



CAVALRY
REAL ESTATE ADVISORS

FAIRFAX COUNTY CRE MARKET OVERVIEW

Presented by **Ross Litkenhous**

01.15.26

NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
NORTHERN VIRGINIA CHAPTER

ECONOMY TAKEAWAYS



Foreign trade policy uncertainty is waning, but geopolitical uncertainty remains a concern.



Inflation remains elevated. Fed interest rate reductions during the second half of 2025 will make more of an impact on investment activity in 2026.



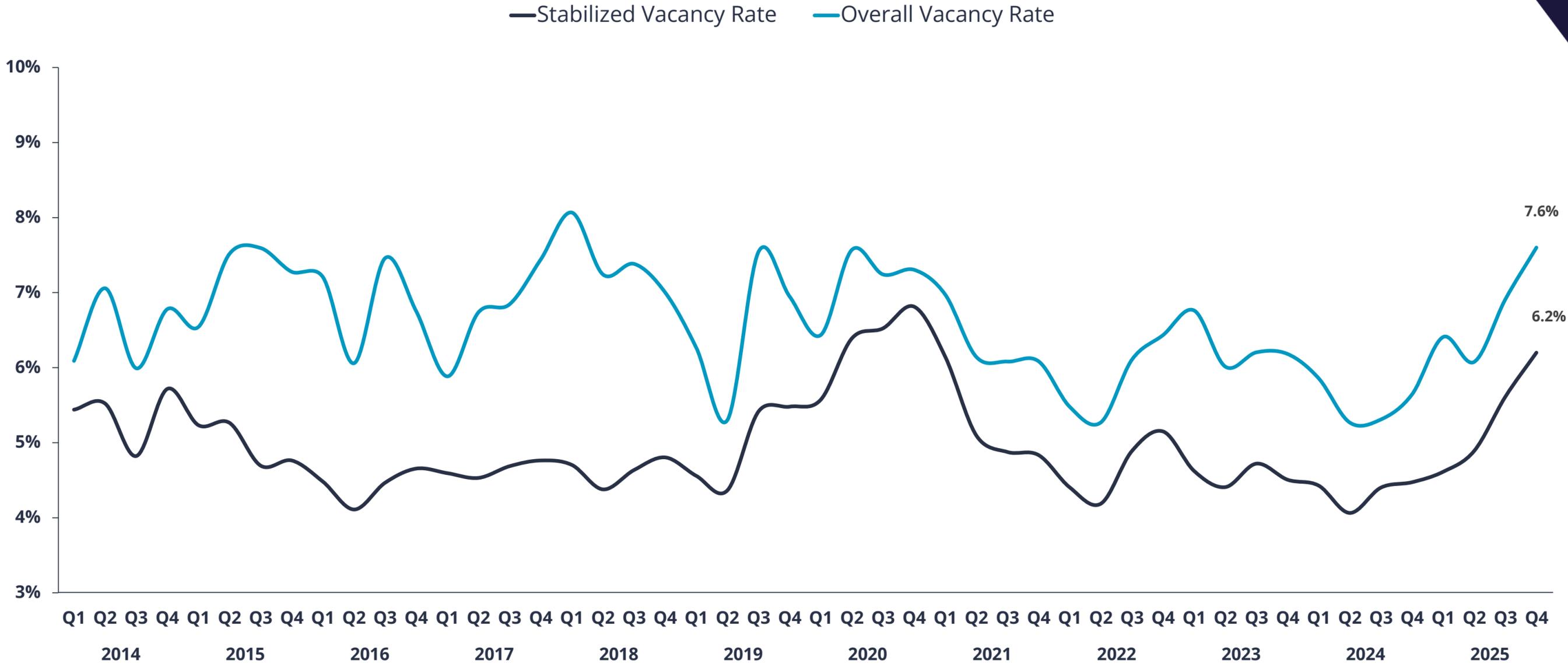
Job losses regionally have been concentrated in the District while growth remains positive in Northern Virginia, including in Fairfax County.



While Federal job losses make headlines, it only represents less than 5% of the job market in Fairfax County, which is dominated by the Professional & Business Services and Health & Education sectors.

APARTMENT VACANCY RATE TREND

Fairfax County | 2014 - 2025



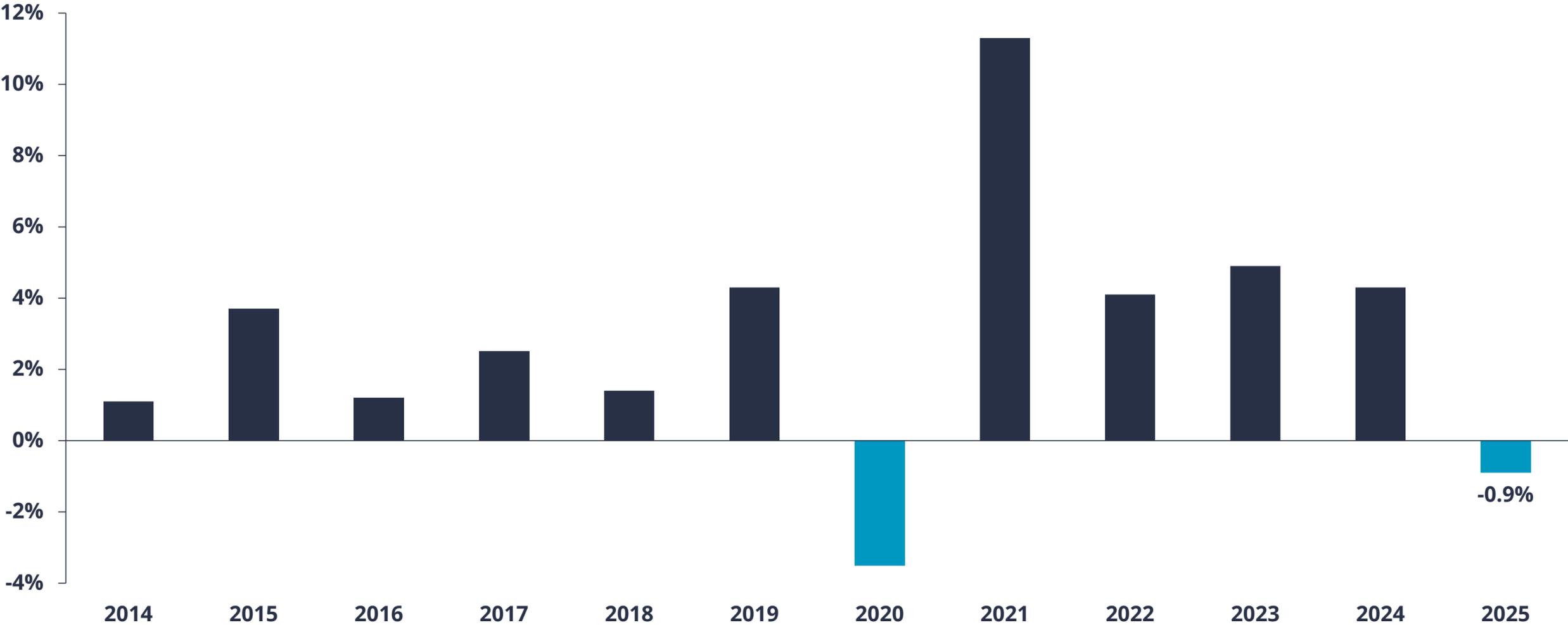
Source: CoStar, Cavalry Real Estate Advisors; January 2026.

Note: Data includes Class A and Class B apartments with 50 or more units.



ANNUAL APARTMENT EFFECTIVE RENT GROWTH

Fairfax County | 2014 - 2025



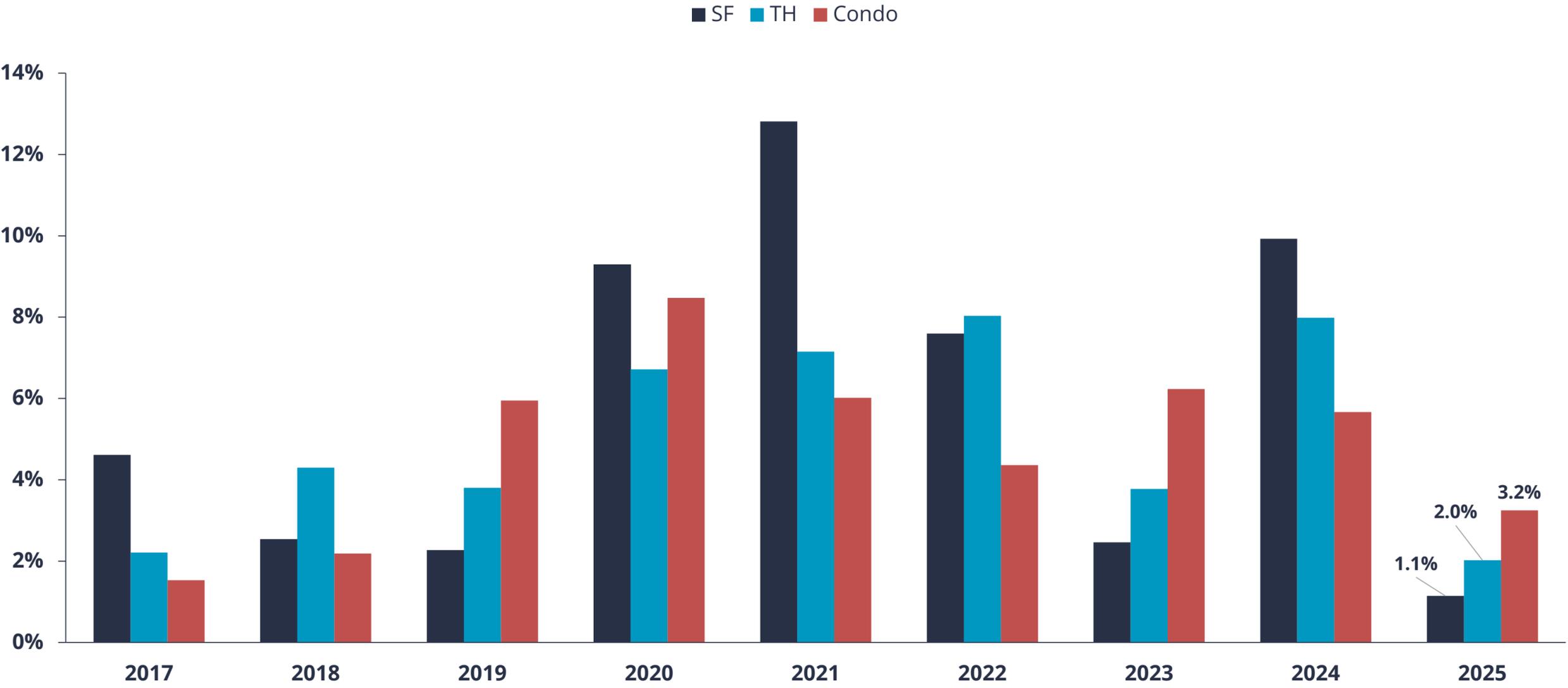
Source: CoStar, Cavalry Real Estate Advisors; January 2026.

Note: Data includes Class A and Class B apartments with 50 or more units.



HOUSING RESALE PRICE GROWTH TREND

Fairfax County | 2017 – 2025

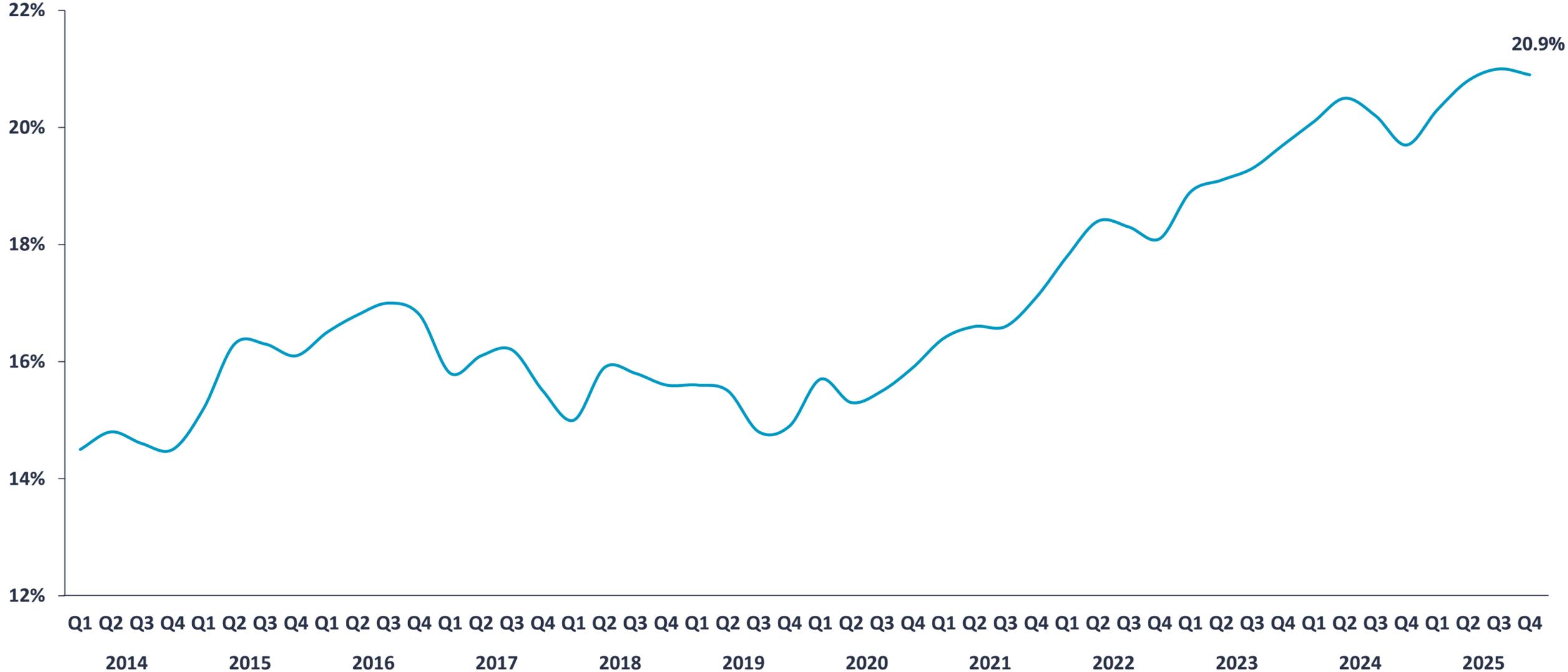


Source: Bright MLS, Cavalry Real Estate Advisors; January 2026.



OFFICE DIRECT VACANCY RATE TREND

Fairfax County | 2014 – 2025



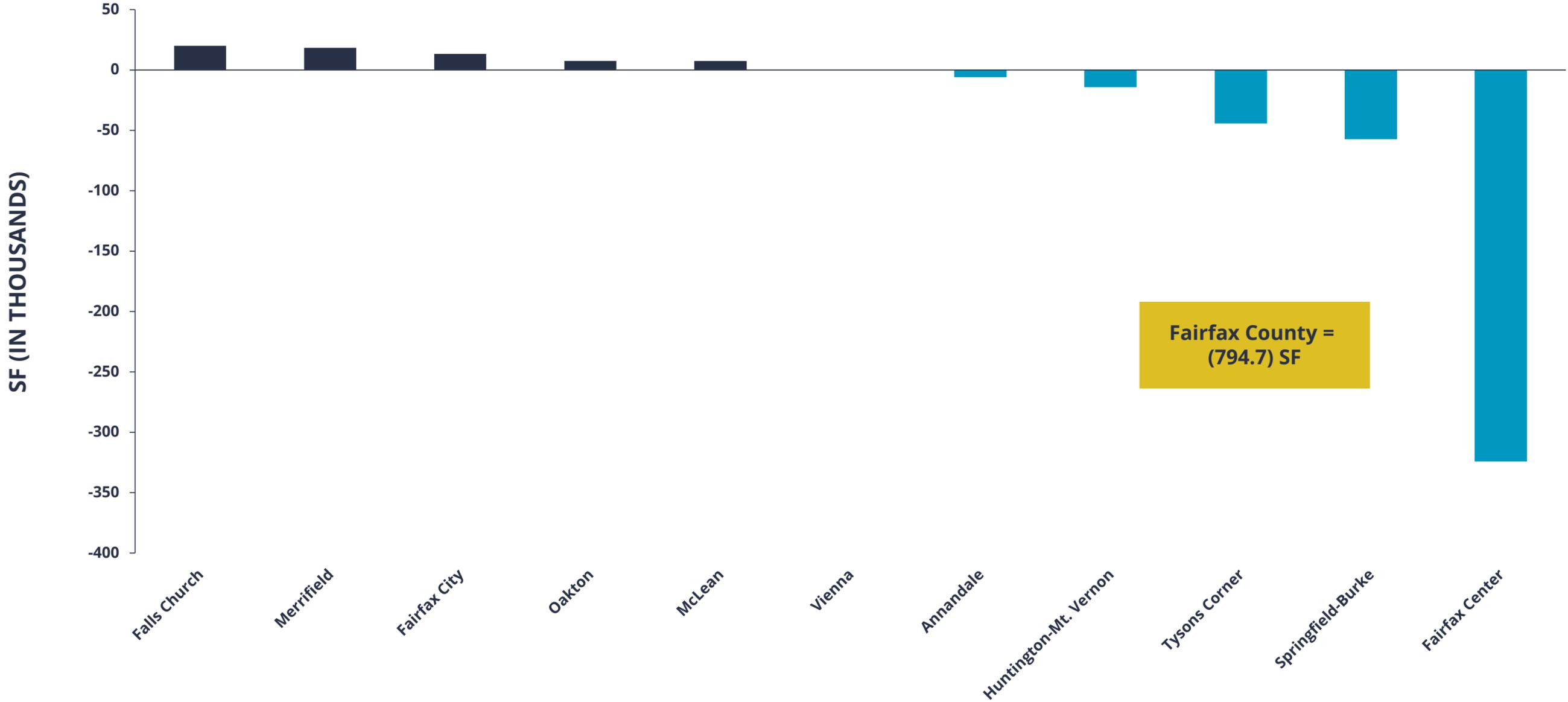
Source: CoStar, Cavalry Real Estate Advisors; January 2026.

Note: Data includes 3, 4, and 5-star office containing 50,000 SF or greater.



ANNUAL OFFICE NET ABSORPTION

Selected Submarkets | 2025



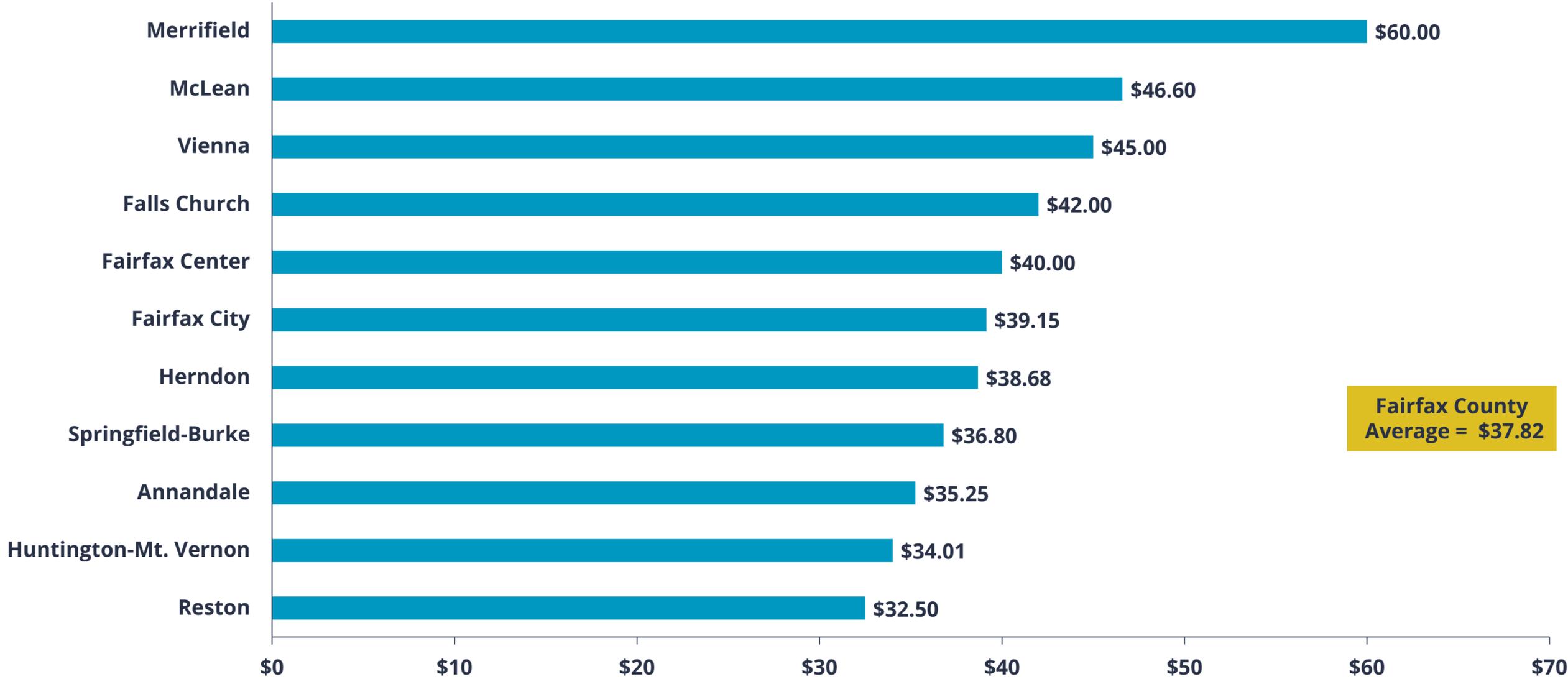
Source: CoStar, Cavalry Real Estate Advisors; January 2026.

Note: Data includes 3, 4, and 5-star office containing 50,000 SF or greater.



RETAIL TRIPLE-NET DIRECT RENTS

Selected Submarkets | Q4 2025



Source: CoStar, Cavalry Real Estate Advisors; January 2026.

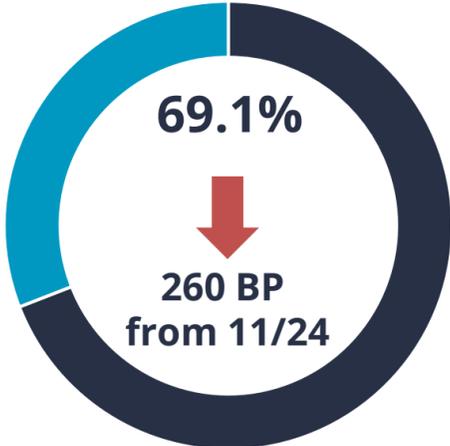
Note: Data includes 3, 4, and 5-star retail space containing 50,000 SF or greater.



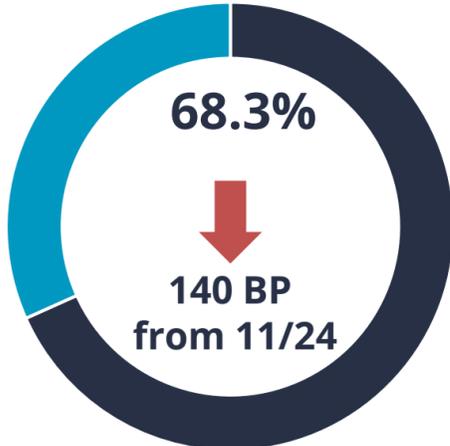
HOTEL OCCUPANCY RATE

Selected Submarkets | 12 Mo. Ending November 2025

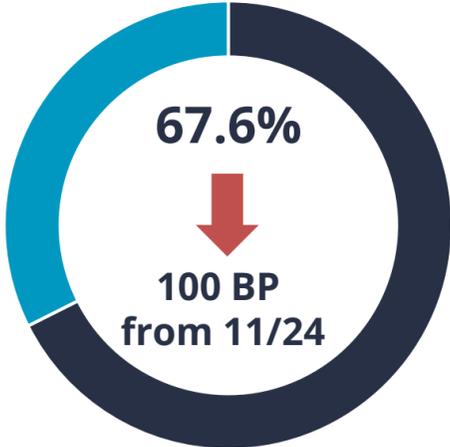
Dulles Airport Area



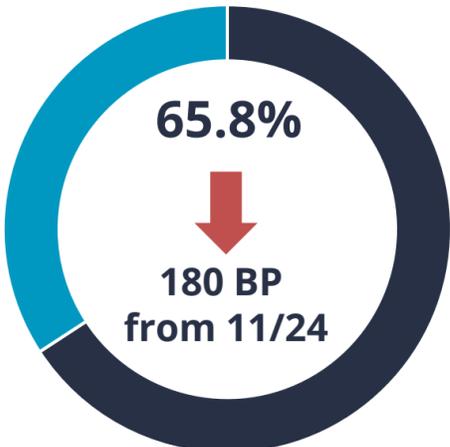
Fairfax County



Fairfax-Tysons Corner



SE Fairfax County



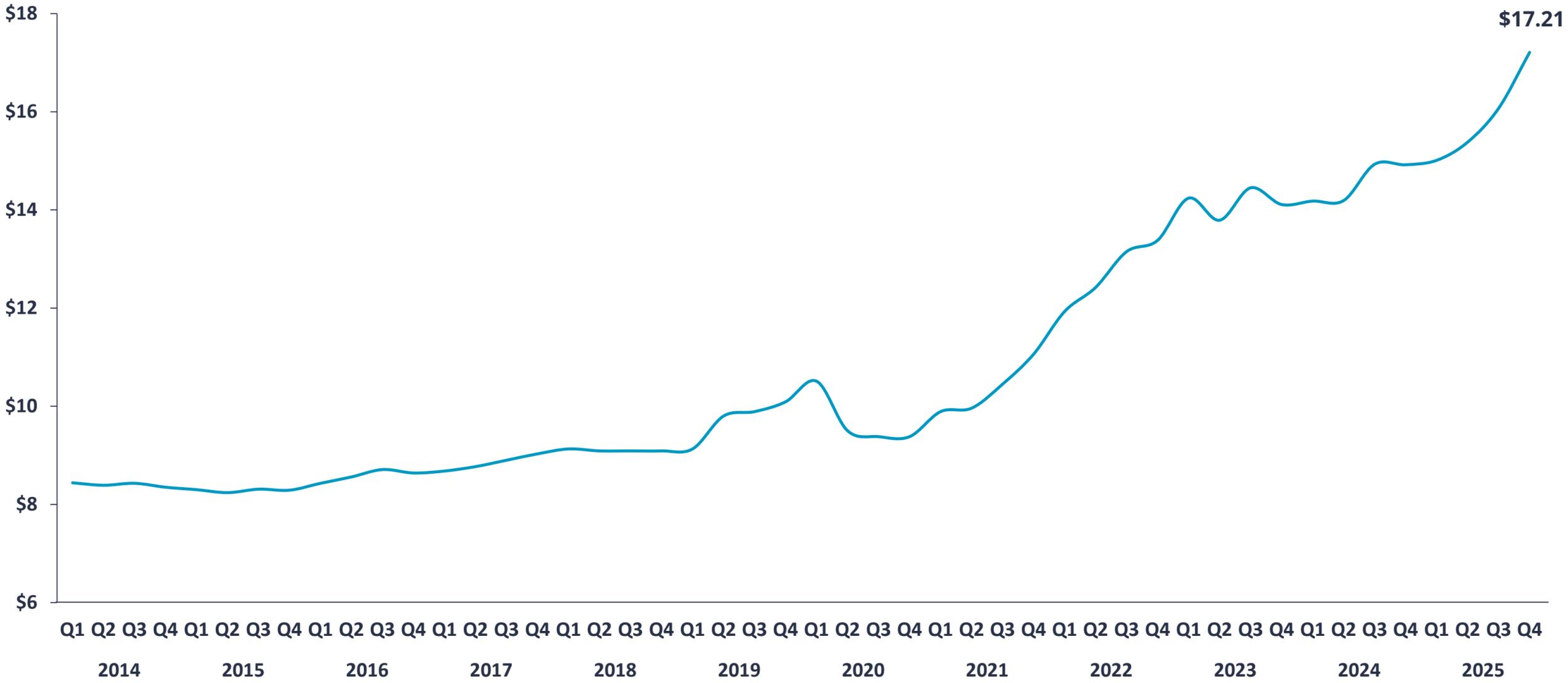
Source: CoStar, Cavalry Real Estate Advisors; January 2026.

Note: Data includes 3, 4, and 5-star hotels with 50 keys or greater.



INDUSTRIAL TRIPLE-NET DIRECT RENT TREND

Fairfax County | 2014 – 2025



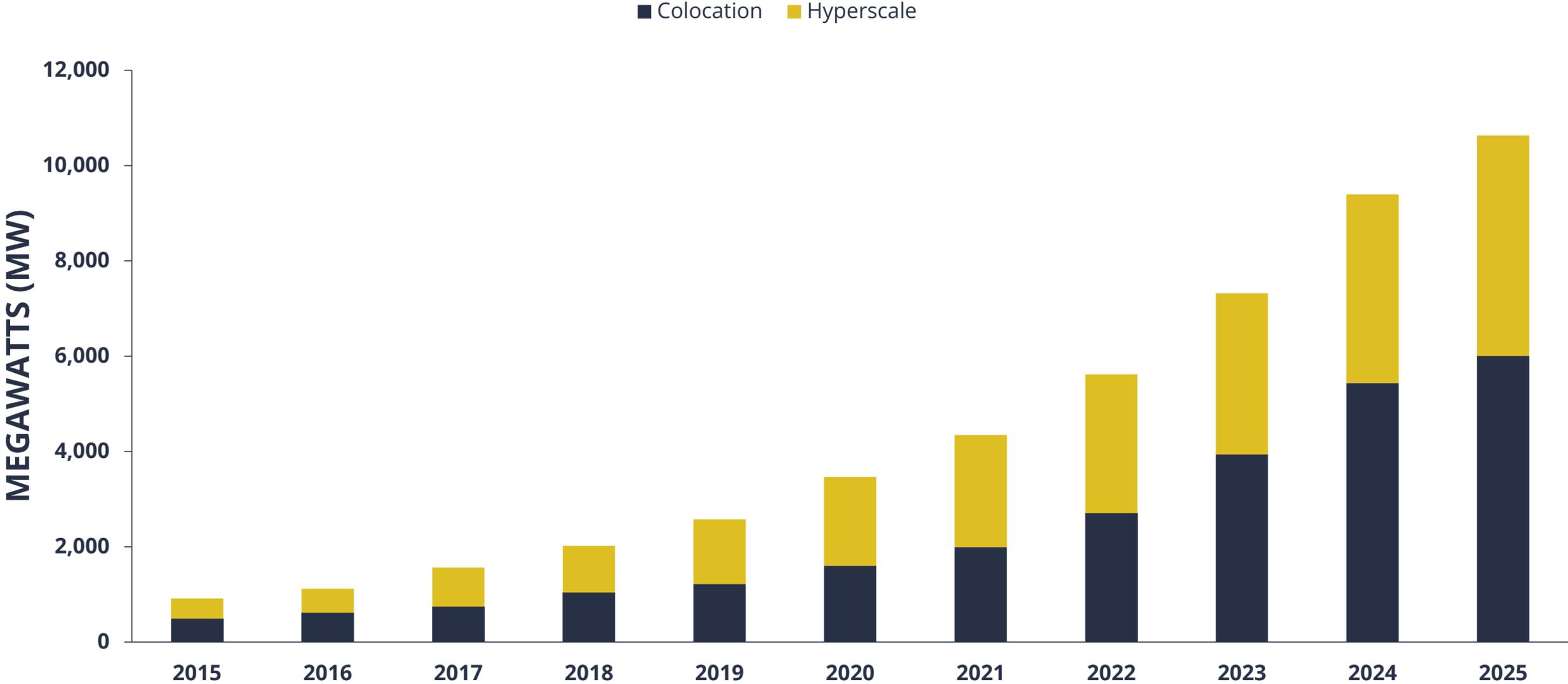
Source: CoStar, Cavalry Real Estate Advisors; January 2026.

Note: Data includes 3, 4, and 5-star industrial buildings containing 50,000 SF or greater.



MARKET SIZE CAPACITY

Northern Virginia | 2015 – 2025



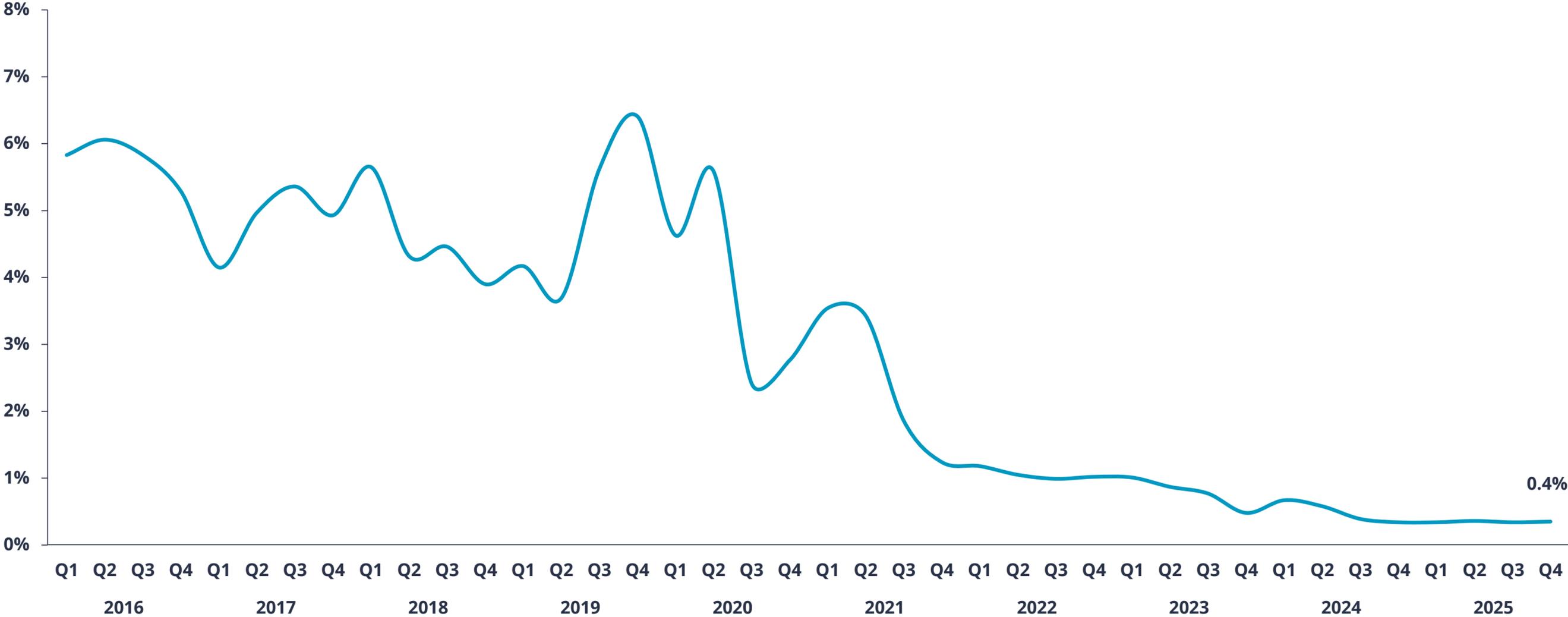
Source: Datacenter Hawk, Cavalry Real Estate Advisors; January 2026.

Note: Hyperscale Owned and Colocation Commissioned.



COLOCATION VACANCY RATE TREND

Northern Virginia | 2016 - 2025



Source: Datacenter Hawk, Cavalry Real Estate Advisors; January 2026.





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