

Northern Virginia

Office – Q2 2026

savills

Leasing surges, as availability rates return to pre-pandemic norms

Leasing volume in Northern Virginia surged to about 3.0 million square feet (msf) in Q2 2026, more than double the Q1 2026 total and the market's third-highest quarterly total of the last five years. Demand was heavily concentrated in top-quality buildings, with Class A buildings capturing more than 90.0% of total leasing volume. Reflecting a familiar pattern, defense contractors accounted for many of the quarter's largest transactions. Peraton leased more than 300,000 square feet (sf) of new space across three different buildings in Herndon, including Volkswagen's former headquarters and a build-to-suit development on the same site. Other defense contractor leases for more than 50,000 sf included CGI Federal in Fairfax, General Dynamics Information Technology (GDIT) in Chantilly and Innovative Defense Technologies in Ballston.

Conversions and re-occupancy plans help stabilize fundamentals

Availability rates declined by 310 basis points (bps) over the last year and are now in line with their pre-pandemic norms, at 20.8%. A flurry of conversion activity and a rapidly declining sublease market have helped reduce availabilities in recent quarters. Several msf of obsolete inventory has been removed from the inventory, mostly in planned or completed residential conversions. The amount of space available for sublease has declined as companies implement firmer return-to-office policies and re-occupy space. There was just 2.0 msf available for sublease in Q2 2026, down from 3.3 msf one year ago and a peak of 5.8 msf two years ago.

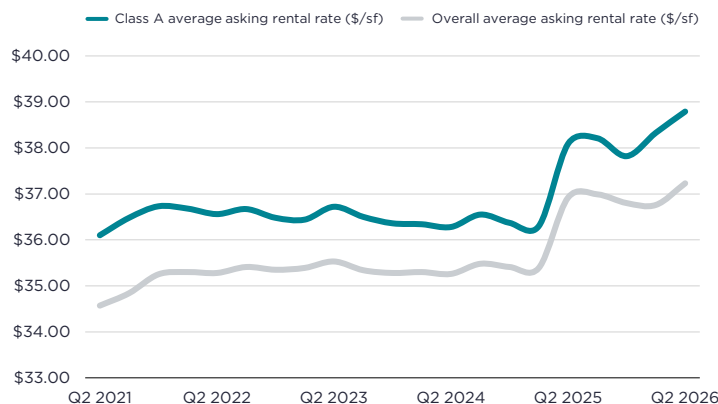
Reston/Herndon submarket attracts outsized demand

At roughly 1.0 msf, the Reston/Herndon submarket accounted for about one-third of all leasing activity in Northern Virginia. This was also the submarket's highest quarterly transaction volume of the 2020s, signaling growing demand from occupiers across a variety of industries and product classes. In addition to Peraton, notable transactions included renewals by Serco, IBM and SAIC, along with Federal Home Loan Bank's relocation and expansion from 1818 Library Street to 55,000 sf at 11950 Democracy Drive.

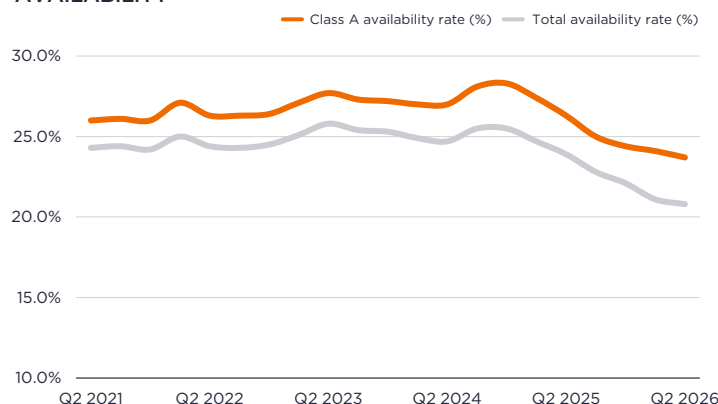
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	150.9 msf	142.6 msf	-8.3 msf
Availability rate	23.9%	20.8%	-310 bps
Asking rental rate	\$36.92	\$37.23	+0.8%
Class A asking rental rate	\$38.09	\$38.79	+1.8%
Quarterly leasing activity	2.0 msf	3.0 msf	+1.0 msf
Available sublease space	3.3 msf	2.0 msf	-1.3 msf

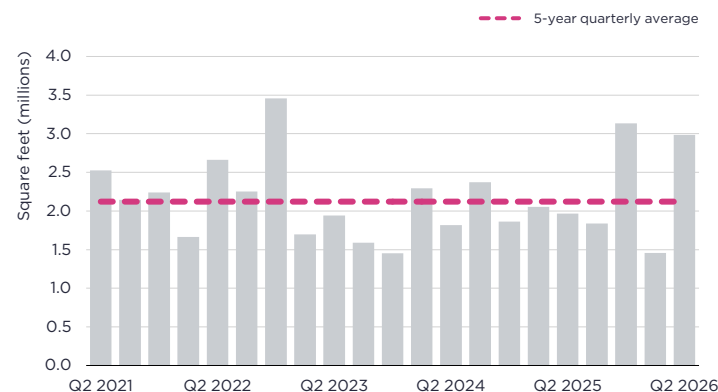
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

01

Defense contractors should remain a major source of demand as public and private sector funding continues at a record pace.

02

Redevelopment activity will likely persist, removing obsolete inventory and placing downward pressure on availability rates.

03

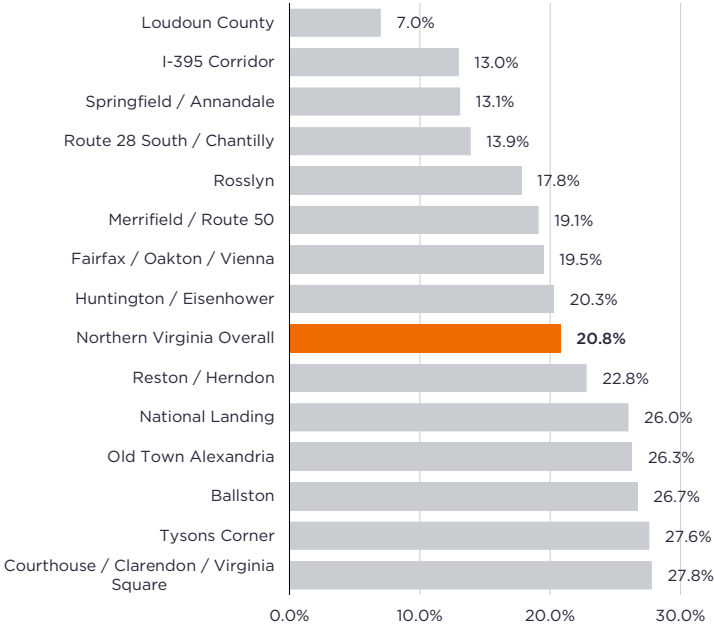
Occupiers are expected to remain focused on high-quality space, supporting continued demand for trophy and Class A buildings.

NOTABLE LEASES

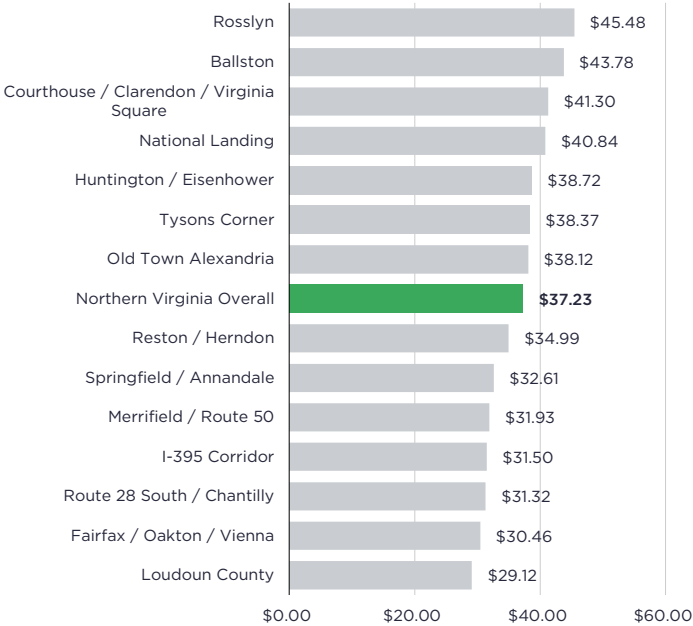
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Peraton	Business, Professional & Consulting Services	Reston / Herndon	2260 Woodland Pointe Avenue	185,013	New Location
CGI Federal	Technology, Advertising, Media & Information	Fairfax / Oakton / Vienna	12601 Fair Lakes Circle	145,583	Renewal
Strategy	Technology, Advertising, Media & Information	Tysons Corner	1850 Towers Crescent Drive	142,000	Restructure
General Dynamics Information Technology (GDIT)	Technology, Advertising, Media & Information	Route 28 South / Chantilly	14700 Lee Road	84,652	Renewal
Peraton	Business, Professional & Consulting Services	Reston / Herndon	2200 Woodland Pointe Avenue	76,158	New Location
Fairfax County Board of Supervisors	Government	Fairfax / Oakton / Vienna	12015 Lee Jackson Memorial Highway	74,000	Renewal
Innovative Defense Technologies	Business, Professional & Consulting Services	Ballston	4250 N Fairfax Drive	69,896	Relocation
Serco	Business, Professional & Consulting Services	Reston / Herndon	12930 Worldgate Drive	58,977	Renewal
Peraton	Business, Professional & Consulting Services	Reston / Herndon	2250 Corporate Park Drive	55,384	New Location
Federal Home Loan Bank	Financial Services & Insurance	Reston / Herndon	11950 Democracy Drive*	55,000	Relocation

AVAILABILITY RATE COMPARISON (%)
NORTHERN VIRGINIA SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
NORTHERN VIRGINIA SUBMARKETS



Savills Research

For more information, please contact us:

Savills Northern Virginia
7900 Tysons One Place
Suite 420
Tysons, VA 22102
+1 703 442 9000

Adin Perera
Senior Director, Research
aperera@savills.us
+1 202 624 8545



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills