

Washington, D.C.

Office - Q2 2026

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Leasing volume hits a two-year high amid increased law firm activity

After a subdued first quarter, leasing volume rebounded to approximately 2.0 million square feet (msf) in Q2 2026, its highest total in two years. Most of the top leases were renewals, as large occupiers opted for certainty amid limited large-block availability in top quality buildings and rising buildout costs. To match last year's overall total leasing volume, demand still needs to improve its pace in the second half of the year, and the region's underperforming job growth and the lack of General Services Administration (GSA) leasing activity continue to present headwinds. The Class A segment has outperformed the overall market, posting stronger availability rate compression and rent growth over the last 12 months.

Law firm leasing activity bounces back

Law firms leased roughly 600,000 square feet (sf) in Q2 2026, following an uncharacteristically quiet first quarter. White & Case's upcoming relocation to 196,000 sf at 1701 Pennsylvania Avenue NW was the largest transaction, while renewals and extensions accounted for several of the other largest deals. Steptoe at 1330 Connecticut Avenue NW, O'Melveny at 1625 I Street NW and Wilkinson Barker Knauer at 1800 M Street NW were among the firms that opted to stay at their current locations. Steptoe and Wilkinson Barker Knauer both contracted, while O'Melveny retained its prior footprint. Besides White & Case, Honigman's 23,000 sf lease at 1999 K Street NW was another notable relocation; both firms moved from the East End to the CBD and expanded.

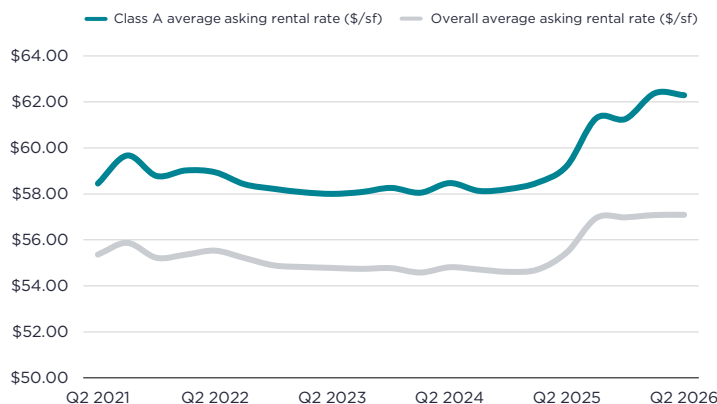
Trophy market continues to tighten

The trophy segment stands apart as a distinct market within the overall Washington, D.C. office market, with availability closer to 10.0% even as the city's overall availability rate remain above 20.0%. Few large-block options remain, and the development pipeline offers limited near-term relief. In this environment, landlords willing to invest in meaningful renovations are well positioned to capture demand from law firms and other occupiers prioritizing top-quality space.

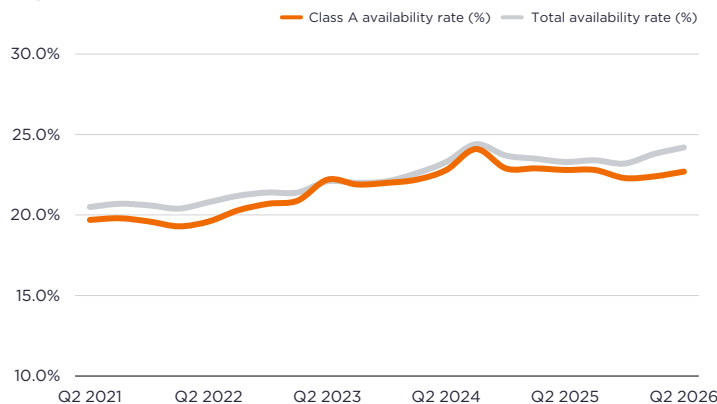
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	122.8 msf	119.0 msf	-3.8 msf
Availability rate	23.3%	24.2%	+90 bps
Asking rental rate	\$55.46	\$57.08	+2.9%
Class A asking rental rate	\$59.22	\$62.29	+5.2%
Quarterly leasing activity	1.8 msf	2.0 msf	+0.2 msf
Available sublease space	2.7 msf	2.1 msf	-0.6 msf

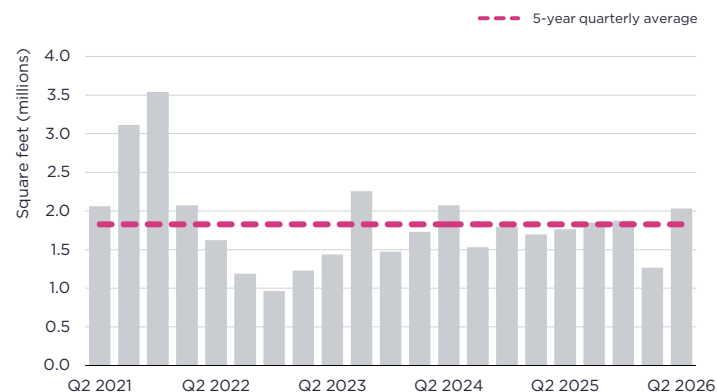
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

01

Trophy and Class A+ rents will likely continue to rise, with limited options in the existing inventory and pipeline.

02

Conversions will continue to remove obsolete inventory, while new projects are unlikely to advance without major preleasing commitments.

03

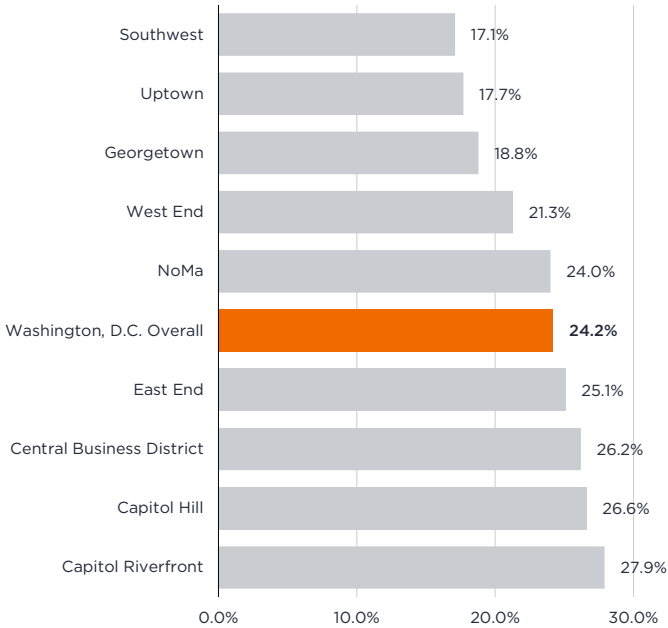
Leasing volume is expected to build on Q2 momentum, with several transactions approaching completion, including pending leases by Google and the U.S. Navy.

NOTABLE LEASES

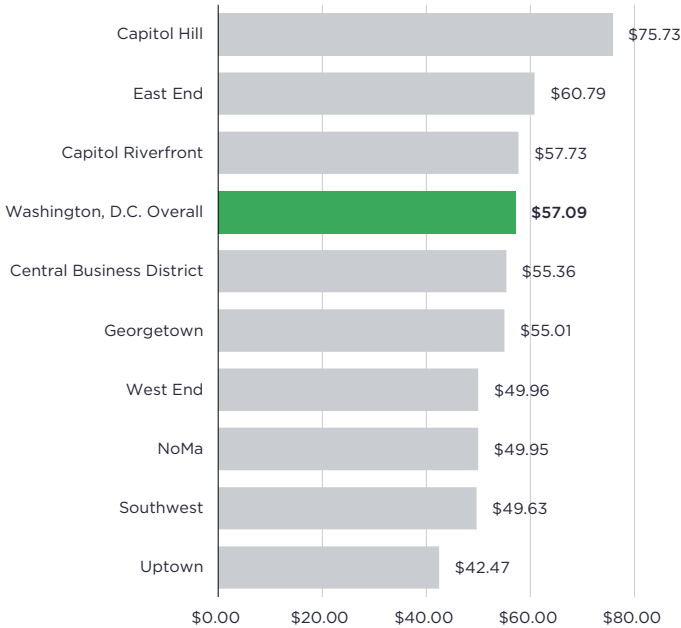
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
White & Case	Legal Services	CBD	1701 Pennsylvania Avenue NW	196,000	Relocation
Step toe	Legal Services	East End	1330 Connecticut Avenue NW	153,000	Extension
Palantir	Technology, Advertising, Media & Information	Georgetown	1025 Thomas Jefferson Street NW	150,000	Renewal/Expansion
O'Melveny	Legal Services	CBD	1625 I Street NW	101,739	Renewal
General Services Administration (GSA)	Government	Southwest	355 E Street SW	86,409	Renewal
Booz Allen Hamilton	Business, Professional & Consulting Services	East End	901 15th Street NW	55,369	Renewal
Vanda Pharmaceuticals	Life Sciences	West End	2200 Pennsylvania Avenue NW*	40,379	Renewal/Expansion
SoundExchange	Associations & Nonprofits	East End	733 10th Street NW	39,486	Renewal
Wilkinson Barker Knauer	Legal Services	CBD	1800 M Street NW	33,971	Renewal
Thomson Reuters	Technology, Advertising, Media & Information	East End	1333 H Street NW	32,899	Renewal

AVAILABILITY RATE COMPARISON (%)
WASHINGTON, D.C SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
WASHINGTON, D.C SUBMARKETS



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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