Alexandria Economic Development Partnership

CITY OF ALEXANDRIA

MID-YEAR 2026 MARKET REPORT

January 1 — June 30

OFFICE MARKET

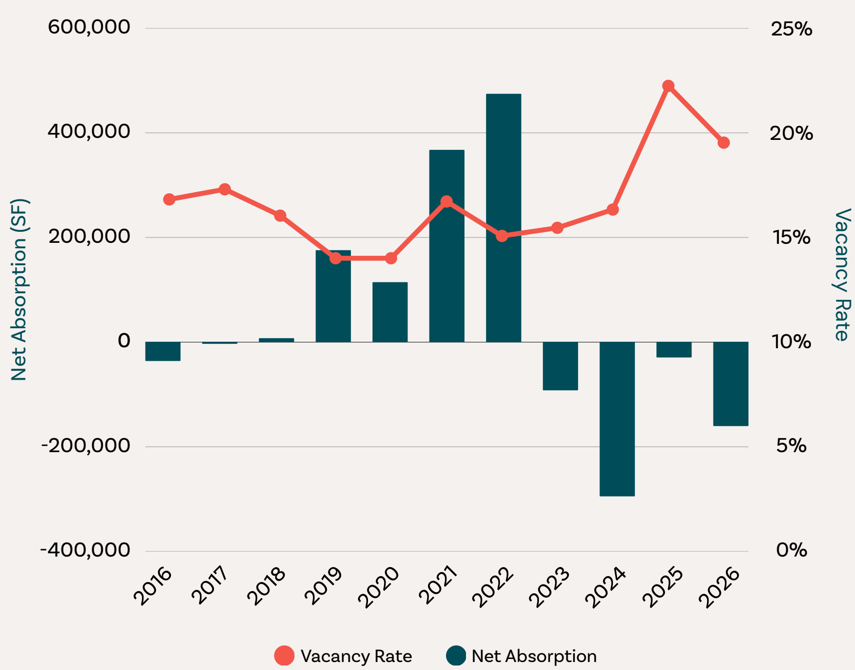
Vacancy Rate **18.8%**

Net Absorption **-160,400 SF**

Inventory **18M SF**

- Alexandria's 18.8% vacancy rate, down from 21.6% year over year, remains below regional figures, supported by major wins such as retaining the National Science Foundation and several notable office conversions.
- Net absorption remains negative, despite steady lease transaction volume, suggesting that tenants are resizing as the market continues to recover from the pandemic and adjust to office conversions and redevelopment.
- Across the region, tenants are reducing larger footprints to upgrade their office space into newer, higher-quality buildings with premium amenities, keeping Class A vacancies low and prompting developers to find new uses for obsolete buildings.

VACANCY RATE AND NET ABSORPTION 2016–2026



Submarket	Vacancy	Inventory (SF)	Net Absorption (SF)
Old Town/Old Town North	15.5% ▲	7,520,160	-102,789
Carlyle	27.7% ▼	6,361,506	-70,384
West End	16.9% ▼	1,862,047	14,157
Potomac Yard	0% ▼	908,527	0

SUBMARKET STATISTICS

The office vacancy rate in Alexandria's Carlyle submarket is trending downward, from 29.1% year over year, but remains elevated, while Potomac Yard has no office vacancy, signaling a strong demand for new office space in a submarket with limited inventory.

Alexandria office inventory contains all buildings greater than 5,000 square feet; submarket statistics do not comprise the entire Alexandria inventory. Source: CoStar.

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NOTABLE OFFICE LEASES

Leasing activity in Alexandria continues to trend toward smaller office footprints, with a flight to higher-quality, amenity-rich space, echoing regional trends.

Address	SF Leased	Tenant	Sign Date
66 Canal Center Plaza (Old Town North)	40,472	HumRRO (renewal)	May 2026
675 N. Washington Street (Old Town North)	15,585	Academy of Managed Care Pharmacy	May 2026
1920 Ballenger Avenue (Carlyle)	10,761	Charles Schwab	March 2026
1940 Duke Street (Carlyle)	10,131	Water Environment Federation	July 2026

NOTABLE OFFICE SALES

Sale activity rose over the past two quarters; the largest sale was the Alexandria Professional Center at 4660 Kenmore Avenue. This building is primarily medical office, a commercial real estate sector that has seen stronger demand across Northern Virginia.

Address	Sale Price	Buyer	Sign Date
4660 Kenmore Avenue (West End)	$16,500,000 ($140.72/SF)	Chicago Pacific Founders	April 2026
3800 Richmond Highway (Potomac Yard)	$15,000,000 ($353.59/SF)	NNN REIT	June 2026
2900 Eisenhower Avenue (Carlyle)	$7,222,250 ($120.37/SF)	Washington University of Science and Technology	April 2026
1505 Prince Street (Old Town)	$4,900,000 ($270.72/SF)	Cohen Clinic for Plastic Surgery	July 2026

INDUSTRIAL MARKET

Vacancy Rate **5.9%**

Net Absorption **-41,900 SF**

Inventory **4.4M SF**

NOTABLE LEASES

Address	SF Leased	Tenant	Sign Date
602-608 S. Pickett Street (West End)	18,769	ACPS Textbook Services Center	January 2026
611 S. Pickett Street (West End)	16,590	Roda Auto Care	January 2026
841-881 S. Pickett Street (West End)	11,694	Collingwood Media Group	April 2026
5150-5184 Eisenhower Avenue (Eisenhower Valley)	8,966	Singularity Security Group	March 2026

- Alexandria's industrial and flex market is relatively small compared with neighboring jurisdictions, with most buildings concentrated in the Eisenhower Valley and West End and supplemented with smaller, specialty buildings throughout Alexandria.
- Vacancy increased to 5.9% from 4.9%, driven by negative net absorption created after Peraton vacated 14,000 square feet to consolidate in Herndon and WareSpace removed 950 S. Pickett Street from the market to create co-warehousing. This renovated space has recently been reintroduced to the market for lease.
- Leasing demand is rising in Alexandria's industrial and flex market as industrial uses trend away from heavy traditional industrial toward more flex and co-warehousing spaces not available elsewhere inside the Beltway. As evidenced by recent leasing activity, WareSpace is seeing high demand for its newly offered co-warehousing and flex spaces.

Alexandria industrial inventory includes all industrial and flex buildings. Source: CoStar.