



Industrial Submarket Report

Chantilly/Fairfax

Washington - DC (USA)

PREPARED BY



Brian Snook
Commercial Agent/Property Manager



INDUSTRIAL SUBMARKET REPORT

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12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

(6.8K)

Vacancy Rate

4.2%

Market Asking Rent Growth

7.1%

Vacancy in the Chantilly/Fairfax industrial submarket is 4.2% and has increased by 0.9% over the past 12 months. Meanwhile, the rate of increase in the broader Washington market was 1.1%. During this period, there has been 6,800 SF of negative absorption and no net deliveries. Total availability, which includes sublease space, is 4.4% of all inventory.

Within this submarket, logistics space is by far the largest subtype with 480,000 SF in this category, followed by 170,000 SF of specialized space and 94,000 SF of flex space.

Rents are around \$23.00/SF, which is a 7.1% increase from where they were a year ago. In the past three years, rents have increased a cumulative 26.1%. This is also a very expensive submarket, relative to Washington as a whole, where average rents are \$16.50/SF.

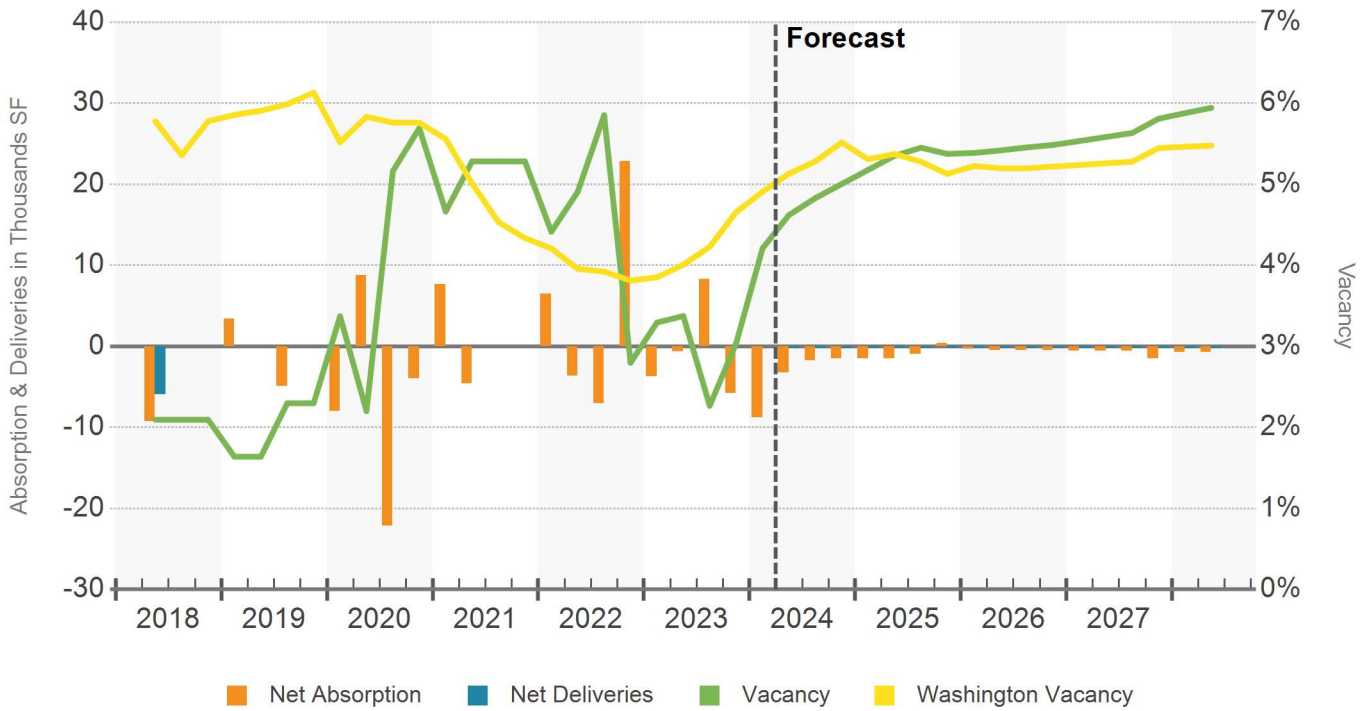
There is nothing under construction, and nothing has delivered in the past three years.

There have been 2 sales over the past year. Over the past three years, there have been 9 sales, which have traded for approximately \$31.0 million.

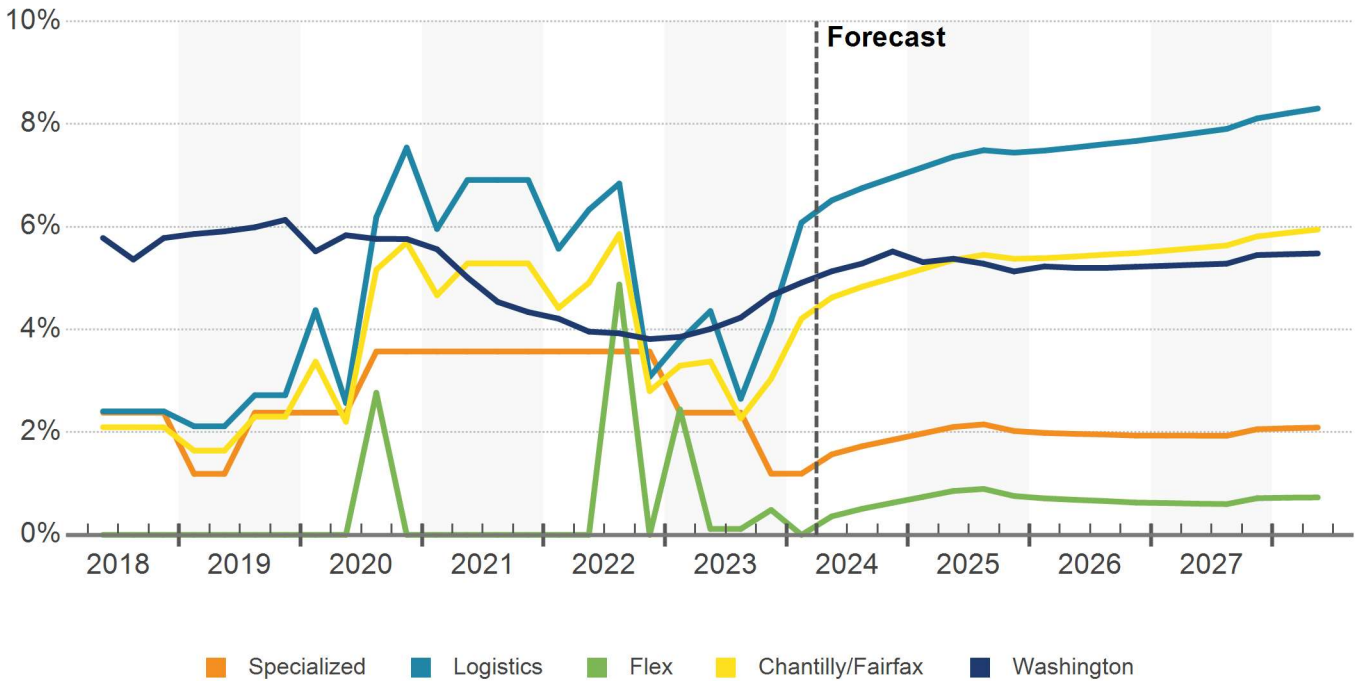
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	484,380	6.1%	\$23.07	6.4%	0	0	0
Specialized Industrial	168,361	1.2%	\$21.85	1.2%	0	0	0
Flex	94,369	0%	\$21.24	0%	0	0	0
Submarket	747,110	4.2%	\$22.57	4.4%	0	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.9%	4.4%	5.5%	10.3%	2005 Q1	0%	2003 Q4
Net Absorption SF	(6.8K)	(1,369)	(4,994)	62,649	2006 Q1	(62,674)	2005 Q1
Deliveries SF	0	87	0	2,677	2000 Q1	0	2024 Q1
Market Asking Rent Growth	7.1%	3.5%	4.5%	9.5%	2022 Q3	-3.6%	1994 Q1
Sales Volume	\$11.6M	\$3.7M	N/A	\$20.4M	2018 Q2	\$0	2021 Q3

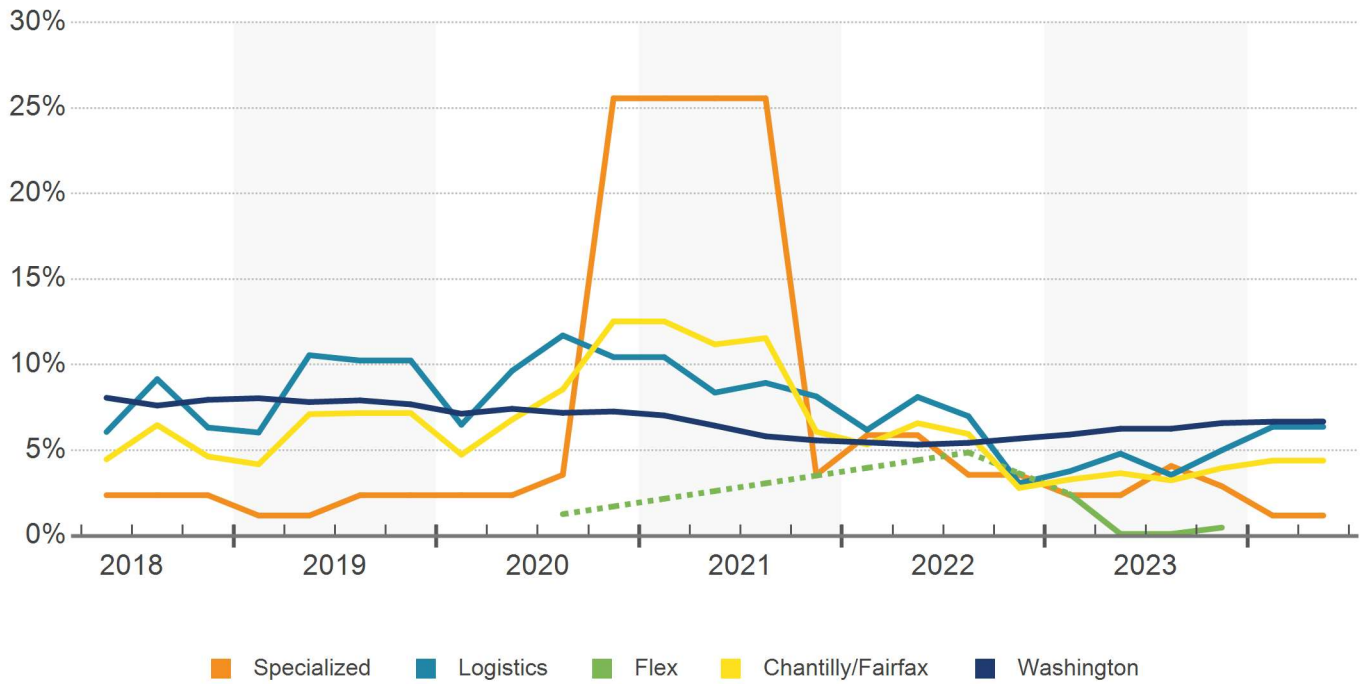
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



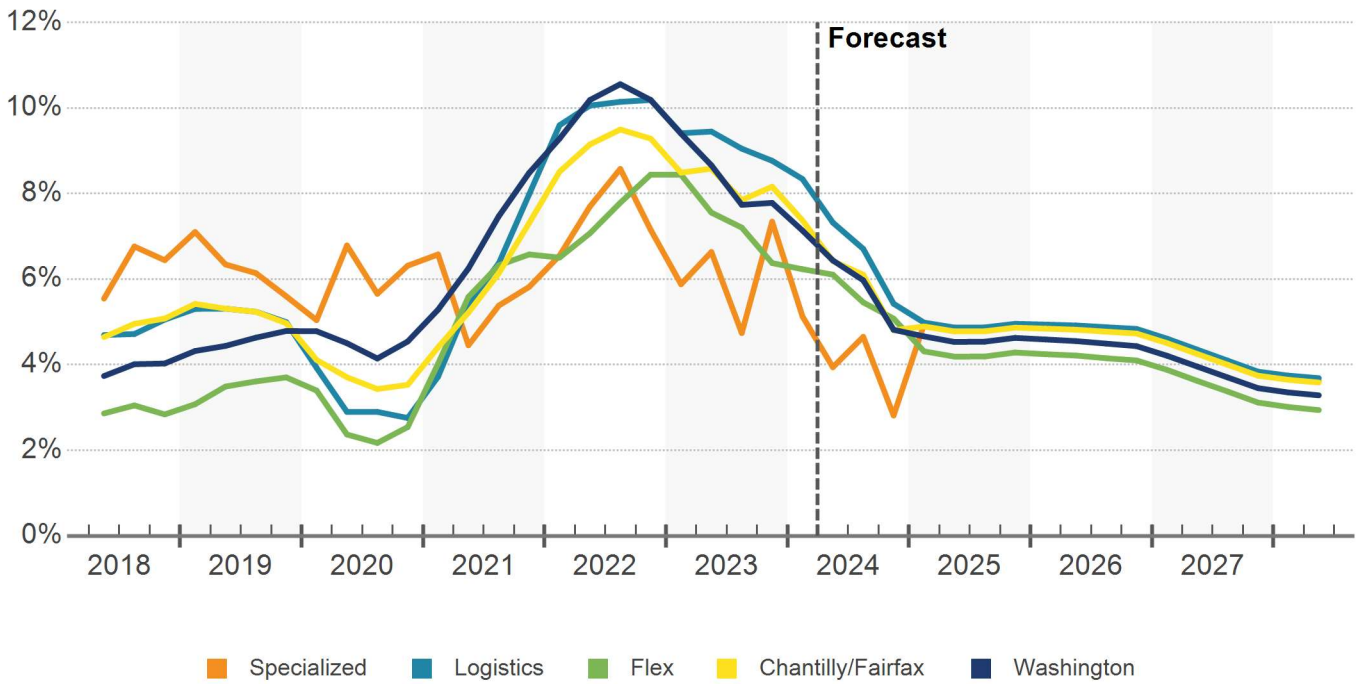
AVAILABILITY RATE



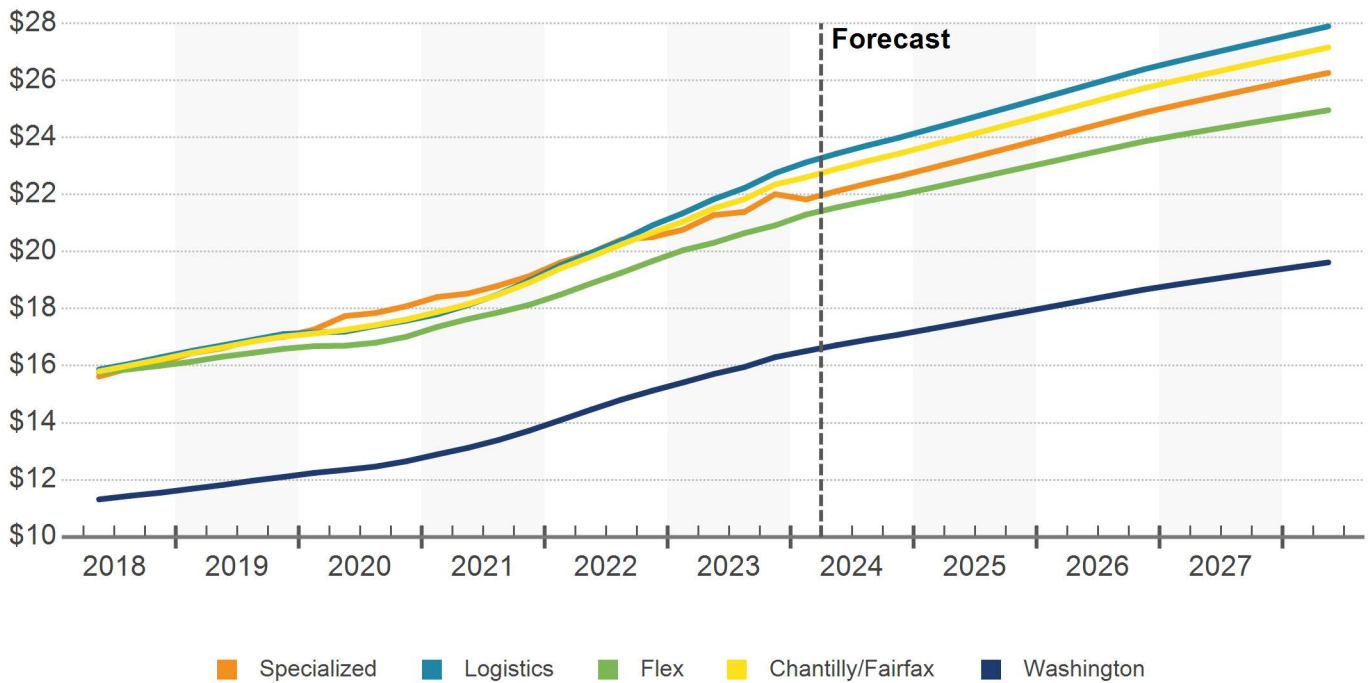
3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
W & N South Bldg 3759-3769 Pickett Rd	★★★★☆	25,692	2	4,880	10.9%	2,000

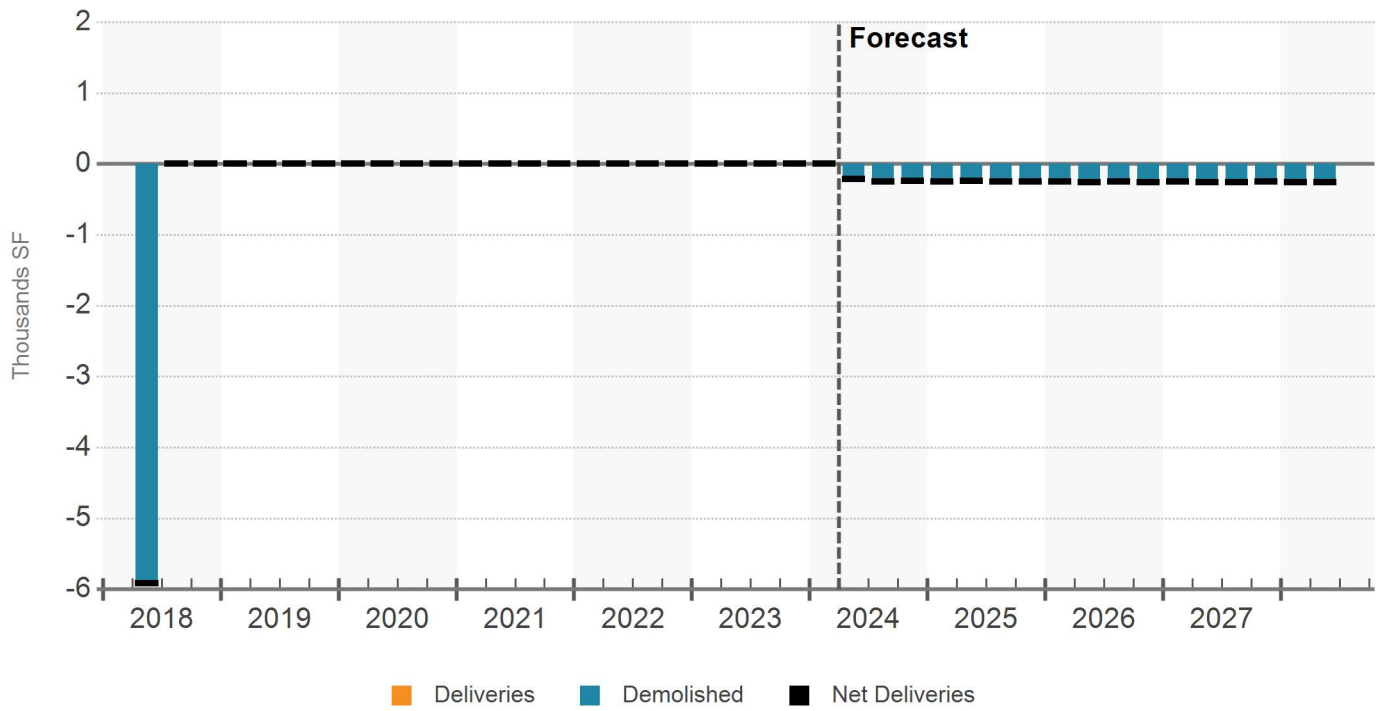
MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



DELIVERIES & DEMOLITIONS



All-Time Annual Avg. Square Feet

84

Delivered Square Feet Past 8 Qtrs

0

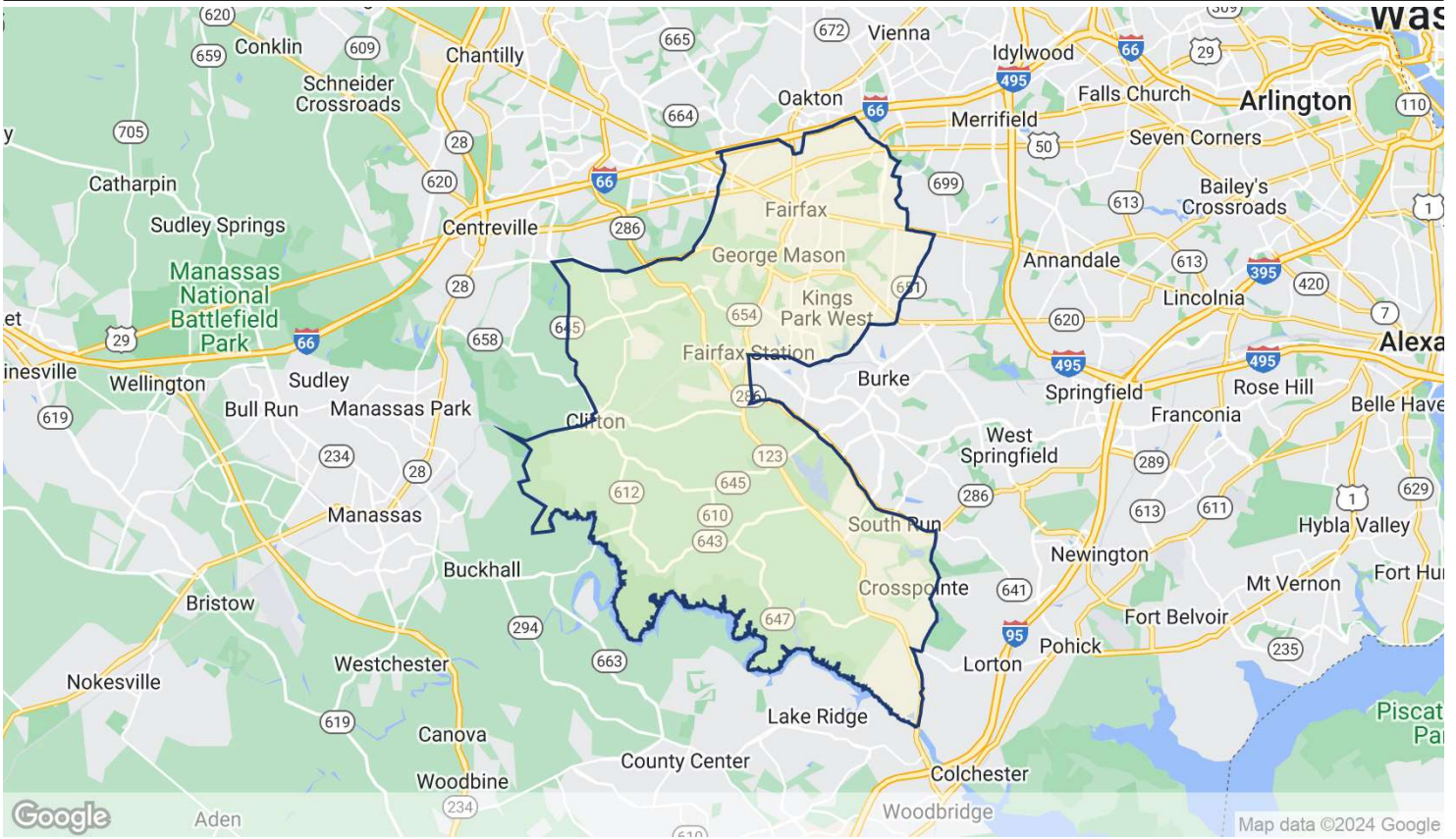
Delivered Square Feet Next 8 Qtrs

0

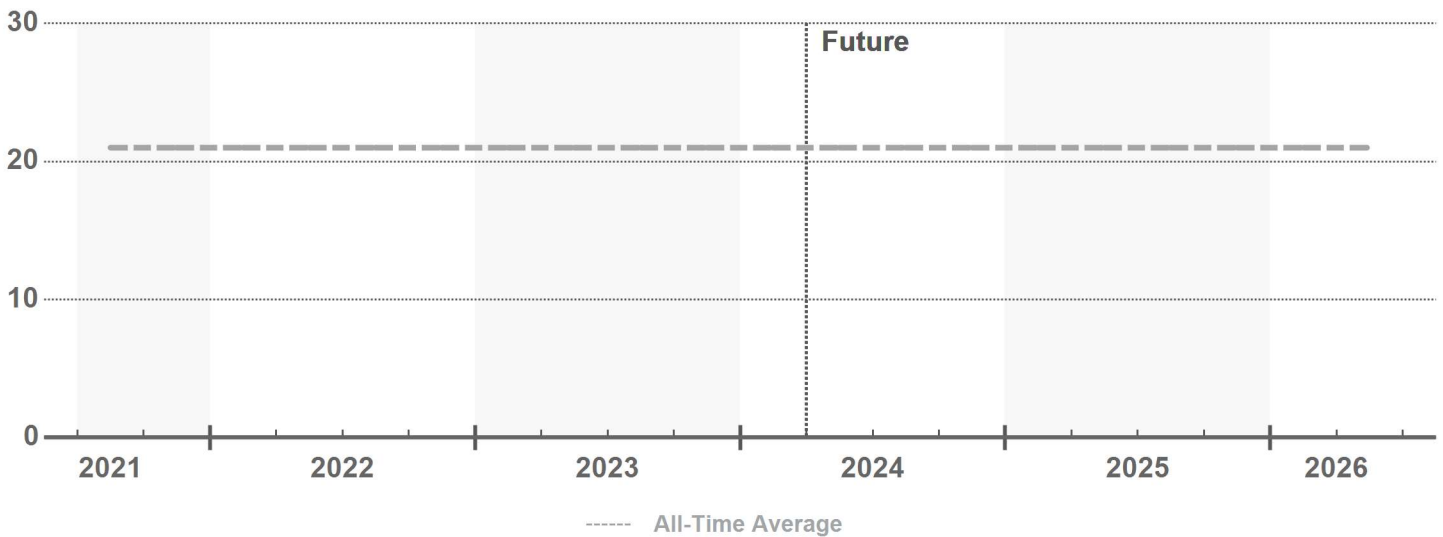
Proposed Square Feet Next 8 Qtrs

0

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



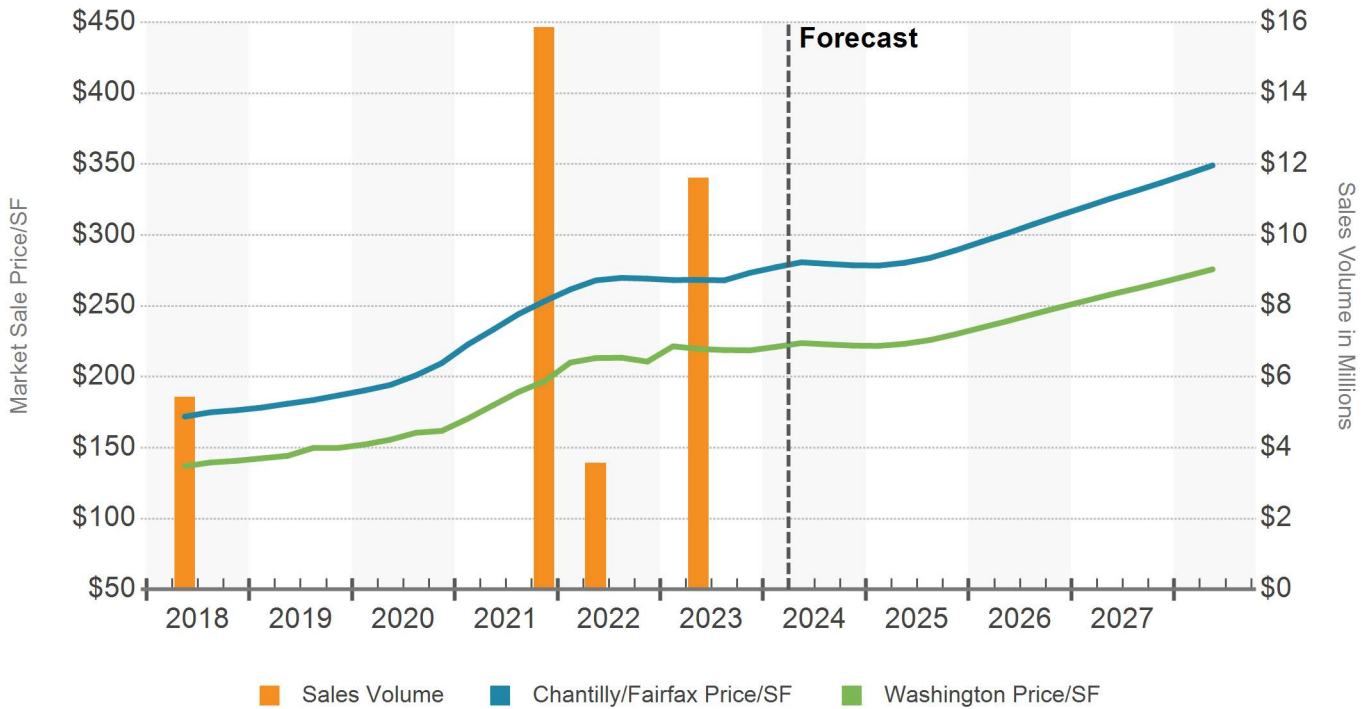
PAST & FUTURE DELIVERIES IN SQUARE FEET



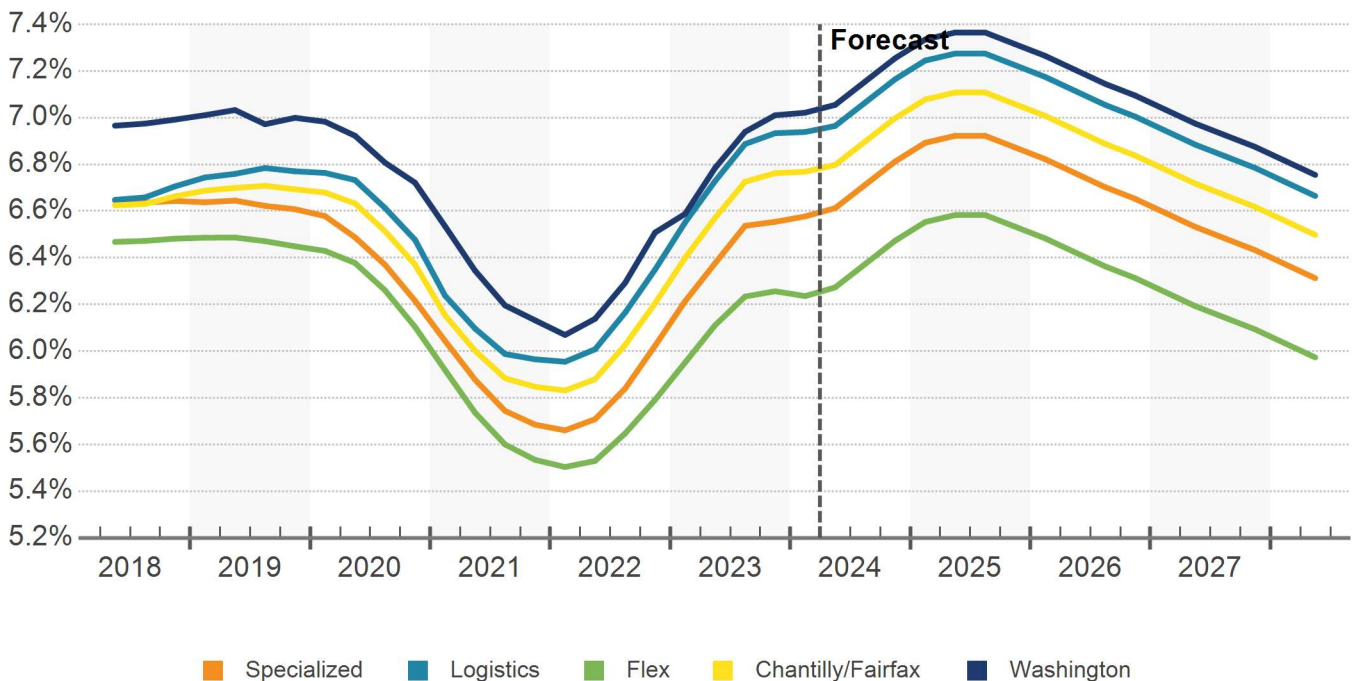
There have been 2 sales over the past year.

Over the past three years, there have been 9 sales, which have traded for approximately \$31.0 million.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Chantilly/Fairfax Industrial

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

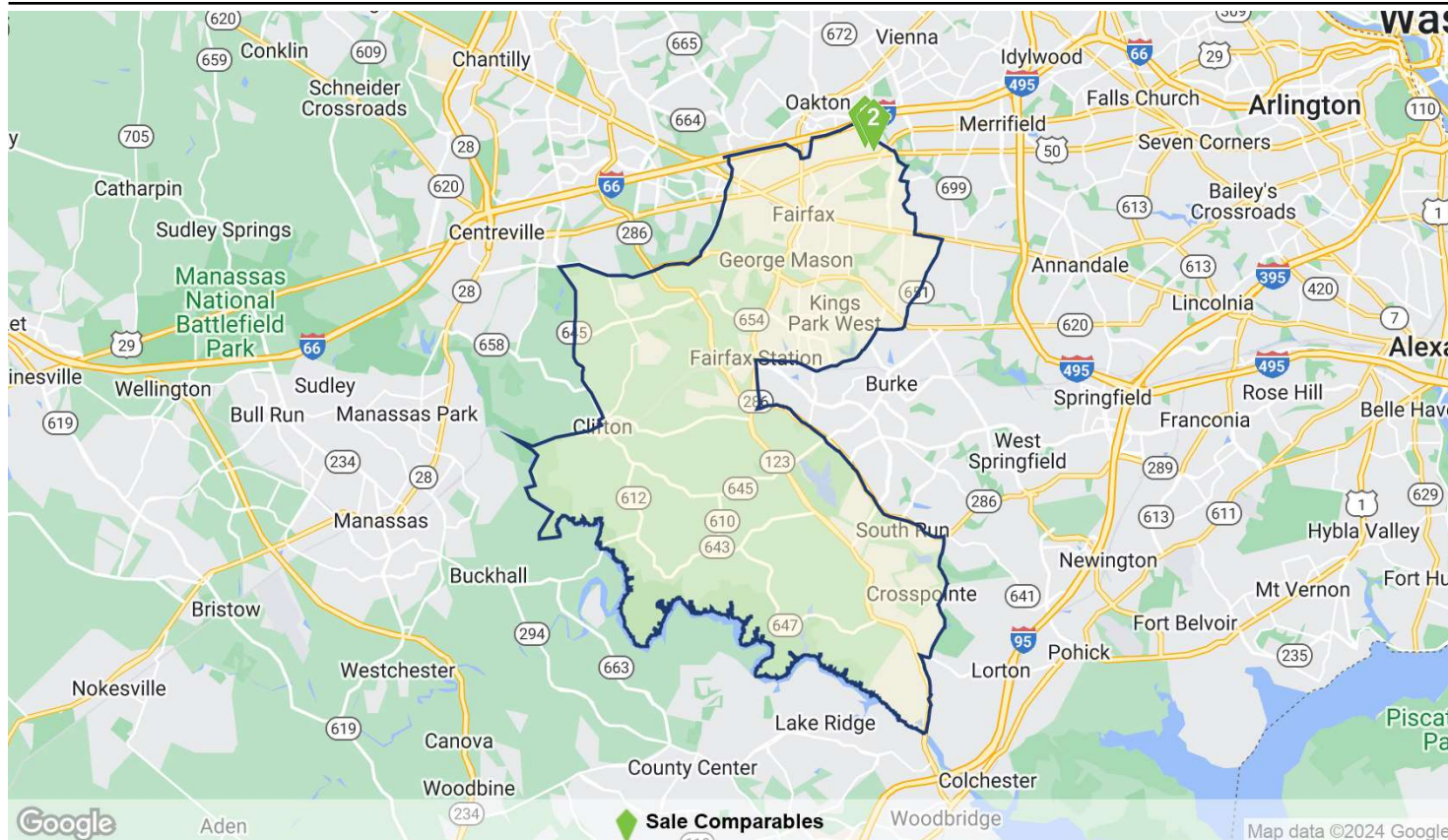
2

-

\$213

12.5%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$3,600,000	\$5,800,000	\$5,800,000	\$8,000,000
Price/SF	\$200	\$213	\$225	\$250
Cap Rate	-	-	-	-
Time Since Sale in Months	10.0	10.8	10.8	11.7
Property Attributes	Low	Average	Median	High
Building SF	14,400	27,200	27,200	40,000
Ceiling Height	13'	18'6"	18'6"	24'
Docks	0	1	1	1
Vacancy Rate At Sale	0%	12.5%	23.6%	47.2%
Year Built	1960	1968	1968	1976
Star Rating	★★★★★	★★★★★ 2.0	★★★★★	★★★★★

Sales Past 12 Months

Chantilly/Fairfax Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 3170 Draper Dr	★★★★★	1960	40,000	0%	4/14/2023	\$8,000,000	\$200	-
2 3171 Spring St	★★★★★	1976	14,400	47.2%	6/7/2023	\$3,600,000	\$250	-

Supply & Demand Trends

Chantilly/Fairfax Industrial

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	742,336	(1,042)	-0.1%	(2,760)	-0.4%	-
2027	743,378	(1,018)	-0.1%	(3,281)	-0.4%	-
2026	744,396	(1,010)	-0.1%	(1,692)	-0.2%	-
2025	745,406	(1,001)	-0.1%	(3,616)	-0.5%	-
2024	746,407	(703)	-0.1%	(15,294)	-2.0%	-
YTD	747,110	0	0%	(8,752)	-1.2%	-
2023	747,110	0	0%	(1,791)	-0.2%	-
2022	747,110	0	0%	18,562	2.5%	0
2021	747,110	0	0%	3,053	0.4%	0
2020	747,110	0	0%	(25,347)	-3.4%	-
2019	747,110	0	0%	(1,526)	-0.2%	-
2018	747,110	(5,916)	-0.8%	(13,369)	-1.8%	-
2017	753,026	(37,653)	-4.8%	(21,850)	-2.9%	-
2016	790,679	0	0%	16,919	2.1%	0
2015	790,679	0	0%	(3,305)	-0.4%	-
2014	790,679	0	0%	2,825	0.4%	0
2013	790,679	0	0%	5,847	0.7%	0
2012	790,679	0	0%	(21,048)	-2.7%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	167,308	(231)	-0.1%	(286)	-0.2%	-
2027	167,539	(225)	-0.1%	(406)	-0.2%	-
2026	167,764	(222)	-0.1%	(49)	0%	-
2025	167,986	(221)	-0.1%	(480)	-0.3%	-
2024	168,207	(154)	-0.1%	(1,249)	-0.7%	-
YTD	168,361	0	0%	-	-	-
2023	168,361	0	0%	4,004	2.4%	0
2022	168,361	0	0%	-	-	-
2021	168,361	0	0%	-	-	-
2020	168,361	0	0%	(2,004)	-1.2%	-
2019	168,361	0	0%	0	0%	-
2018	168,361	(5,916)	-3.4%	(7,920)	-4.7%	-
2017	174,277	0	0%	2,004	1.1%	0
2016	174,277	0	0%	-	-	-
2015	174,277	0	0%	-	-	-
2014	174,277	0	0%	4,920	2.8%	0
2013	174,277	0	0%	-	-	-
2012	174,277	0	0%	2,211	1.3%	0

Supply & Demand Trends

Chantilly/Fairfax Industrial

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	481,227	(688)	-0.1%	(2,352)	-0.5%	-
2027	481,915	(671)	-0.1%	(2,688)	-0.6%	-
2026	482,586	(667)	-0.1%	(1,656)	-0.3%	-
2025	483,253	(661)	-0.1%	(2,906)	-0.6%	-
2024	483,914	(466)	-0.1%	(13,837)	-2.9%	-
YTD	484,380	0	0%	(9,210)	-1.9%	-
2023	484,380	0	0%	(5,337)	-1.1%	-
2022	484,380	0	0%	18,562	3.8%	0
2021	484,380	0	0%	3,053	0.6%	0
2020	484,380	0	0%	(23,343)	-4.8%	-
2019	484,380	0	0%	(1,526)	-0.3%	-
2018	484,380	0	0%	(7,249)	-1.5%	-
2017	484,380	(37,653)	-7.2%	(22,054)	-4.6%	-
2016	522,033	0	0%	16,919	3.2%	0
2015	522,033	0	0%	(5,020)	-1.0%	-
2014	522,033	0	0%	(380)	-0.1%	-
2013	522,033	0	0%	5,847	1.1%	0
2012	522,033	0	0%	(23,259)	-4.5%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	93,801	(123)	-0.1%	(122)	-0.1%	-
2027	93,924	(122)	-0.1%	(187)	-0.2%	-
2026	94,046	(121)	-0.1%	13	0%	-
2025	94,167	(119)	-0.1%	(230)	-0.2%	-
2024	94,286	(83)	-0.1%	(208)	-0.2%	-
YTD	94,369	0	0%	458	0.5%	0
2023	94,369	0	0%	(458)	-0.5%	-
2022	94,369	0	0%	0	0%	-
2021	94,369	0	0%	-	-	-
2020	94,369	0	0%	0	0%	-
2019	94,369	0	0%	-	-	-
2018	94,369	0	0%	1,800	1.9%	0
2017	94,369	0	0%	(1,800)	-1.9%	-
2016	94,369	0	0%	-	-	-
2015	94,369	0	0%	1,715	1.8%	0
2014	94,369	0	0%	(1,715)	-1.8%	-
2013	94,369	0	0%	-	-	-
2012	94,369	0	0%	-	-	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$27.62	199	3.5%	23.6%	45,012	6.1%	0.3%
2027	\$26.69	192	3.7%	19.4%	43,188	5.8%	0.3%
2026	\$25.73	185	4.7%	15.1%	40,839	5.5%	0.1%
2025	\$24.56	177	4.9%	9.9%	40,069	5.4%	0.4%
2024	\$23.43	169	4.8%	4.8%	37,357	5.0%	2.0%
YTD	\$22.57	163	7.1%	1.0%	31,454	4.2%	1.2%
2023	\$22.35	161	8.2%	0%	22,702	3.0%	0.2%
2022	\$20.67	149	9.3%	-7.5%	20,911	2.8%	-2.5%
2021	\$18.91	136	7.3%	-15.4%	39,473	5.3%	-0.4%
2020	\$17.62	127	3.5%	-21.2%	42,526	5.7%	3.4%
2019	\$17.02	123	5.0%	-23.8%	17,179	2.3%	0.2%
2018	\$16.22	117	5.1%	-27.5%	15,653	2.1%	1.0%
2017	\$15.43	111	4.2%	-31.0%	8,200	1.1%	-2.2%
2016	\$14.81	107	4.2%	-33.7%	25,985	3.3%	-2.1%
2015	\$14.21	102	2.7%	-36.4%	42,904	5.4%	0.4%
2014	\$13.83	100	1.8%	-38.1%	39,599	5.0%	-0.4%
2013	\$13.58	98	2.0%	-39.2%	42,424	5.4%	-0.7%
2012	\$13.32	96	0.9%	-40.4%	48,271	6.1%	2.7%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$26.71	188	3.5%	21.4%	3,526	2.1%	0.1%
2027	\$25.81	181	3.8%	17.3%	3,446	2.1%	0.1%
2026	\$24.87	175	4.7%	13.0%	3,244	1.9%	-0.1%
2025	\$23.74	167	4.9%	7.9%	3,397	2.0%	0.2%
2024	\$22.63	159	2.8%	2.8%	3,112	1.9%	0.7%
YTD	\$21.85	153	5.1%	-0.8%	2,004	1.2%	0%
2023	\$22.01	155	7.3%	0%	2,004	1.2%	-2.4%
2022	\$20.51	144	7.2%	-6.8%	6,008	3.6%	0%
2021	\$19.14	134	5.8%	-13.1%	6,008	3.6%	0%
2020	\$18.09	127	6.3%	-17.8%	6,008	3.6%	1.2%
2019	\$17.01	119	5.6%	-22.7%	4,004	2.4%	0%
2018	\$16.11	113	6.4%	-26.8%	4,004	2.4%	1.2%
2017	\$15.13	106	4.1%	-31.2%	2,000	1.1%	-1.1%
2016	\$14.54	102	4.4%	-34.0%	4,004	2.3%	0%
2015	\$13.93	98	1.2%	-36.7%	4,004	2.3%	0%
2014	\$13.77	97	1.5%	-37.4%	4,004	2.3%	-2.8%
2013	\$13.57	95	2.6%	-38.4%	8,924	5.1%	0%
2012	\$13.23	93	0.2%	-39.9%	8,924	5.1%	-1.3%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$28.39	210	3.6%	24.8%	40,803	8.5%	0.4%
2027	\$27.40	202	3.8%	20.5%	39,072	8.1%	0.4%
2026	\$26.39	195	4.8%	16.0%	37,004	7.7%	0.2%
2025	\$25.17	186	5.0%	10.6%	35,960	7.4%	0.5%
2024	\$23.98	177	5.4%	5.4%	33,656	7.0%	2.8%
YTD	\$23.07	170	8.0%	1.4%	29,450	6.1%	1.9%
2023	\$22.75	168	8.8%	0%	20,240	4.2%	1.1%
2022	\$20.92	155	10.2%	-8.1%	14,903	3.1%	-3.8%
2021	\$18.98	140	8.0%	-16.6%	33,465	6.9%	-0.6%
2020	\$17.58	130	2.8%	-22.7%	36,518	7.5%	4.8%
2019	\$17.11	126	5.0%	-24.8%	13,175	2.7%	0.3%
2018	\$16.29	120	5.1%	-28.4%	11,649	2.4%	1.5%
2017	\$15.51	115	4.5%	-31.8%	4,400	0.9%	-3.3%
2016	\$14.85	110	4.6%	-34.7%	21,981	4.2%	-3.2%
2015	\$14.19	105	3.5%	-37.6%	38,900	7.5%	1.0%
2014	\$13.71	101	2.0%	-39.7%	33,880	6.5%	0.1%
2013	\$13.44	99	1.9%	-40.9%	33,500	6.4%	-1.1%
2012	\$13.18	97	1.3%	-42.1%	39,347	7.5%	4.5%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$25.30	169	2.8%	21.0%	683	0.7%	0%
2027	\$24.60	164	3.1%	17.6%	670	0.7%	0.1%
2026	\$23.86	159	4.1%	14.1%	591	0.6%	-0.1%
2025	\$22.92	153	4.3%	9.6%	712	0.8%	0.1%
2024	\$21.98	147	5.1%	5.1%	589	0.6%	0.1%
YTD	\$21.24	142	5.9%	1.6%	0	0%	-0.5%
2023	\$20.92	139	6.4%	0%	458	0.5%	0.5%
2022	\$19.66	131	8.4%	-6.0%	0	0%	0%
2021	\$18.13	121	6.6%	-13.3%	0	0%	0%
2020	\$17.01	113	2.5%	-18.7%	0	0%	0%
2019	\$16.59	111	3.7%	-20.7%	0	0%	0%
2018	\$16	107	2.8%	-23.5%	0	0%	-1.9%
2017	\$15.56	104	3.0%	-25.6%	1,800	1.9%	1.9%
2016	\$15.10	101	2.0%	-27.8%	0	0%	0%
2015	\$14.80	99	1.4%	-29.3%	0	0%	-1.8%
2014	\$14.59	97	1.6%	-30.3%	1,715	1.8%	1.8%
2013	\$14.35	96	1.0%	-31.4%	0	0%	0%
2012	\$14.21	95	0.3%	-32.1%	0	0%	0%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$359.92	286	6.4%
2027	-	-	-	-	-	-	\$336.83	267	6.6%
2026	-	-	-	-	-	-	\$313.56	249	6.8%
2025	-	-	-	-	-	-	\$289.16	229	7.1%
2024	-	-	-	-	-	-	\$278.66	221	7.0%
YTD	-	-	-	-	-	-	\$277.68	220	6.8%
2023	2	\$11.6M	7.3%	\$5,800,000	\$213.24	-	\$273.35	217	6.8%
2022	2	\$3.6M	2.3%	\$1,786,064	\$210.62	-	\$269.19	214	6.2%
2021	5	\$15.9M	12.6%	\$3,170,000	\$168.01	-	\$253.28	201	5.8%
2020	-	-	-	-	-	-	\$209.66	166	6.4%
2019	-	-	-	-	-	-	\$186.96	148	6.7%
2018	1	\$5.4M	0.8%	\$5,425,000	\$917	-	\$176.38	140	6.7%
2017	4	\$15M	14.7%	\$3,750,000	\$135.82	-	\$166.98	132	6.6%
2016	-	-	-	-	-	-	\$166.52	132	6.3%
2015	-	-	-	-	-	-	\$158.74	126	6.2%
2014	2	\$4.9M	4.0%	\$2,435,000	\$155.82	-	\$145.14	115	6.6%
2013	-	-	-	-	-	-	\$135.39	107	6.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$369.03	299	6.2%
2027	-	-	-	-	-	-	\$344.75	280	6.4%
2026	-	-	-	-	-	-	\$320.25	260	6.7%
2025	-	-	-	-	-	-	\$294.85	239	6.9%
2024	-	-	-	-	-	-	\$283.89	230	6.8%
YTD	-	-	-	-	-	-	\$283.63	230	6.6%
2023	-	-	-	-	-	-	\$281.99	229	6.6%
2022	1	\$842.5K	2.4%	\$842,483	\$210.62	-	\$277.75	225	6.0%
2021	2	\$8.8M	32.9%	\$4,404,340	\$159.01	-	\$261.56	212	5.7%
2020	-	-	-	-	-	-	\$215.94	175	6.2%
2019	-	-	-	-	-	-	\$188.83	153	6.6%
2018	1	\$5.4M	3.5%	\$5,425,000	\$917	-	\$175.12	142	6.6%
2017	1	\$3.4M	14.7%	\$3,402,855	\$132.45	-	\$162.88	132	6.7%
2016	-	-	-	-	-	-	\$161.63	131	6.3%
2015	-	-	-	-	-	-	\$153.84	125	6.3%
2014	-	-	-	-	-	-	\$140.46	114	6.6%
2013	-	-	-	-	-	-	\$130.83	106	6.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Sale Trends

Chantilly/Fairfax Industrial

LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$336.42	277	6.6%
2027	-	-	-	-	-	-	\$314.68	259	6.8%
2026	-	-	-	-	-	-	\$292.88	241	7.0%
2025	-	-	-	-	-	-	\$269.98	222	7.2%
2024	-	-	-	-	-	-	\$259.87	214	7.2%
YTD	-	-	-	-	-	-	\$258.36	212	6.9%
2023	2	\$11.6M	11.2%	\$5,800,000	\$213.24	-	\$253.80	209	6.9%
2022	1	\$2.7M	2.7%	\$2,729,645	\$210.62	-	\$250.83	206	6.3%
2021	3	\$7M	8.0%	\$2,347,107	\$180.82	-	\$237.53	195	6.0%
2020	-	-	-	-	-	-	\$197.80	163	6.5%
2019	-	-	-	-	-	-	\$177.93	146	6.8%
2018	-	-	-	-	-	-	\$169.60	139	6.7%
2017	3	\$11.6M	17.5%	\$3,865,715	\$136.84	-	\$161.84	133	6.6%
2016	-	-	-	-	-	-	\$161.90	133	6.3%
2015	-	-	-	-	-	-	\$154.27	127	6.3%
2014	2	\$4.9M	6.0%	\$2,435,000	\$155.82	-	\$141.24	116	6.6%
2013	-	-	-	-	-	-	\$131.99	108	6.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$464.32	302	5.9%
2027	-	-	-	-	-	-	\$436.36	284	6.1%
2026	-	-	-	-	-	-	\$407.76	266	6.3%
2025	-	-	-	-	-	-	\$377.48	246	6.5%
2024	-	-	-	-	-	-	\$365.76	238	6.5%
YTD	-	-	-	-	-	-	\$366.21	239	6.2%
2023	-	-	-	-	-	-	\$358.27	233	6.3%
2022	-	-	-	-	-	-	\$348.20	227	5.8%
2021	-	-	-	-	-	-	\$319.35	208	5.5%
2020	-	-	-	-	-	-	\$259.37	169	6.1%
2019	-	-	-	-	-	-	\$229.98	150	6.4%
2018	-	-	-	-	-	-	\$213.47	139	6.5%
2017	-	-	-	-	-	-	\$200.66	131	6.5%
2016	-	-	-	-	-	-	\$198.91	130	6.1%
2015	-	-	-	-	-	-	\$190.39	124	6.1%
2014	-	-	-	-	-	-	\$173.55	113	6.4%
2013	-	-	-	-	-	-	\$160.95	105	6.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.