



Q1 2025 OFFICE MARKET REPORT

Office Market - Key Trends Snapshot

Office Market

Overview: Overall, Virginia's office market was off to a slow start in 2025. In the first quarter net absorption remained negative, vacancy rates are climbing across building classes, and the construction pipeline continues to shrink. Rent levels are rising for Class A space, but are trending down for Class B/C space, reflective of the flight to quality trends that have been taking shape more broadly in the office market.

Absorption: Negative net absorption resumed in Virginia's office market to start 2025. In Q1-2025 there was negative net absorption of about -467,000 sf. Even with return to office (RTO) mandates, demand remains low and the right-sizing trend for space needs is on-going. Northern Virginia and Richmond were the markets with the biggest decline in absorption levels in Q1. Charlottesville had the largest amount of net positive absorbed office space this quarter.

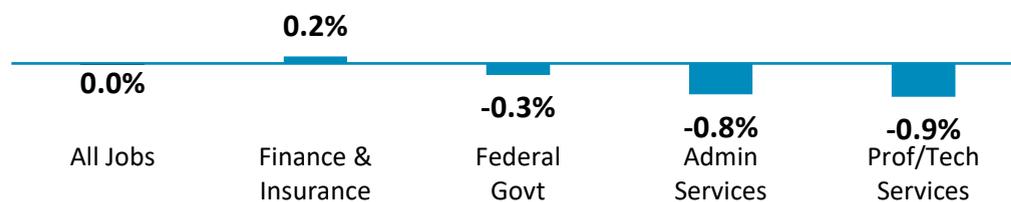
Vacancy Rate: Office vacancy rates have been steadily climbing in recent years, and this has continued into 2025. The vacancy rate in Virginia was 13.1% in Q1-2025, 0.3 percentage points higher than the year before. Although rates were up across all metro markets, Blacksburg and Lynchburg had the lowest office vacancy rates this quarter.

Rent: Office rental prices went up 2.8% from the previous year, bringing the average effective price per sq ft to \$31.97 in Q1. Class A office rents continue to climb, while Class B/C rents are trending lower. In Harrisonburg, rents climbed up 22.6%, while in Winchester rents fell 3.4% from the previous year.

Supply+Deliveries: Office construction continued to slow in Q1 2025 with 1.98 million sq ft of space under construction, 22.5% less than a year ago. Nearly all of the newly delivered space in Q1 was in the Richmond market.

JOB
TRACKER
(VIRGINIA)

Office-Supporting Job Sectors (% Chg Jan-25 to Feb-25 (seasonally adj.))



VIRGINIA (Statewide)

Market Indicator Dashboard



	YoY Chg	Q1-2025	Indicator
% chg	0.2%	414,835,494	Total Inventory (sq. ft)
sq. ft	538,064	-466,915	Net Absorption (sq. ft)
pct point	0.3%	13.1%	Vacancy Rate (%)
\$ per sq. ft	\$0.86	\$31.97	Gross Rent (\$ per sq. ft)
sq. ft	-617	187,270	New Supply Delivered (sq. ft)
sq. ft	-573,890	1,980,548	Under Construction (sq. ft)



Economic Indicator Dashboard

	MoM Chg	Feb-25	Indicator
% chg	0.0%	4.3	Total Jobs (in millions, seasonally adjusted)
% chg	-0.6%	1.1	Office-Supporting Jobs (in millions, seasonally adjusted)
pct point	0.1%	3.1%	Unemployment Rate (% seasonally adjusted)
pct point	QoQ Chg -0.7%	Q4-2024 2.4	Gross Domestic Product (% chg from prior year)

Report Index

Virginia Office Market

Absorption & Construction Trends	4
Rent Trends	5
Vacancy Trends	6
MSA-Level Trends	7
Northern Virginia	8
Richmond MSA	9
Hampton Roads	10
Roanoke MSA	11
Lynchburg MSA	12
Charlottesville MSA	13
Blacksburg MSA	14
Winchester MSA	15
Harrisonburg MSA	16



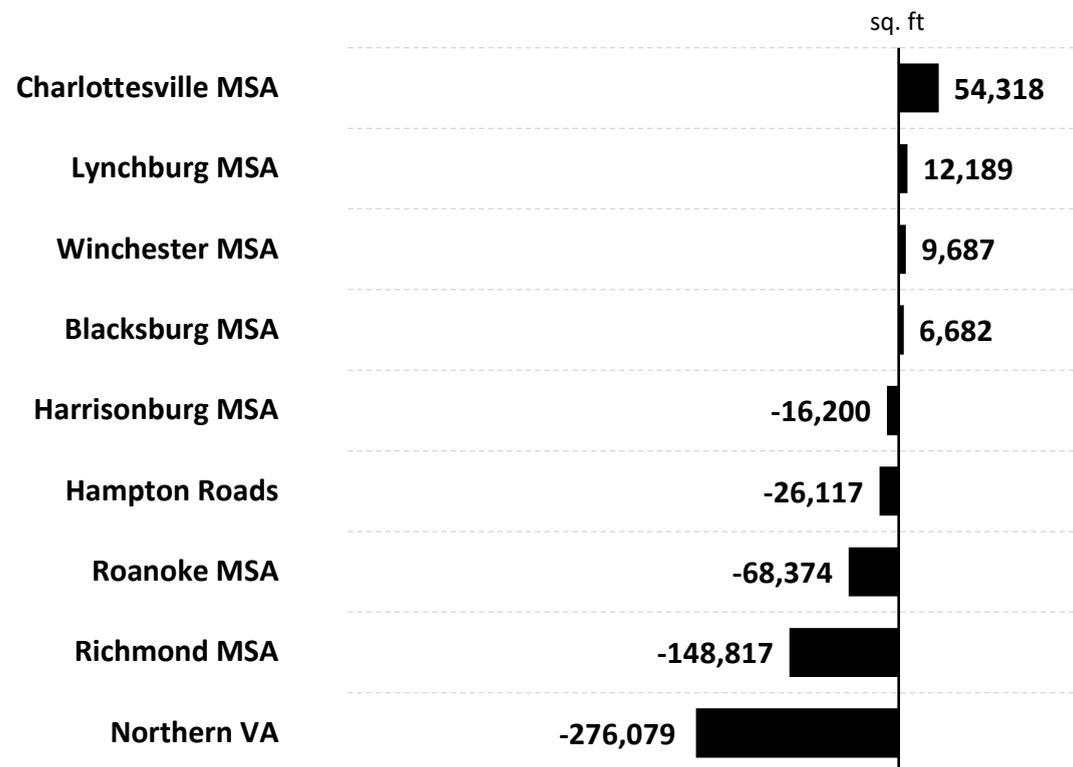
Office Market - Absorption & Construction Trends

VIRGINIA (Statewide)

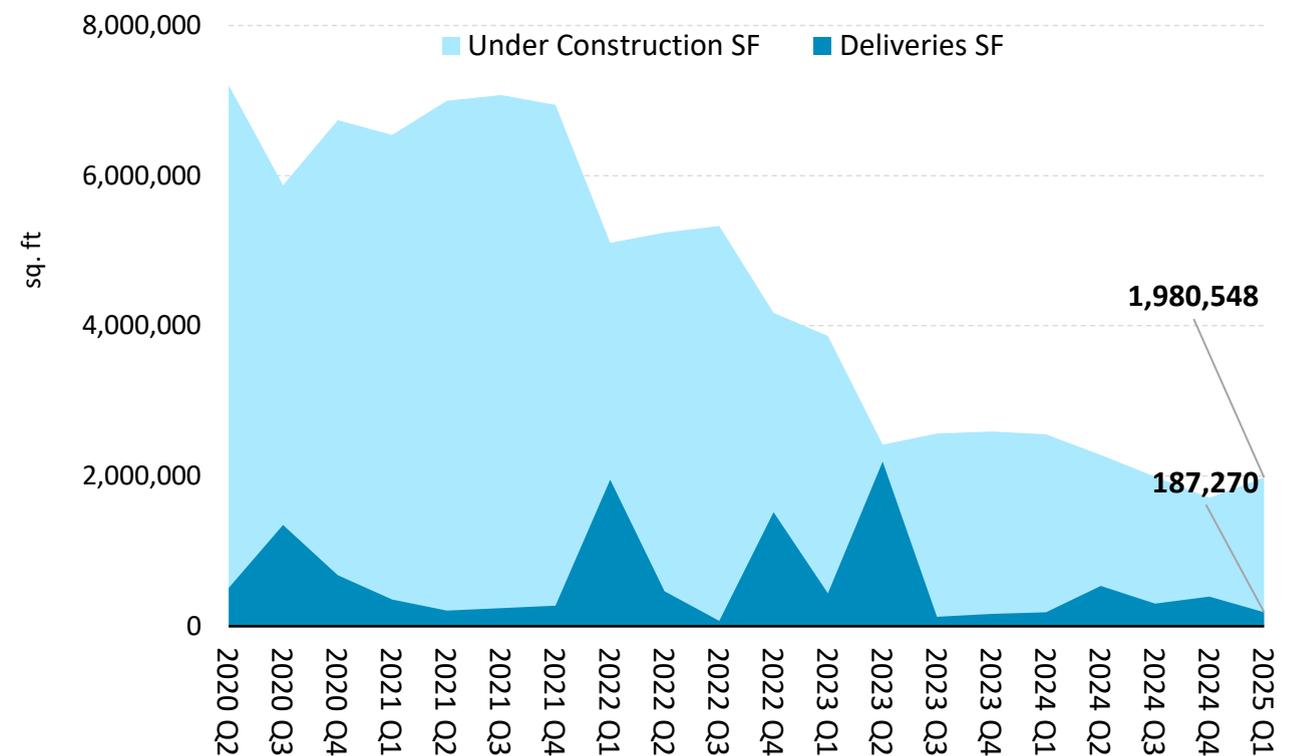
Net Absorption (sq. ft)



Q1-2025 Net Absorption by Metro Area (sq ft)



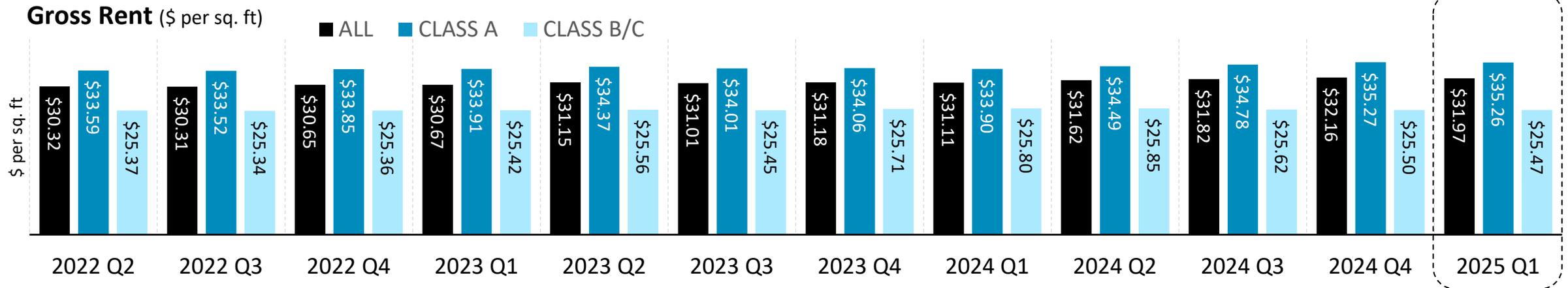
Under Construction & Net Deliveries (sq. ft)



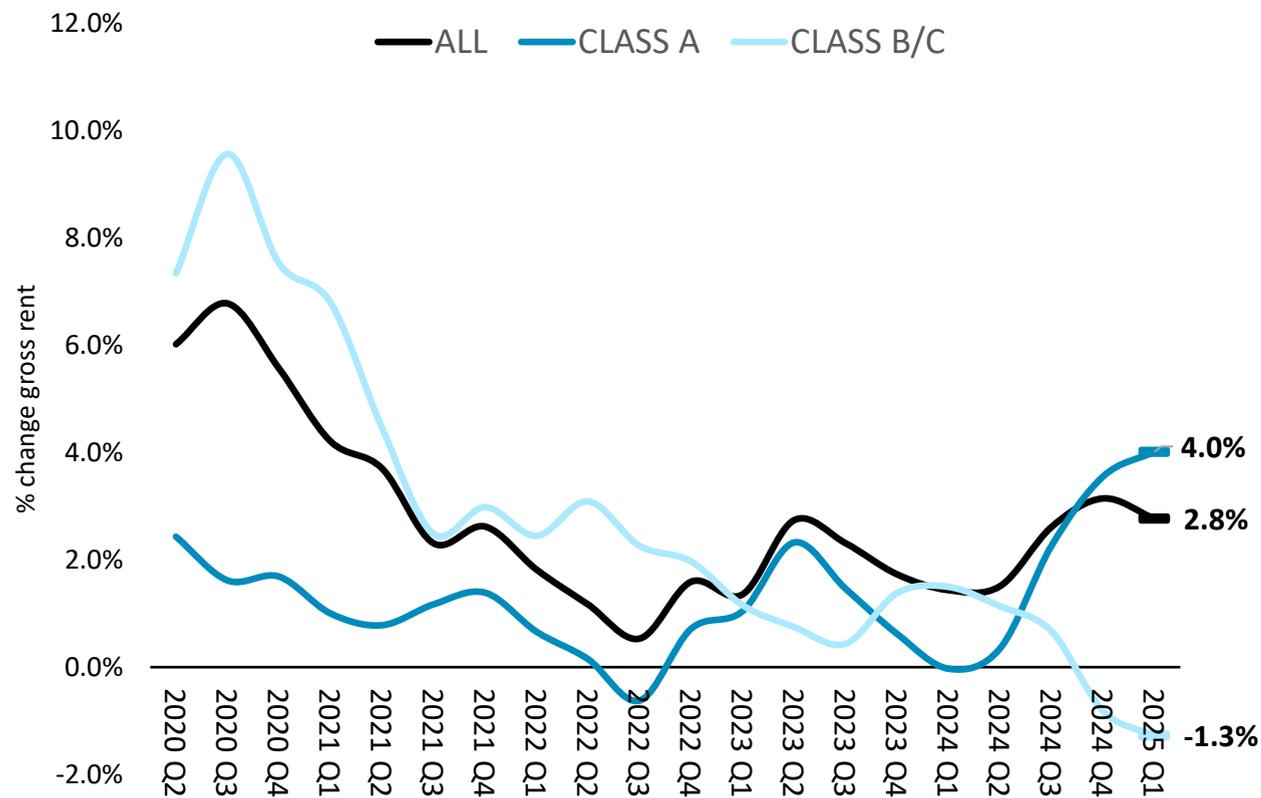
Office Market - Rent Trends

VIRGINIA (Statewide)

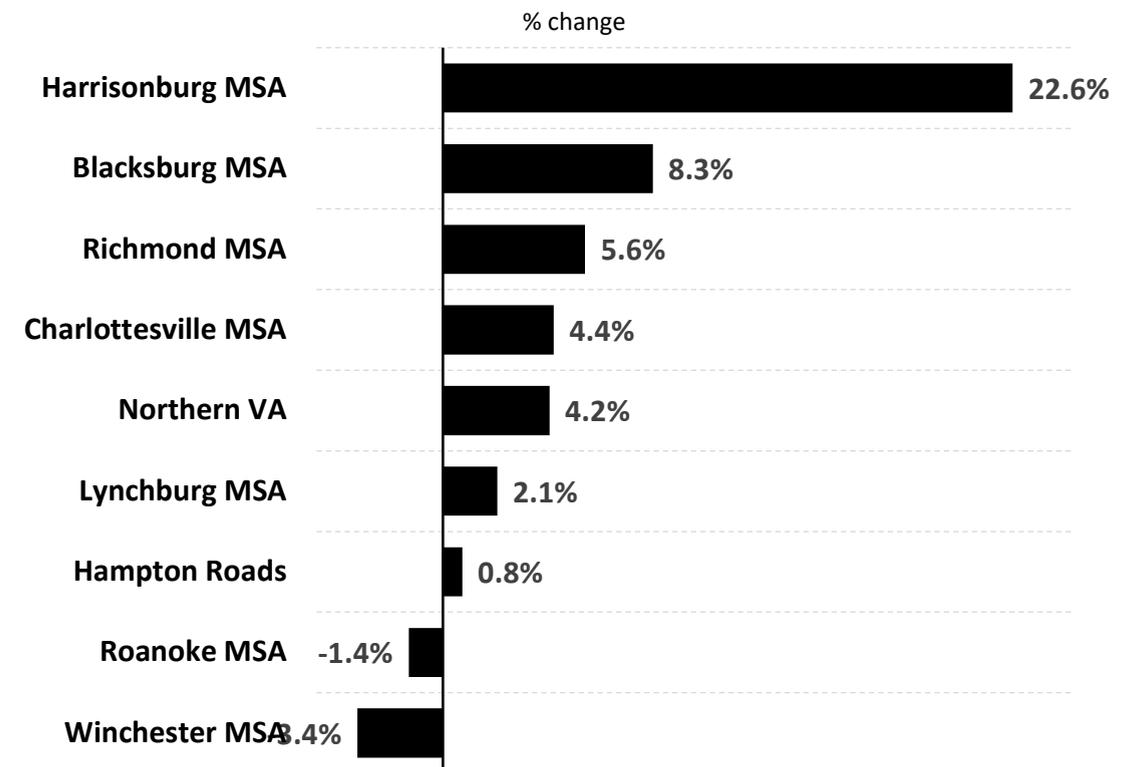
Gross Rent (\$ per sq. ft)



% Change, Gross Rent (YoY % change)

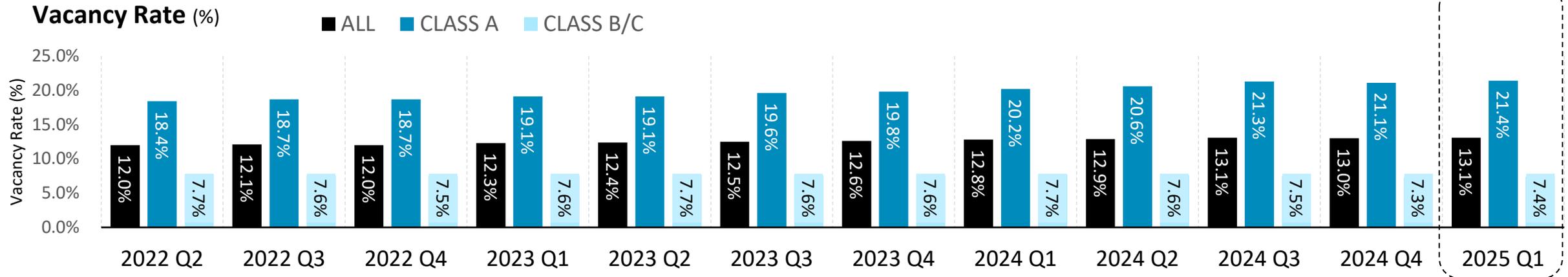


Q1-2025 by MSA: % Change, Gross Rent (YoY % change)

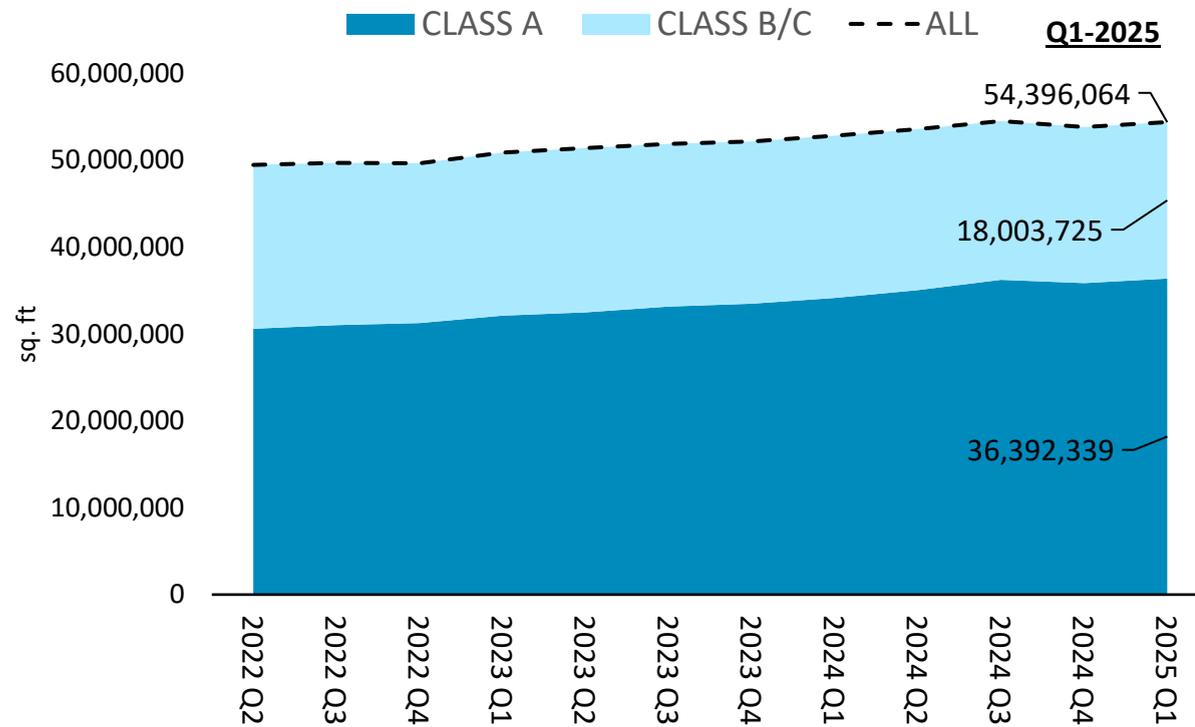


Office Market - Vacancy Trends

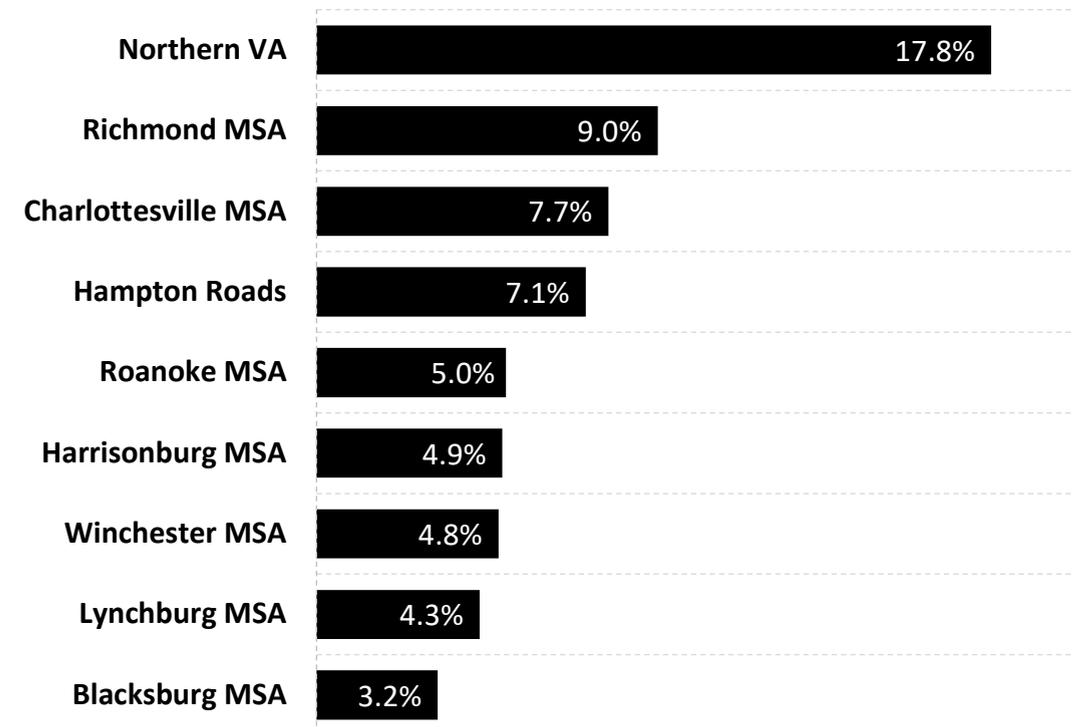
VIRGINIA (Statewide)



Vacant Inventory (sq. ft)



Q1-2025 Office Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA



Snapshot of Office Market Conditions Around Virginia

Office Market - MSA Trends

NORTHERN VIRGINIA

Local Market Indicator Dashboard

	Q1-2025	YoY Chg
Total Inventory (sq. ft, millions)	231.2	0.1% % chg
Vacancy Rate (%)	17.8%	0.9% pct points
Net Absorption (sq. ft)	(276,079)	595,819 sq. ft
Avg Gross Rent (\$ per sq. ft)	\$34.60	\$1.40 \$ per sq. ft
Deliveries (sq. ft)	0	\$ - sq. ft
Under Construction (sq. ft)	998,877	-190,718 sq. ft

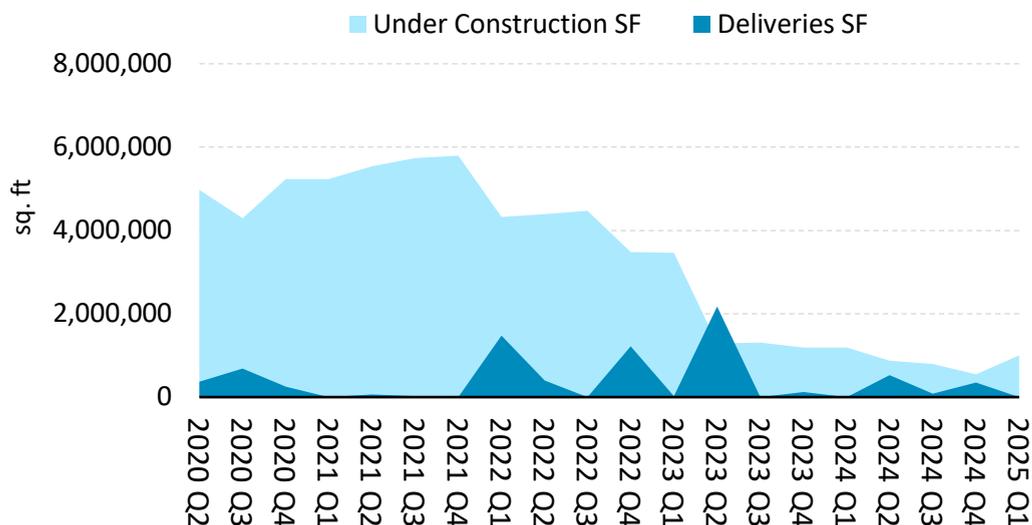
Net Absorption (sq. ft)



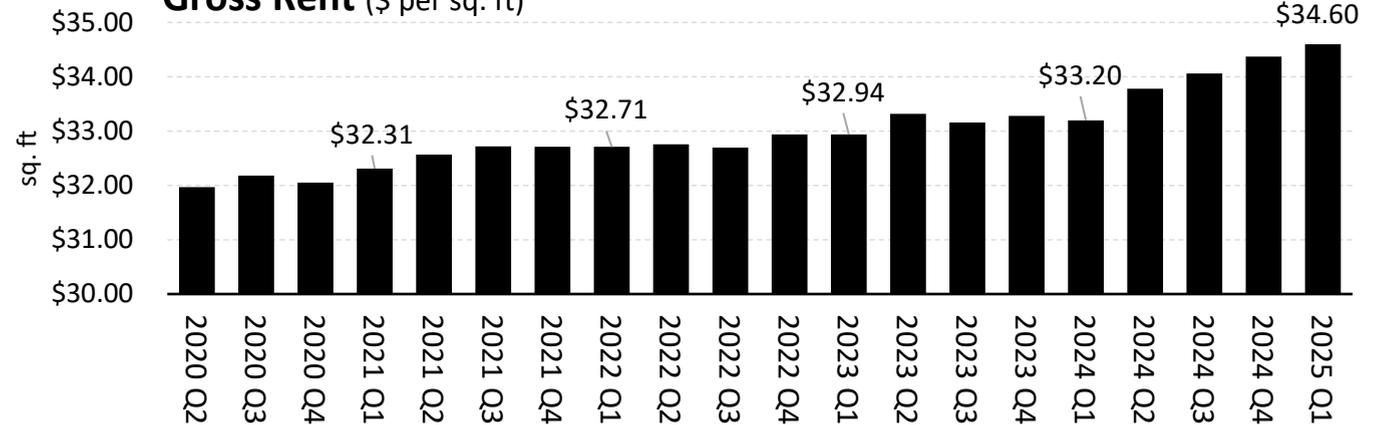
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Gross Rent (\$ per sq. ft)

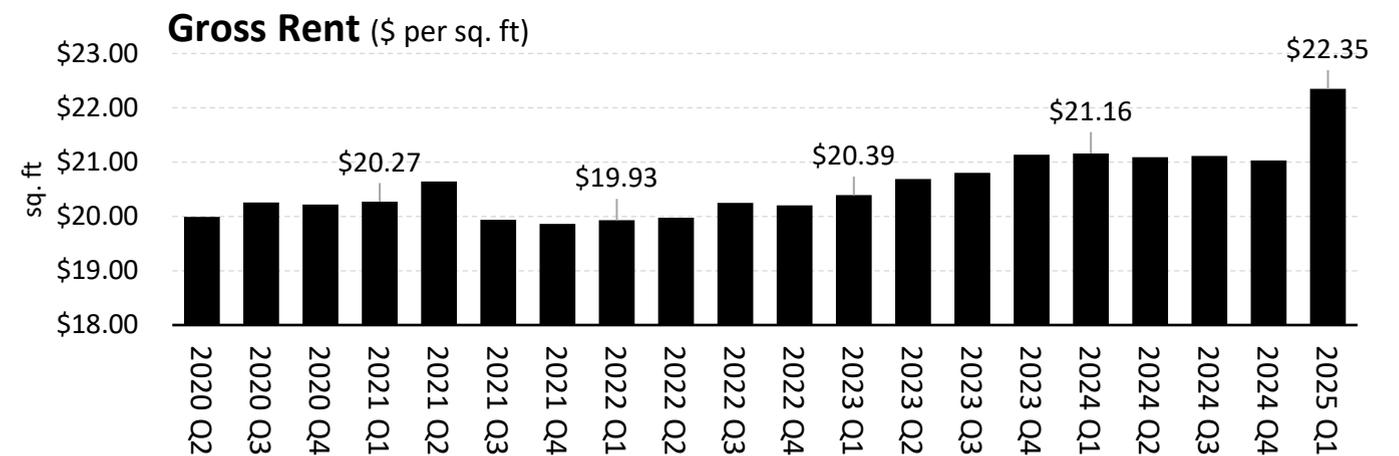
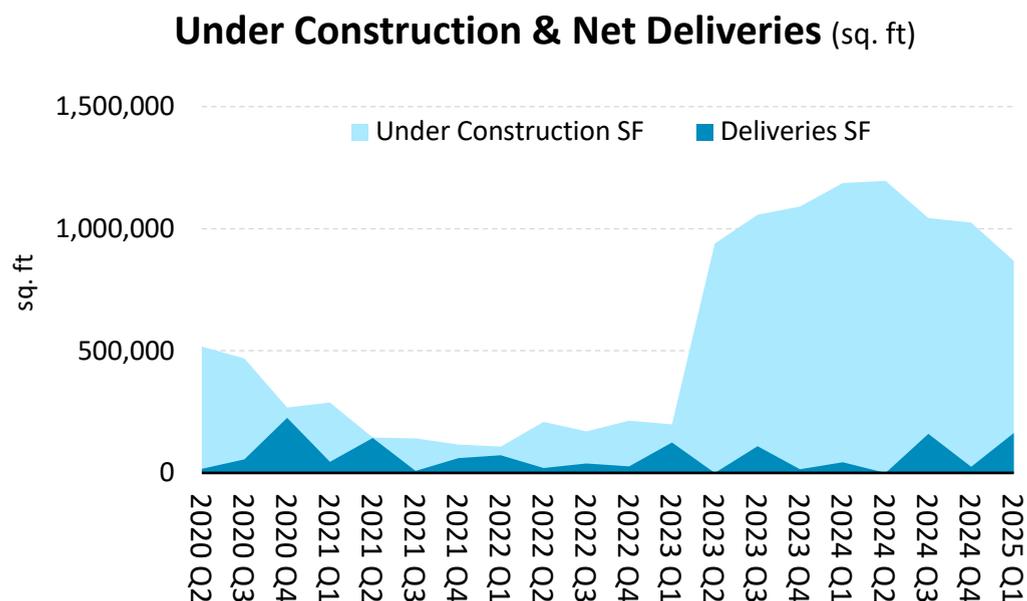
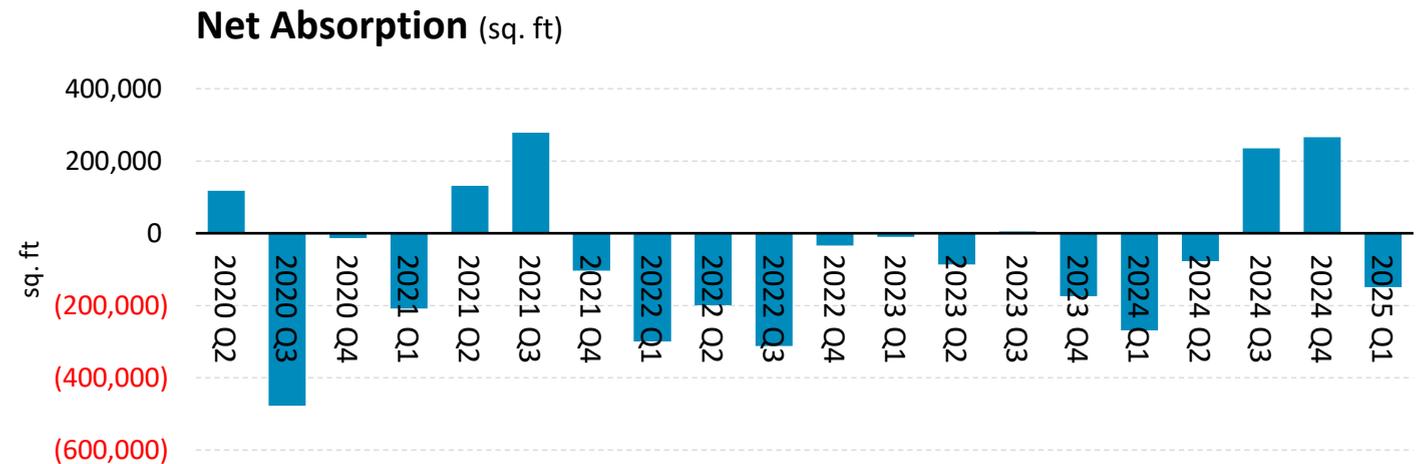


Office Market - MSA Trends

RICHMOND MSA

Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	68.4	0.5%	% chg
Vacancy Rate (%)	9.0%	0	pct points
Net Absorption (sq. ft)	(148,817)	120,325	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$22.35	\$1.19	\$ per sq. ft
Deliveries (sq. ft)	163,270	119,270	sq. ft
Under Construction (sq. ft)	868,924	-318,863	sq. ft



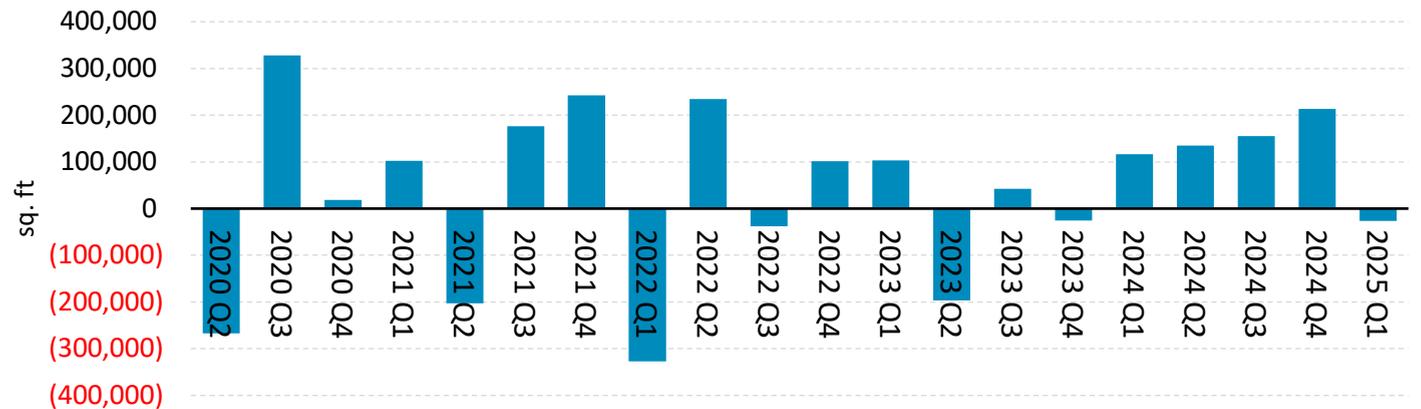
Office Market - MSA Trends

HAMPTON ROADS

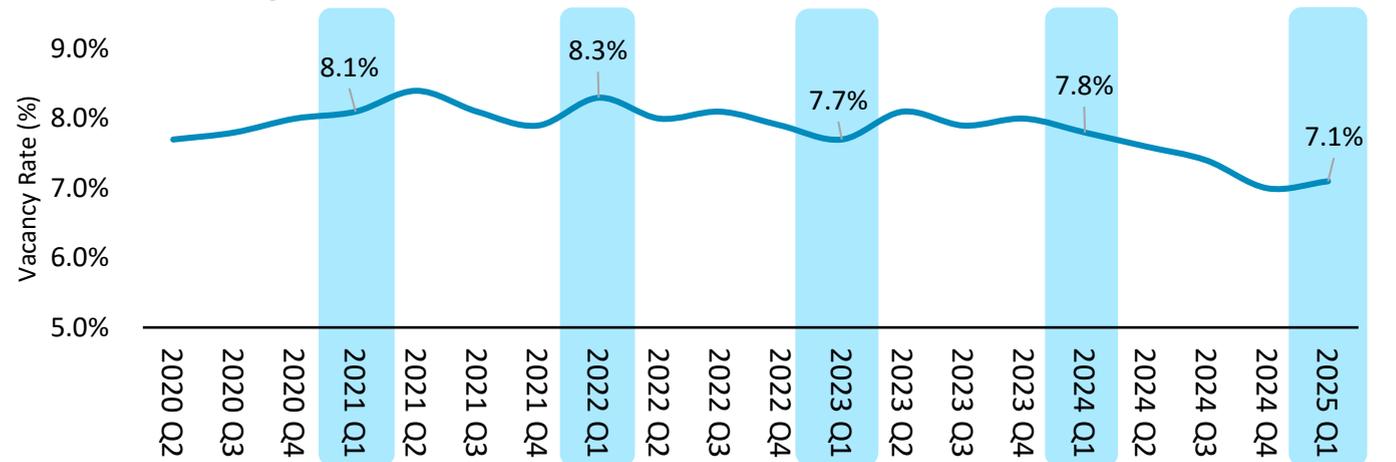
Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	56.5	0.1%	% chg
Vacancy Rate (%)	7.1%	-0.7%	pct points
Net Absorption (sq. ft)	(26,117)	-142,902	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$22.36	\$0.17	\$ per sq. ft
Deliveries (sq. ft)	4,000	-134,597	sq. ft
Under Construction (sq. ft)	100,000	-67,500	sq. ft

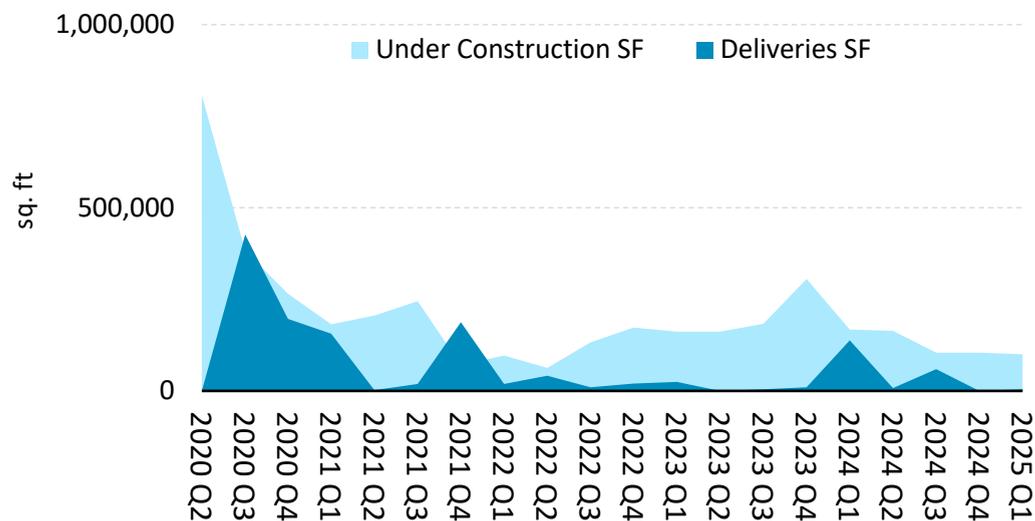
Net Absorption (sq. ft)



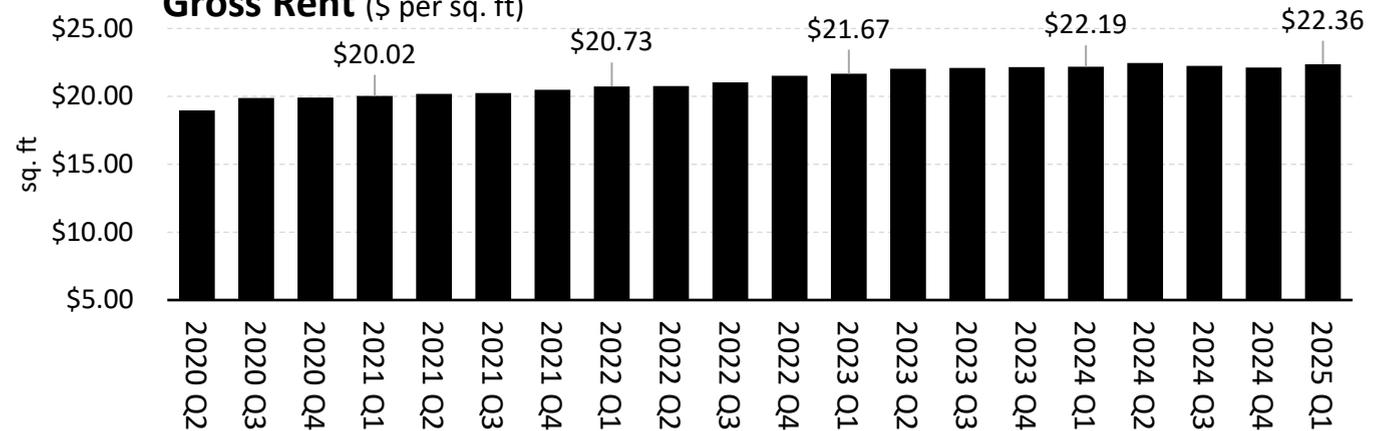
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Gross Rent (\$ per sq. ft)

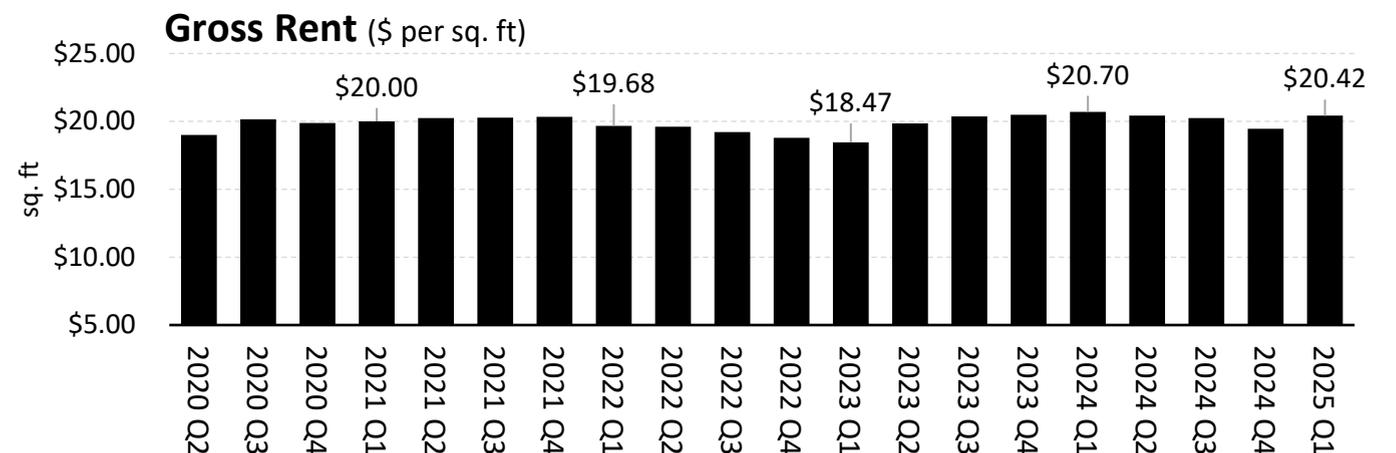
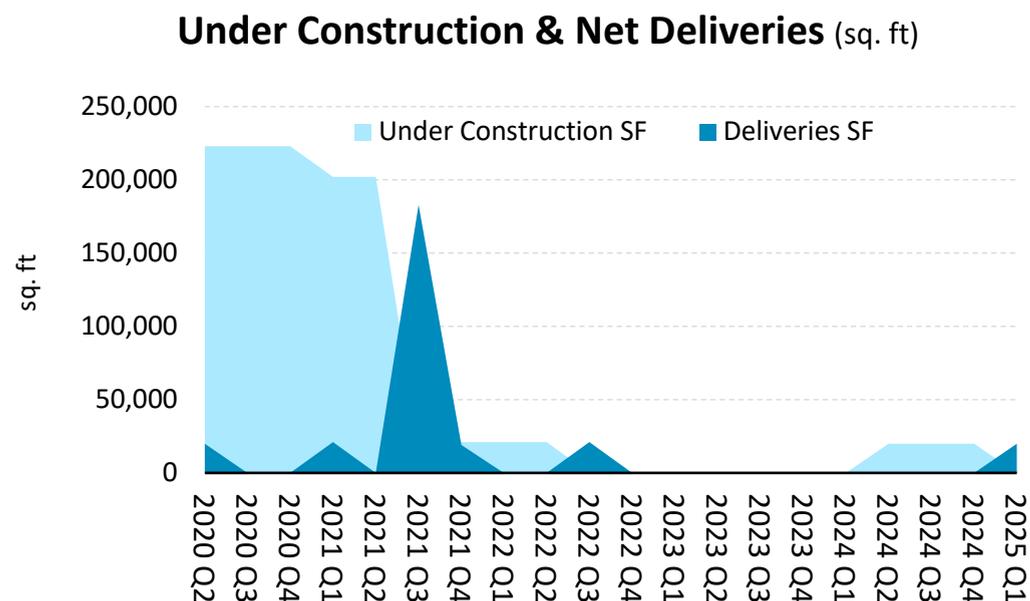
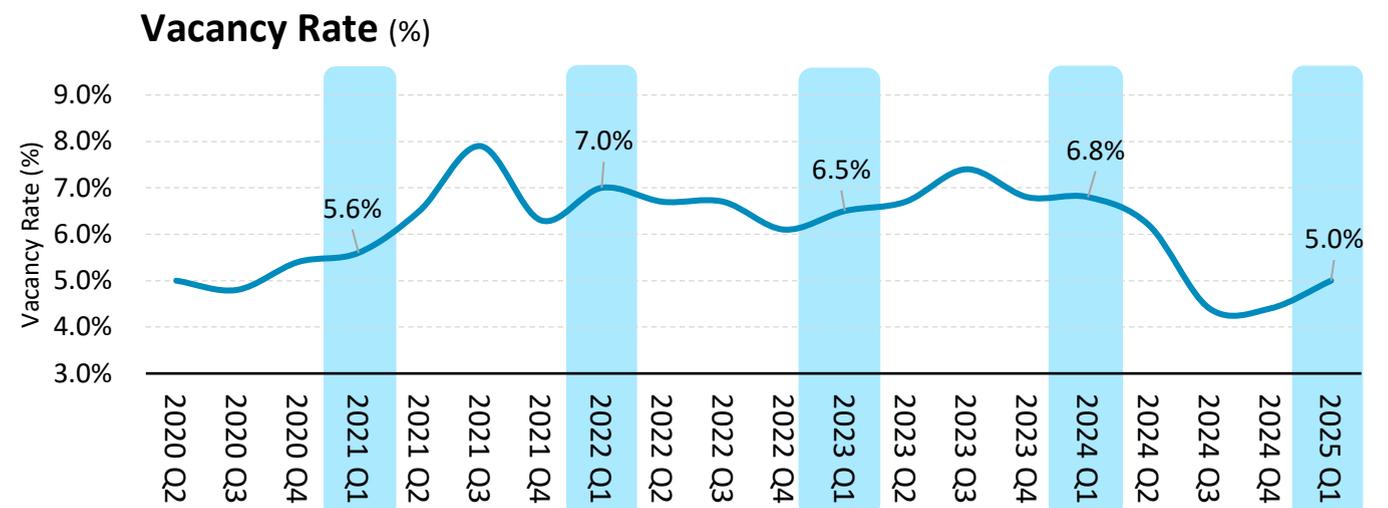
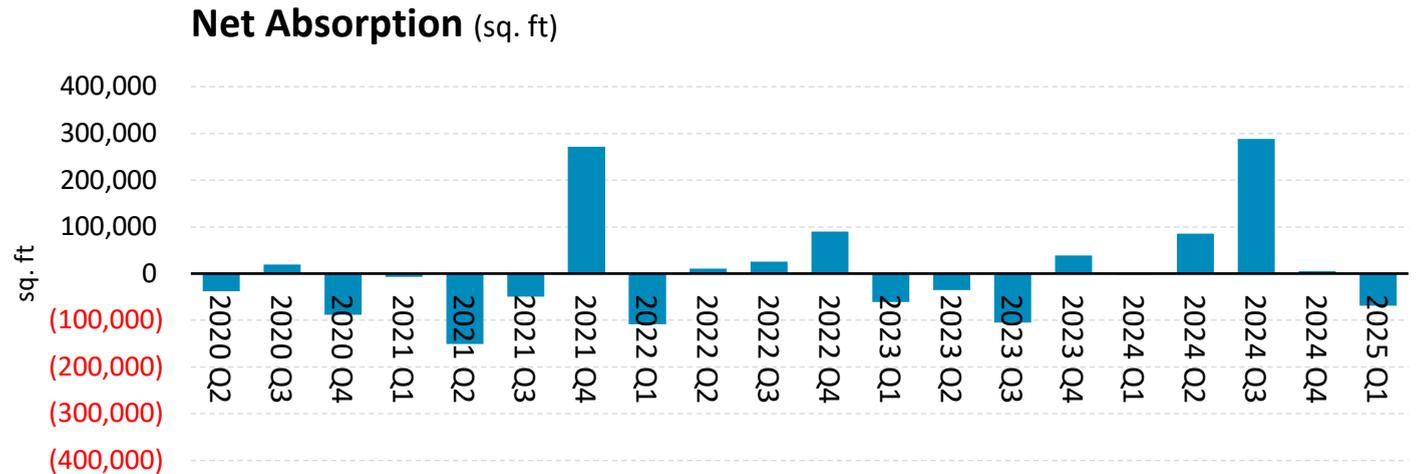


Office Market - MSA Trends

ROANOKE MSA

Local Market Indicator Dashboard

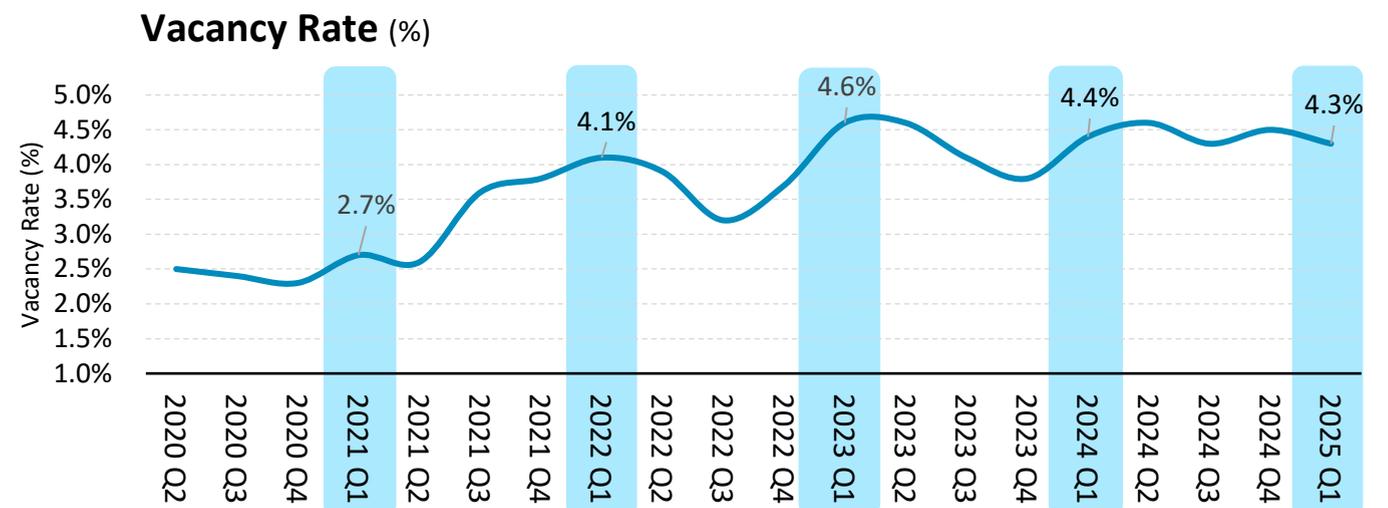
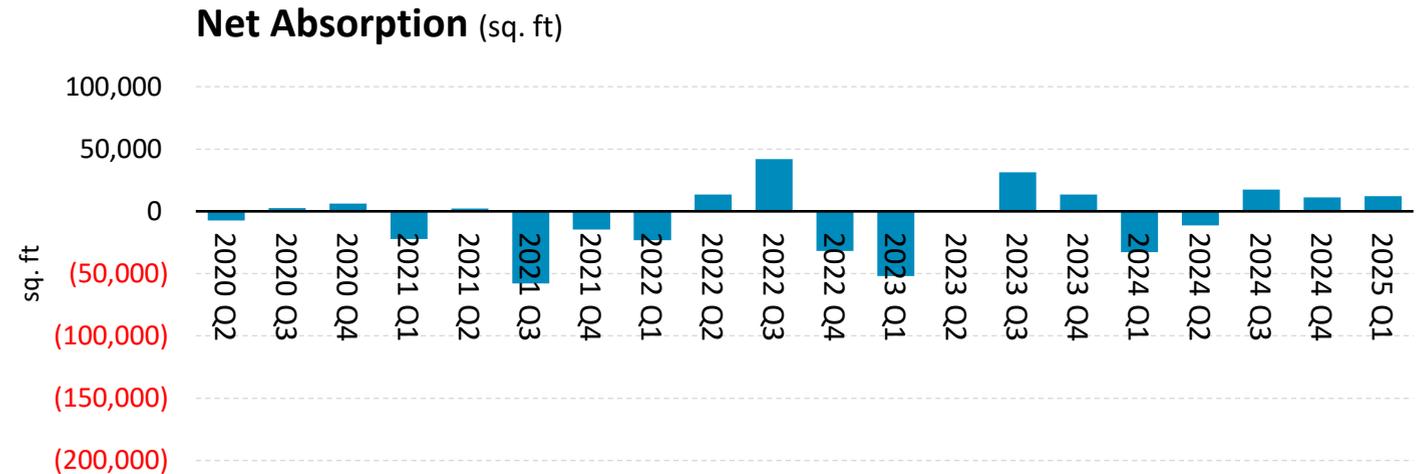
	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	16.0	0.1%	% chg
Vacancy Rate (%)	5.0%	-1.8%	pct points
Net Absorption (sq. ft)	(68,374)	-66,460	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$20.42	-\$0.28	\$ per sq. ft
Deliveries (sq. ft)	20,000	20,000	sq. ft
Under Construction (sq. ft)	0	0	sq. ft



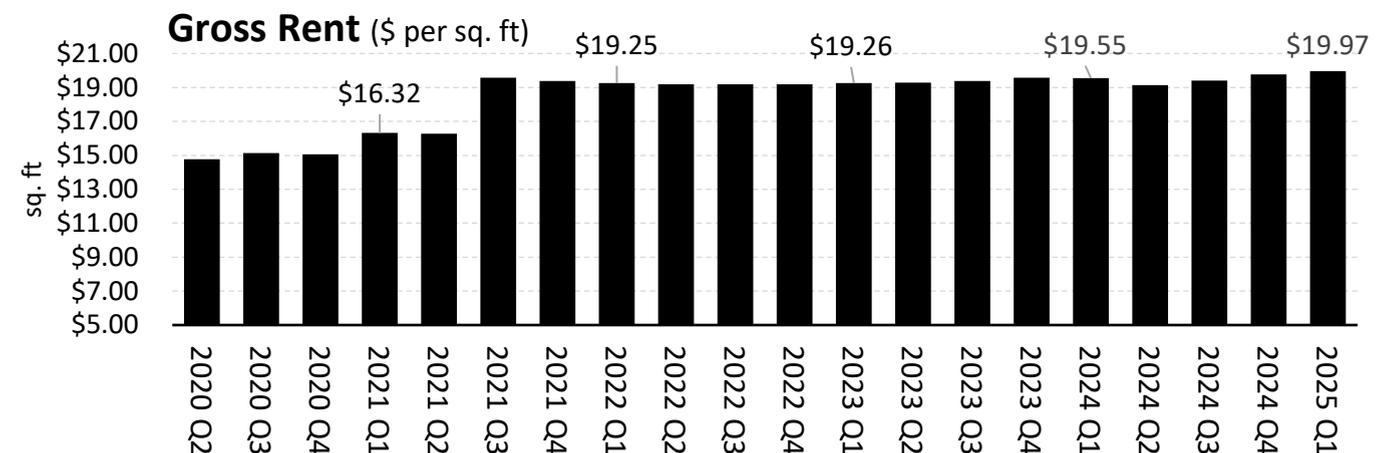
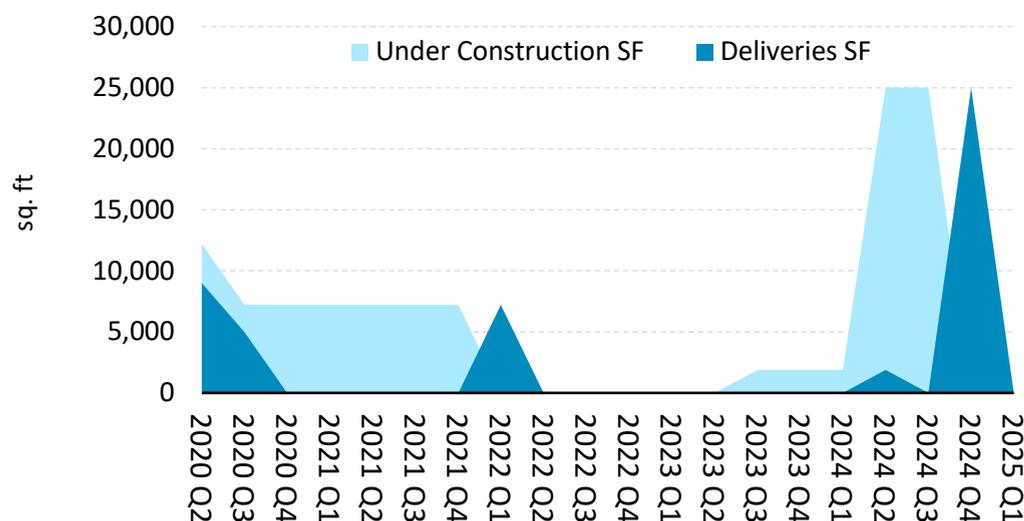
LYNCHBURG MSA

Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	6.1	0.4% % chg	
Vacancy Rate (%)	4.3%	-0.1% pct points	
Net Absorption (sq. ft)	12,189	45,139 sq. ft	
Avg Gross Rent (\$ per sq. ft)	\$19.97	\$0.42 \$ per sq. ft	
Deliveries (sq. ft)	0	0 sq. ft	
Under Construction (sq. ft)	0	-1,896 sq. ft	



Under Construction & Net Deliveries (sq. ft)

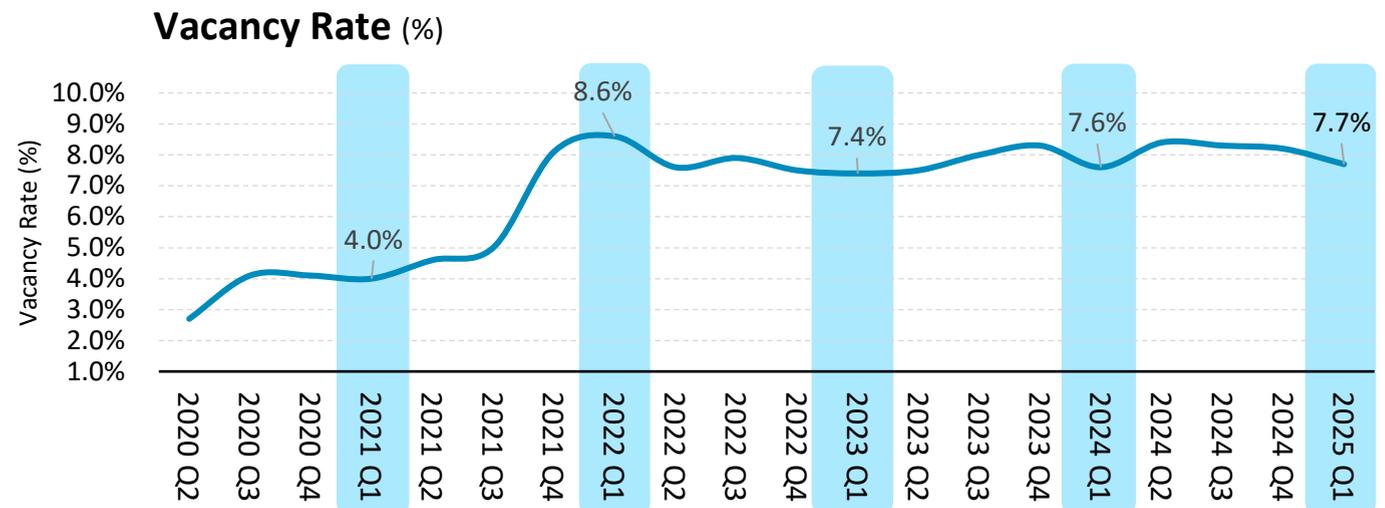
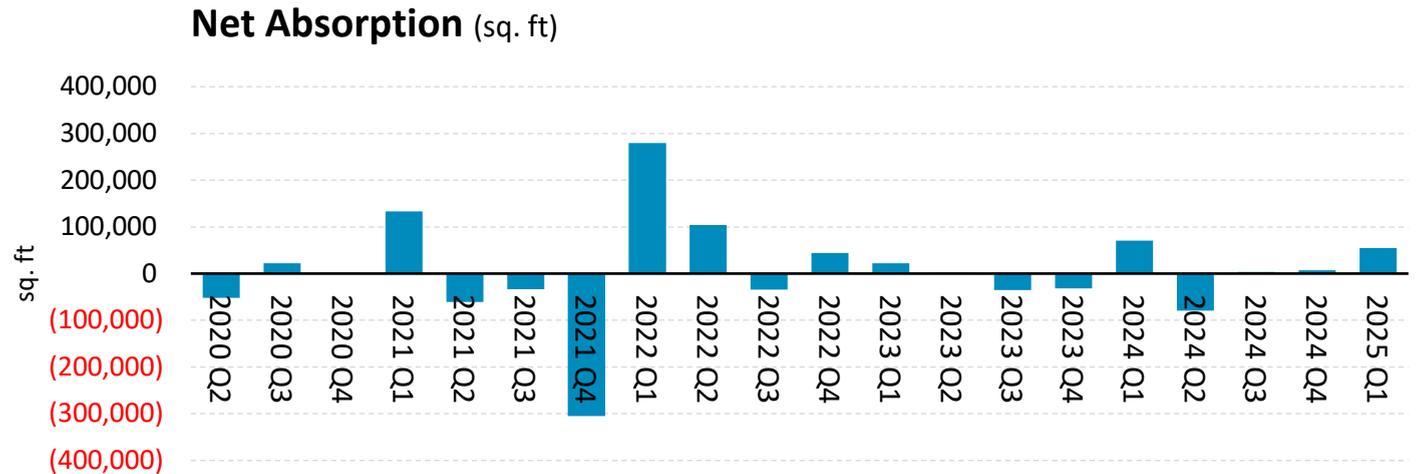


Office Market - MSA Trends

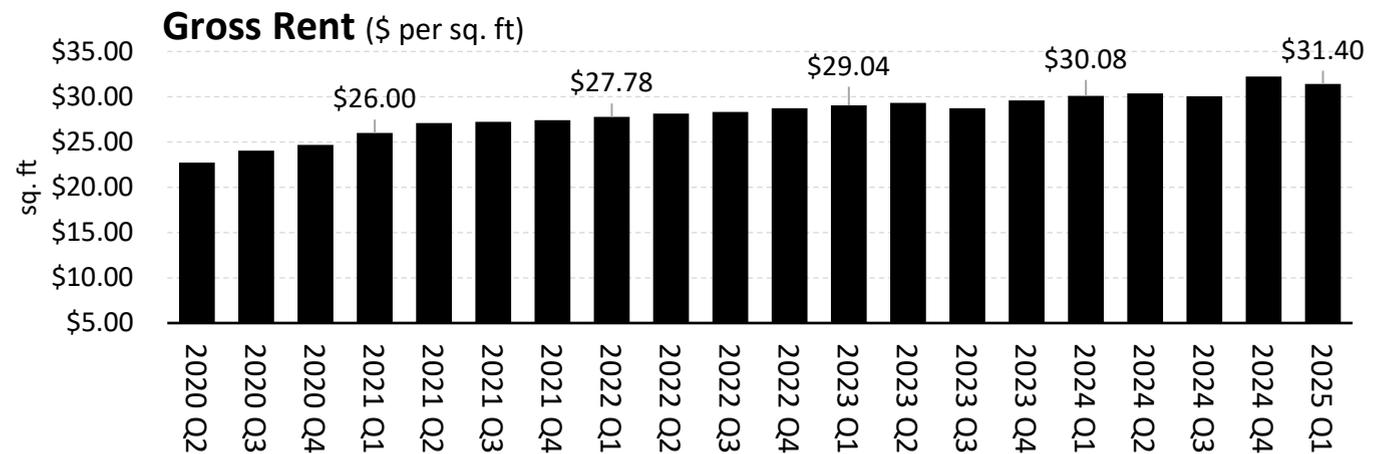
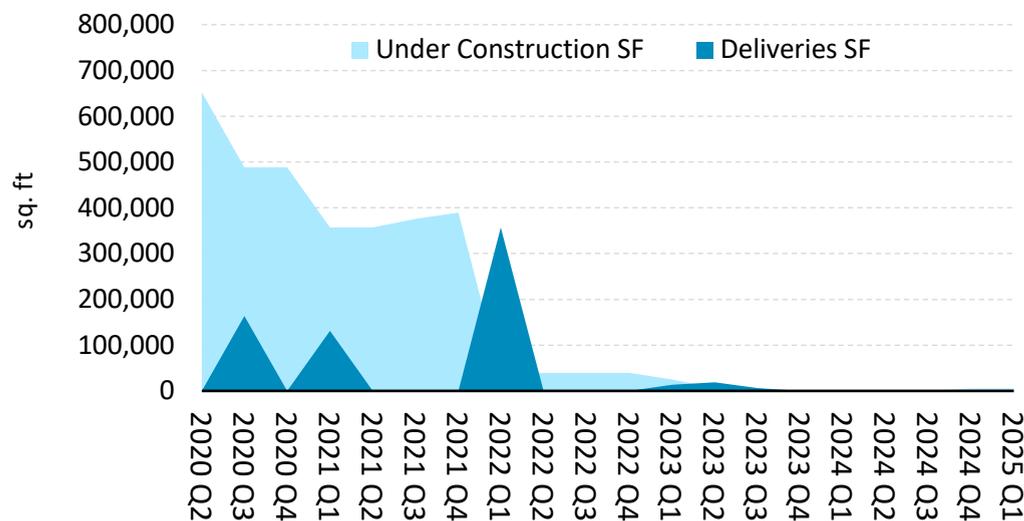
CHARLOTTESVILLE MSA

Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	10.1	0	% chg
Vacancy Rate (%)	7.7%	0.1%	pct points
Net Absorption (sq. ft)	54,318	-16,369	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$31.40	\$1.32	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	5,087	5,087	sq. ft



Under Construction & Net Deliveries (sq. ft)

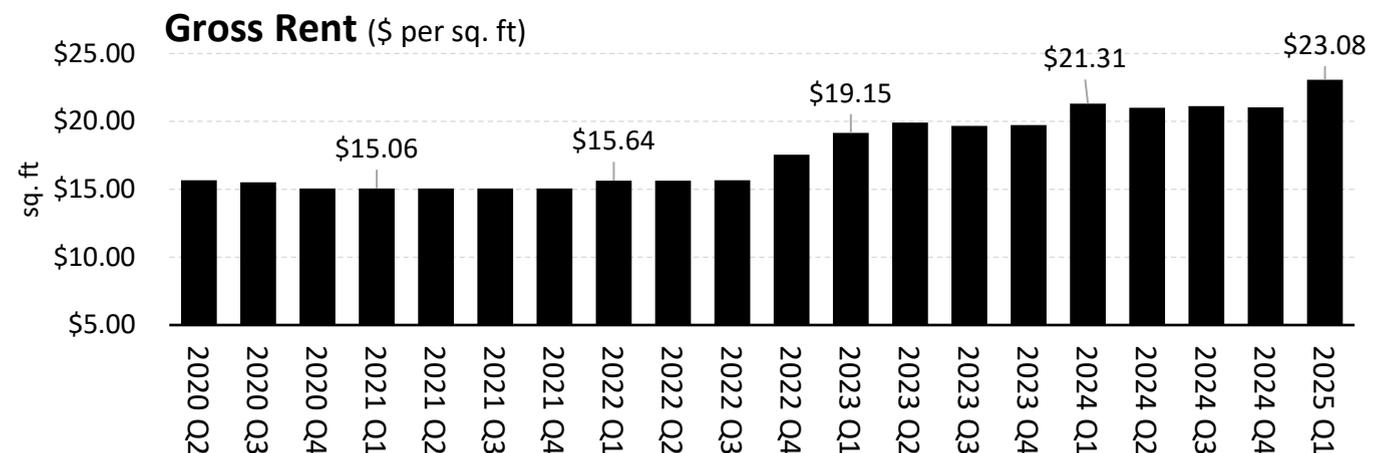
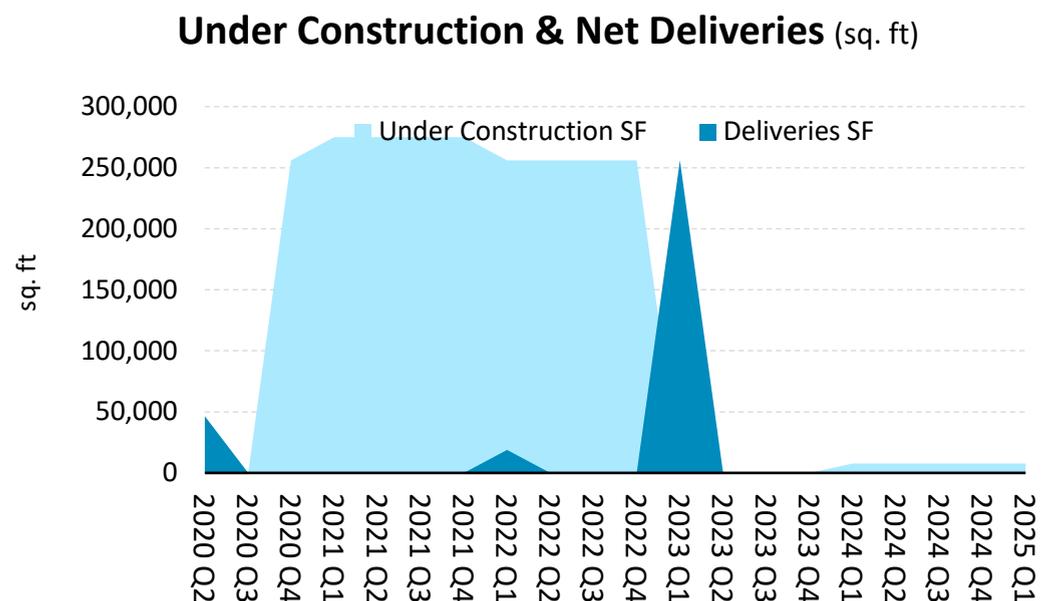
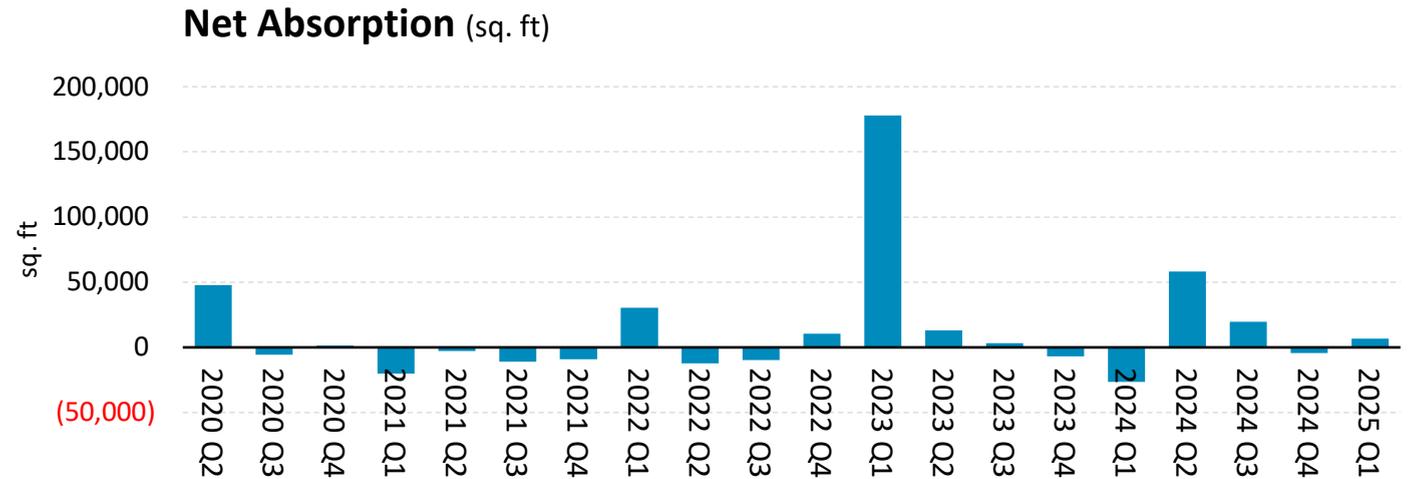


Office Market - MSA Trends

BLACKSBURG MSA

Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	3.9	0	% chg
Vacancy Rate (%)	3.2%	-2.0%	pct points
Net Absorption (sq. ft)	6,682	33,130	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$23.08	\$1.77	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	7,660	0	sq. ft

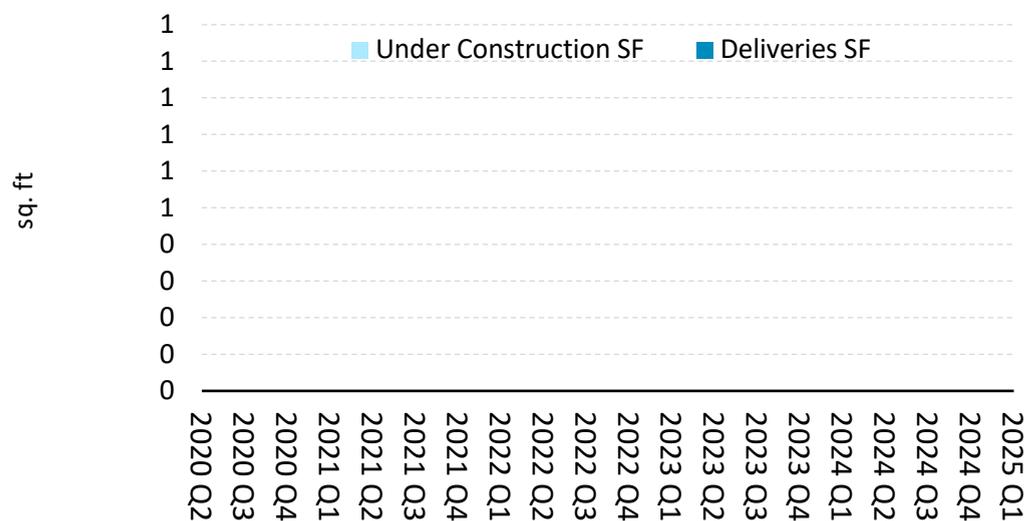


WINCHESTER MSA

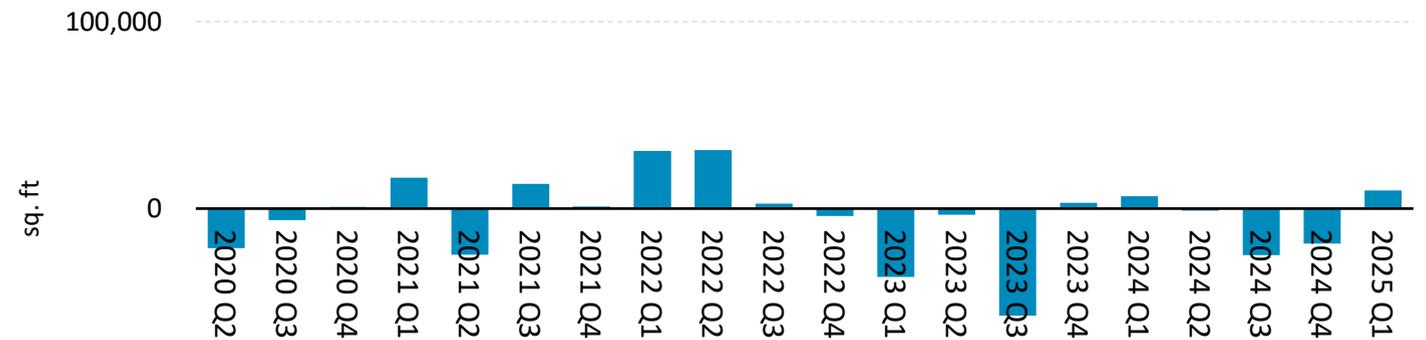
Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	3.6	0	% chg
Vacancy Rate (%)	4.8%	1.0%	pct points
Net Absorption (sq. ft)	9,687	3,056	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$20.88	-\$0.73	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	0	sq. ft

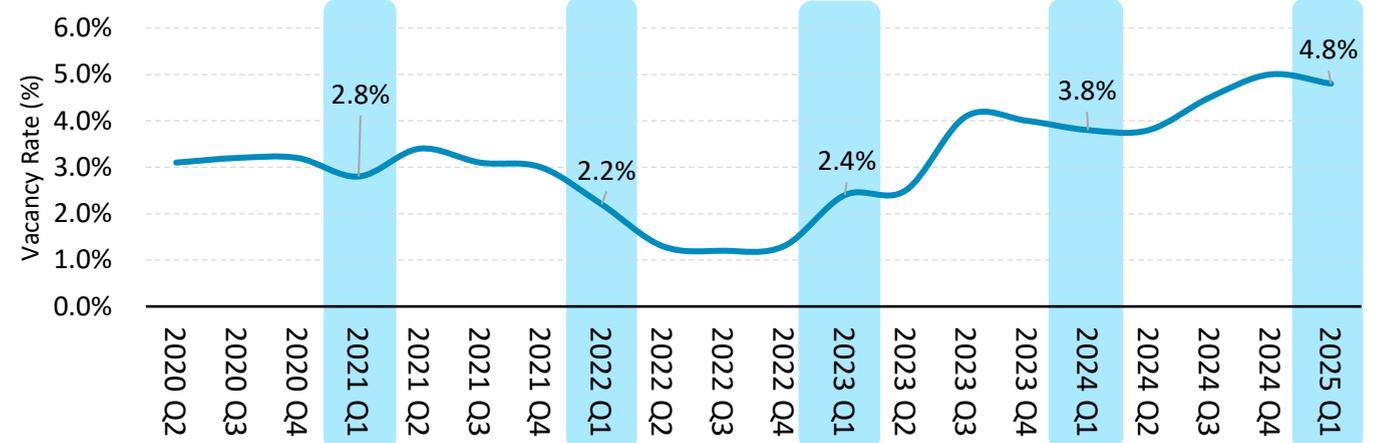
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Gross Rent (\$ per sq. ft)



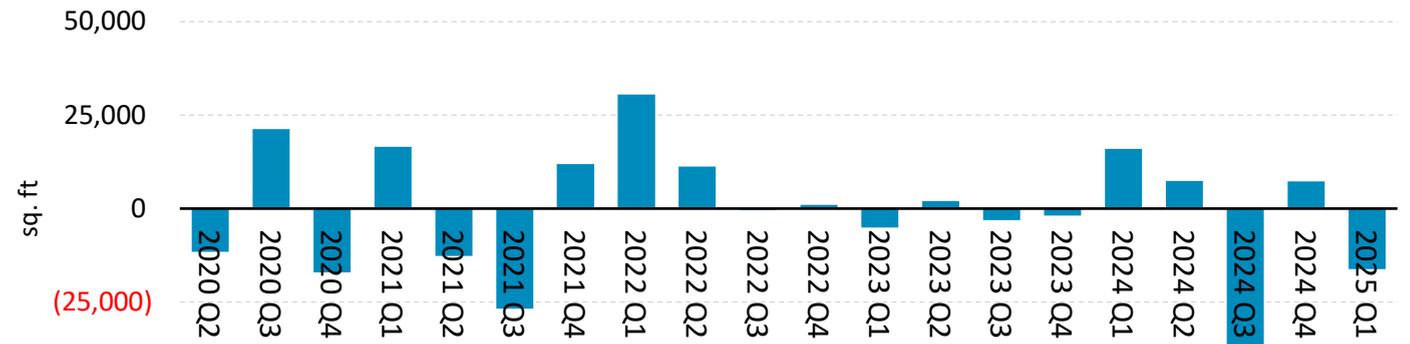
Office Market - MSA Trends

HARRISONBURG MSA

Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	2.6	0	% chg
Vacancy Rate (%)	4.9%	1.5%	pct points
Net Absorption (sq. ft)	(16,200)	-32,169	sq. ft
Avg Gross Rent (\$ per sq. ft)	\$21.14	\$3.89	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	0	sq. ft

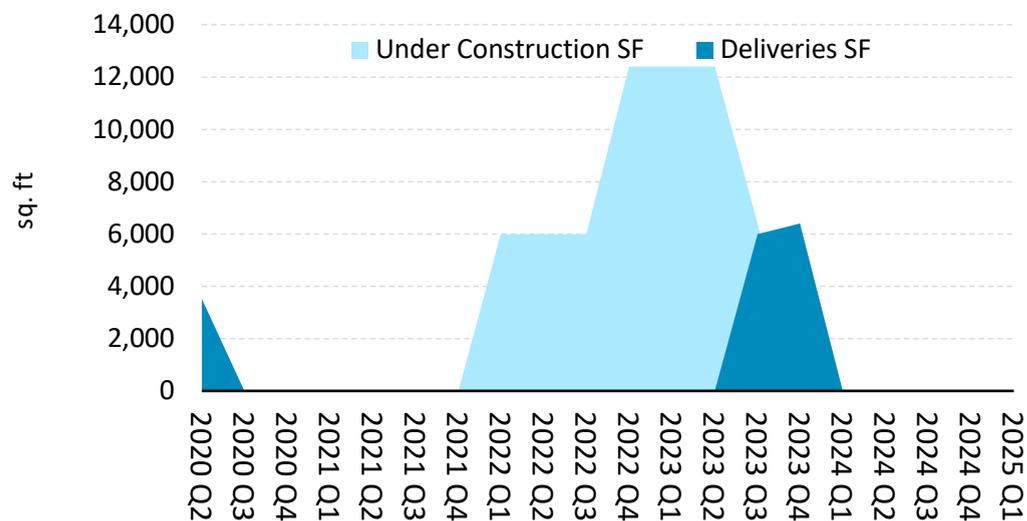
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Gross Rent (\$ per sq. ft)



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 37,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

Robin Spensieri

Virginia REALTORS® Senior Vice President
of Corporate Communications
rspensieri@virginiarealtors.org
404-433-6015

Data and analysis provided by Virginia REALTORS® Research Team.

The numbers reported here are based on data from CoStar.

Cover Photo: ©avmedved/Adobe Stock
TOC Graphic: ©aomarch/Adobe Stock

