

NEWMARK

Westfields Pulse March 2024

Westfields Corporate Center (“Westfields”) continues to be the bright shining star in an otherwise woeful office market in the greater Washington DC metro area, boasting a 13.8% vacancy rate as compared to 21.7% in Northern Virginia. The vacancy rate for the east side of the park has dropped to 14.4% and the west side has reduced dramatically to 13.4%. Westfields is faring much better than many nearby submarkets, including Fairfax Center at 22.1%, Reston at 22.9%, and Herndon at 27.4%. Westfields continues to enjoy the presence of government agencies, large corporate renewals, and the relocation of diverse companies into the park.

Westfields boasts a number of government agencies on its roster, which has been a magnet for government contractors. The FBI recently renewed its lease at Mission Ridge for 175,000 square feet for an additional twenty years. In addition, the Drug Enforcement Agency signed a long-term lease at 15010 Conference Center Drive and will be consolidated into 175,000 square feet from locations in Merrifield and Avion (Chantilly).

Many companies have renewed their leases, which continues to stabilize the office market within the park. This trend continued with the renewal of Boeing Services for 82,500 square feet at 14660 Lee Road and Accenture Federal Services at 5155 Parkstone Drive for 77,000 square feet. Prior to its sale to BAE Systems, Ball Aerospace renewed their lease at Mission Ridge for 18,000 square feet.

Westfields has been successful in attracting new companies from other areas because of its expanding retail amenities, excellent road infrastructure, housing options, and affordable office opportunities. AT&T will be relocating from Oakton into a new home located at 4807 Stonecroft Boulevard. Cape Fox Federal Contracting Group signed a lease for 25,000 square feet and moved from Manassas to 14360 Newbrook Drive. FTS International just moved into 30,000 square feet at 14151 Newbrook Drive, relocating from Loudoun County. Finally, Cambell, Veltri & Clark, PLC, a full-service tax and accounting firm, will be moving into 14155 Newbrook Drive later this year.

Newmark expects vacancy to continue to tighten within Westfields. While there are a few companies that we are aware will downsize or vacate the park, we believe that strong tenant demand will continue and such larger blocks of vacancy will be leased by government contractors and professional service companies. Available land is in short supply. With data center and residential demand, undeveloped parcels for future office development will be limited. Nonetheless, with continued leasing momentum, excellent credit of tenants, and government agency anchors within the park, Westfields will continue to be an attractive opportunity for future investment.

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