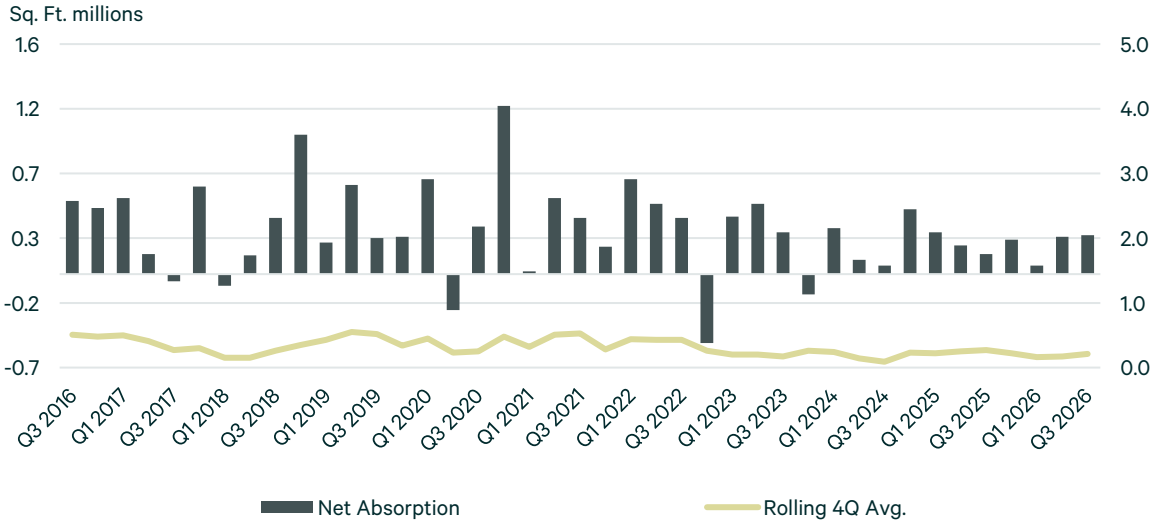
Occupancy gains were concentrated in a few core industrial corridors during Q3 2026. Manassas posted the largest occupancy gains, with 129,000 sq. ft. absorbed, while Route 28/Dulles North recorded an additional 101,000 sq. ft. of positive absorption, together accounting for most of the increase in occupied space. Route 28/Dulles South added a more modest occupancy gain of 16,000 sq. ft., and absorption in the remaining tracked submarkets was generally limited to small changes of 20,000 sq. ft. or less, reflecting incremental adjustments and modest net changes in occupied space.

Construction Activity

Industrial construction remained strong, with 283,000 sq. ft. delivered this quarter. Four Class A warehouses at Prologis Dulles Logistics reached completion, with one building fully preleased and two others partially preleased. Year-to-date deliveries stand at 674,000 sq. ft. through three quarters, exceeding the 189,000 sq. ft. completed in 2025.

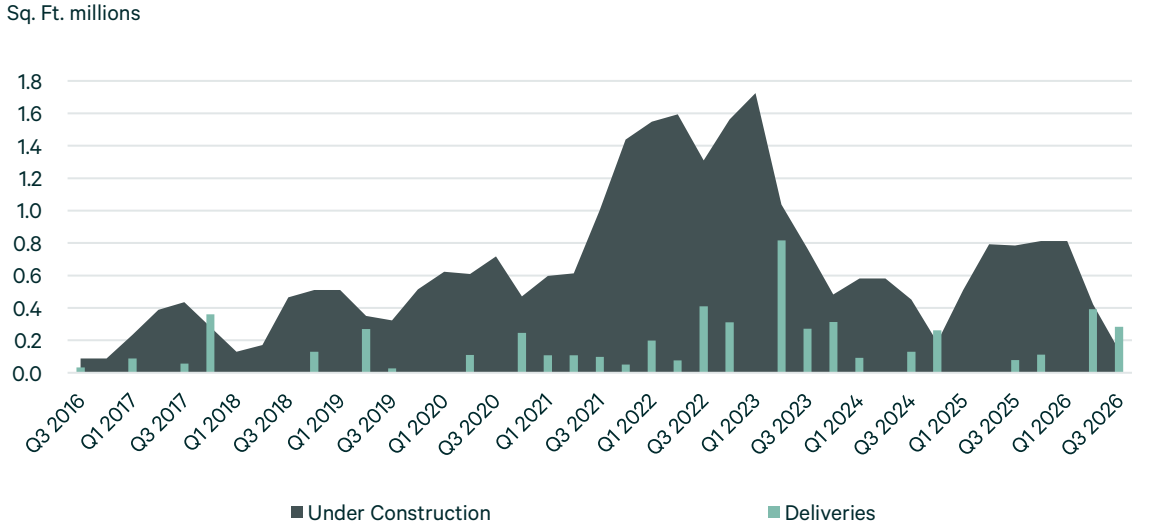
Only one property is currently under construction. The I-95 Commerce Center will provide 139,000 sq. ft. of new warehouse space in the Woodbridge/I-95 submarket and remains fully available for lease.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



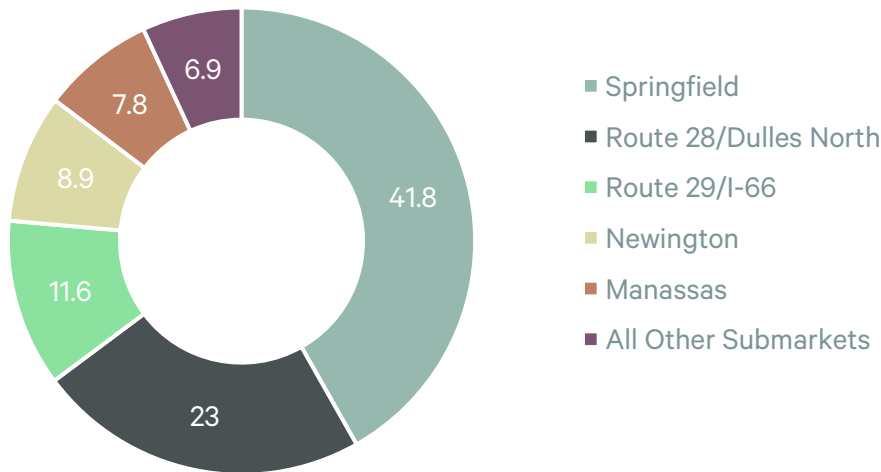
Source: CBRE Research, Q3 2026

Leasing Activity

In Q3 2026, leasing activity remained elevated, with gross industrial leasing volume reaching 1.2 million sq. ft., up 2.7% quarter-over-quarter and 123% higher year-over-year. Leasing was new-lease driven, with seven new commitments compared with three renewals, and deal sizes ranged from large blocks to mid-size space, anchored by a large renewal by a confidential tenant along Commercial Drive in Springfield, as well as newly leased space by Veho and AAA Club Alliance in the same submarket. Additional new leasing by RTB Volleyball and Dominion Engineering diversified the tenant mix.

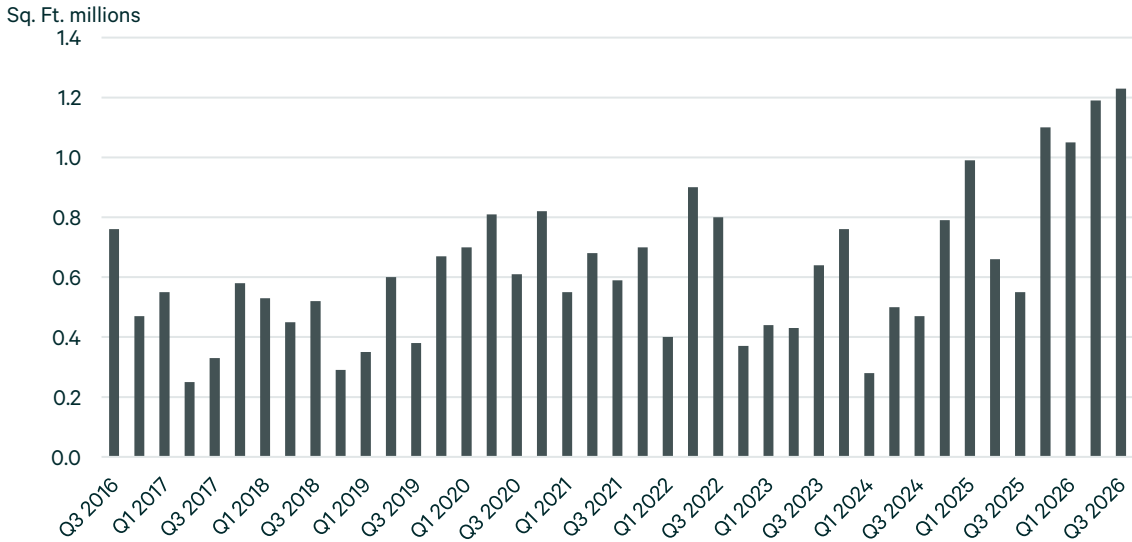
Springfield was the most active industrial submarket, recording 382,000 sq. ft. of leasing volume, followed by the Dulles North corridor with 256,000 sq. ft., while other western submarkets such as Manassas saw more moderate but still meaningful levels of activity. By industry, business services tenants led leasing with 173,000 sq. ft., followed closely by e-commerce tenants.

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



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 8: Select Notable Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	133,000	Renewal	6885 Commercial Dr	Springfield
MobileSentry	100,000	New Lease	9061 9073 Euclid Ave	Manassas
Cornet Technology	70,000	New Lease	7600 Boston Blvd	Newington
Veho	69,000	New Lease	7700 7730 Southern Dr	Springfield
AAA Club Alliance	57,000	Renewal	7701 Southern Dr	Springfield
SSRC Business Solutions	46,000	Renewal	7701 Southern Dr	Springfield
RTB Volleyball	38,000	New Lease	44080 Little River Tpke	Route 28/Dulles North
Dominion Engineering	25,000	New Lease	22620 Lockridge Rd	Route 28/Dulles North

Source: CBRE Research, Q3 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.	48.04	7.7	4.1	3.9	0.2	17.93	128,000	186,000	283,000	-
100,000-199,999 sq. ft.	17.32	7.1	3.6	3.6	0.0	18.22	133,000	390,000	-	139,000
200,000-299,999 sq. ft.	4.15	2.2	0.9	0.9	-	19.84	5,000	8,000	-	-
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	73.09	7.1	3.9	3.7	0.1	18.10	266,000	584,000	283,000	139,000

Source: CBRE Research, Q3 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	48.54	7.1	3.4	3.3	0.1	19.08	256,000	576,000	283,000	139,000
R&D/Flex	24.56	7.1	4.8	4.6	0.1	16.54	11,000	7,000	-	-
Total	73.09	7.1	3.9	3.7	0.1	18.10	266,000	584,000	283,000	139,000

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

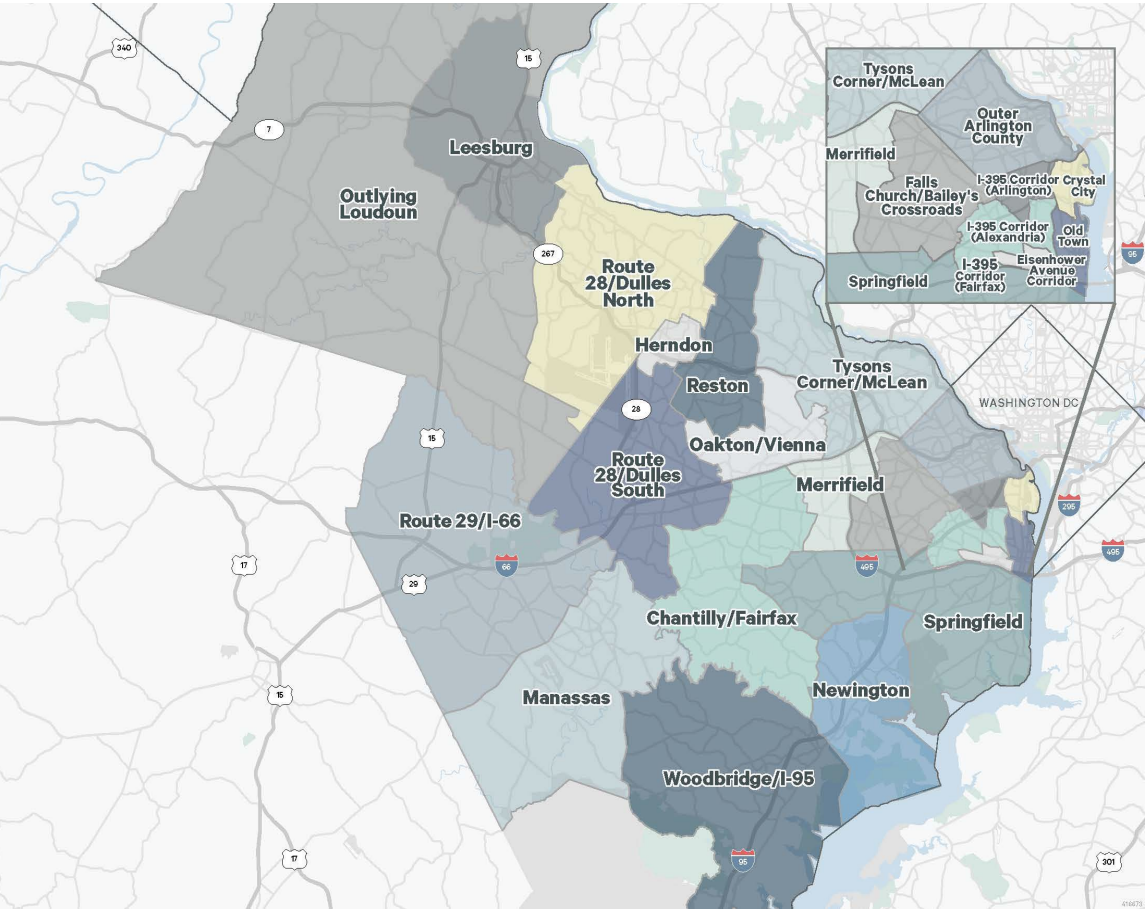
Figure 11

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	9.4	5.0	5.0	-	14.77	-	1,000	-	-
Crystal City	0.07	-	-	-	-	-	-	-	-	-
Eisenhower Avenue Corridor	0.83	6.4	4.0	4.0	-	20.80	(10,000)	(15,000)	-	-
Falls Church/Bailey's Crossroads	0.27	-	-	-	-	-	8,000	-	-	-
Herndon	0.70	6.8	3.7	3.7	-	16.45	-	13,000	-	-
I-395 Corridor (Alexandria)	2.33	7.3	4.0	4.0	-	18.97	(1,000)	(1,000)	-	-
I-395 Corridor (Arlington)	0.38	0.5	0.5	0.5	-	24.00	-	7,000	-	-
I-395 Corridor (Fairfax)	0.05	31.0	31.0	31.0	-	12.29	-	2,000	-	-
Leesburg	0.72	10.2	11.0	11.0	-	17.50	-	(7,000)	-	-
Manassas	5.44	8.4	3.9	3.8	0.1	18.37	129,000	252,000	-	-
Merrifield	1.67	8.5	6.4	6.0	0.4	15.38	4,000	(7,000)	-	-
Newington	10.31	8.4	5.3	5.0	0.4	16.59	39,000	13,000	-	-
Oakton/Vienna	0.26	1.2	0.8	0.8	-	21.00	(2,000)	(2,000)	-	-
Old Town	0.54	-	-	-	-	-	-	-	-	-
Outer Arlington County	0.07	-	-	-	-	-	-	-	-	-
Outlying Loudoun	0.10	-	-	-	-	-	-	-	-	-
Reston	0.08	-	-	-	-	-	-	-	-	-
Route 28/Dulles North	17.39	6.8	2.7	2.6	0.1	21.97	101,000	240,000	283,000	-
Route 28/Dulles South	10.06	5.9	4.0	3.8	0.2	16.64	16,000	10,000	-	-

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	9.28	4.3	1.6	1.6	0.0	17.03	10,000	103,000	-	-
Springfield	8.26	9.6	6.0	6.0	-	17.57	(17,000)	22,000	-	-
Tysons Corner/McLean	0.46	5.6	0.4	0.4	-	25.00	(2,000)	(2,000)	-	-
Woodbridge/I-95	3.43	9.3	4.6	4.6	-	18.01	(9,000)	(46,000)	-	139,000
Total	73.09	7.1	3.9	3.7	0.1	18.10	266,000	584,000	283,000	139,000

Source: CBRE Research, Q3 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.

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