

Washington, D.C.

Office – Q3 2026

savills

D.C.'s office market continues to show stability amid economic uncertainty

Despite a period of transition for the federal and local governments and the economy, the Washington, D.C. office market has exhibited stability in 2026. Familiar trends continued in Q3 2026: private-sector tenants firming up long-term office plans, subdued federal government activity, leasing volume near its historical average and relatively flat rents and availability rates, albeit with meaningful differences between top-tier buildings and the rest of the market. The gap between trophy properties and the broader market continues to widen, with trophy availability rates below 10.0% and starting rents continuing to push beyond previous records.

Scarcity is driving building repositionings and earlier law firm decision-making

With large blocks of trophy and high-end space increasingly scarce, the market is responding in two ways: owners are repositioning assets to meet law firm requirements, and firms are entering the market well ahead of lease expiration. Sheppard's relocation for 107,227 square feet (sf) at 233 K Street NW is a prime example, with the building set to undergo an extensive redevelopment and add three floors plus a penthouse to accommodate the firm's needs. That follows a similar repositioning tied to White & Case at 1701 Pennsylvania Avenue and other major law firm commitments across the market. At the same time, companies are moving earlier to secure the limited high-quality options that remain. At least a dozen law firms with more than 30,000 sf and expirations from 2030 through 2033 are currently in the market or have recently signed leases.

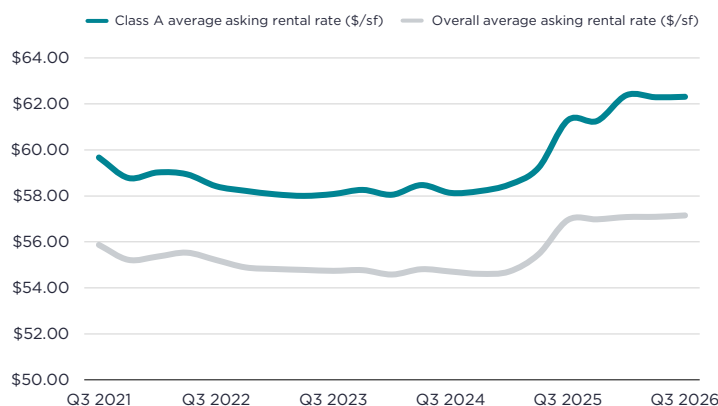
Federal government leasing continues to underwhelm

The winding down of DOGE and the installation of new permanent GSA leadership at the end of last year have not yet translated into robust leasing activity. In fact, GSA leasing volume is on pace to decline from 2025, with fewer deals over 100,000 sf signed through three quarters. The local government picked up some of the public-sector slack in Q3, however, with large renewals at 1050 1st Street NE and 645 H Street NE among the top deals in the city.

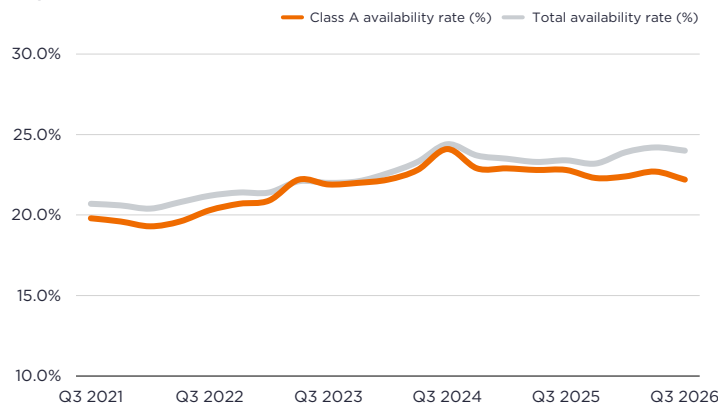
KEY STATISTICS

	Q3 2025	Q3 2026	Y-O-Y
Inventory	122.8 msf	118.1 msf	-4.7 msf
Availability rate	23.4%	24.0%	+60 bps
Asking rental rate	\$56.95	\$57.15	+0.4%
Class A asking rental rate	\$61.29	\$62.31	+1.7%
Quarterly leasing activity	1.8 msf	1.8 msf	0.0 msf
Available sublease space	2.7 msf	1.9 msf	-0.8 msf

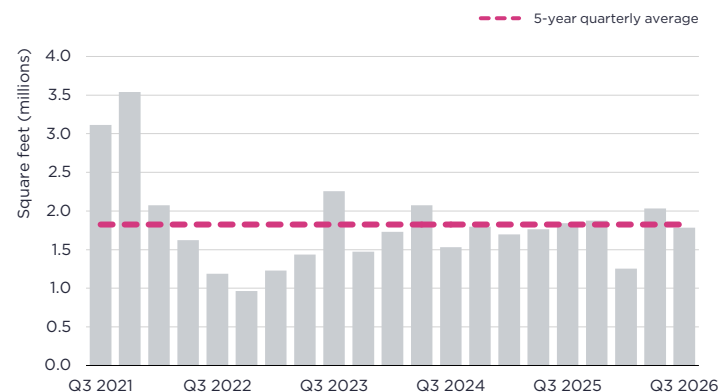
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

- 01** Occupiers seeking trophy space will continue to seek creative solutions, with existing options running low.
- 02** Landlords of trophy and A+ building will continue to push rents, with limited competition coming from new construction and many law firms actively seeking space.

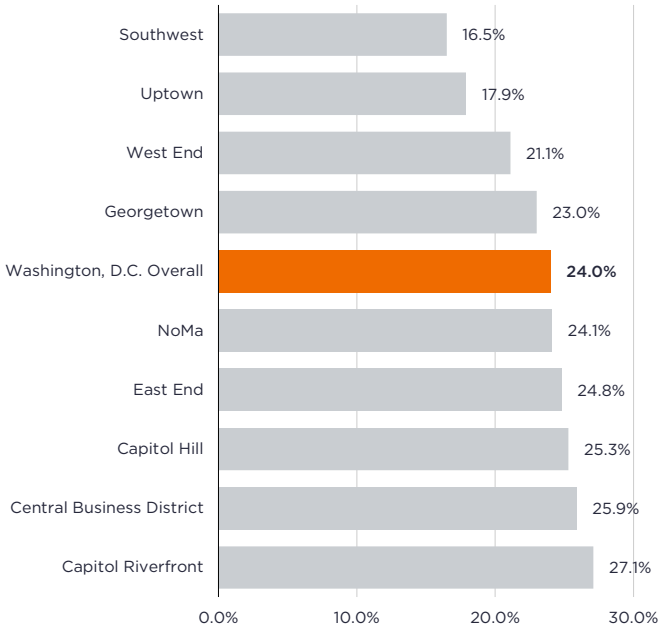
- 03** Leasing volume will receive a significant boon if large-scale GSA activity returns, but the viability of such a return remains to be seen.

NOTABLE LEASES

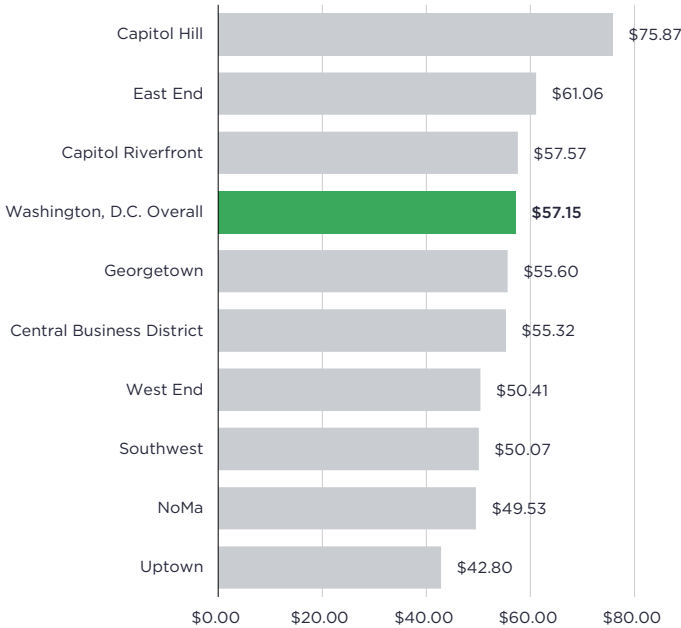
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Google	Technology, Advertising, Media & Information	Capitol Hill	500 N Capitol Street NW	210,000	Relocation
D.C. Government	Government	NoMa	1050 1st Street NE	164,110	Renewal
Sheppard	Legal Services	CBD	2033 K Street NW*	107,227	Relocation
Greenberg Traurig	Legal Services	CBD	2101 L Street NW	80,089	Renewal & Expansion
D.C. Government	Government	Capitol Hill	645 H Street NE	74,924	Renewal
The Washington Institute for Near East Policy (WINEP)	Associations & Nonprofits	CBD	1111 19th Street NW	41,005	Renewal & Expansion
Torridon Law	Legal Services	East End	1201 Pennsylvania Avenue NW	36,436	Relocation**
CBIZ	Business, Professional & Consulting Services	CBD	1919 M Street NW	34,617	Relocation
U.S. Commodity Futures Trading Commission (CFTC)	Government	CBD	1155 21st Street NW	29,669	Renewal
Monument Advocacy	Business, Professional & Consulting Services	East End	901 K Street NW	24,498	Relocation

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



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



Savills Research

For more information, please contact us:

Savills Washington, D.C.
600 13th Street NW
Suite 800
Washington, DC 20005
+1 202 628 6000

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



savills.us

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