tysons

Q1 2026

JAN - MAR

Quarterly Market Report

Office Feature

This Way Up.

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EXECUTIVE SUMMARY

Long-term Commitment, Long-term Growth

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Coming off of an encouraging end to 2025, Tysons entered 2026 with continued signs of resilience and long-term market stability across its core sectors. Q1 performance indicators point to sustained momentum in visitation, leasing activity, and consumer engagement. **Worker visitation in particular increased 10% year-over-year**, reinforcing ongoing return-to-office trends and supporting Tysons' position as the region's second-largest employment center outside downtown D.C.

As you'll find in this quarter's office feature, the market remained stable overall, with **total vacancy holding at 20% for the sixth consecutive quarter** and average office rents continuing to rise modestly year-over-year. Demand remains increasingly concentrated in Trophy and well-capitalized Class A assets, where tenants continue upgrading quality while often reducing footprint. At the same time, no new office construction is currently underway, sublease availability has moderated from prior peaks, and several older office properties are advancing toward residential conversion or repositioning. Together, these trends point to a market that is gradually rebalancing as obsolete supply is reduced and long-term demand stabilizes.

Major institutional investment activity further reinforced confidence in Tysons' future. **Capital One's continued expansion and planned repositioning of the 14-acre Scotts Run properties reflects an ongoing trend of major employers making long-term capital commitments in Tysons.** With approximately 8M sqft of owner-occupied office inventory, Tysons maintains one of the strongest concentrations (24%) of institutional office users in Northern Virginia, providing stability that is not always reflected in other competitive vacancy metrics.

Outside the office sector, **Tysons' retail economy remained strong, with low vacancy and continued growth in consumer spending (+3%) and visitation (+4%)**. Residential demand also remained healthy, supported by high and steady occupancy levels and 1,000+ residential units currently under construction. **Metro ridership increased 9% year-over-year**, while overall visitation continued to climb. Taken together, this all reinforces Tysons' continued evolution into a more resilient, transit-oriented, mixed-use urban center positioned for sustained long-term growth.

tysons
community alliance

The Tysons Community Alliance (TCA) is an independent 501(c)(3) nonprofit dedicated to advancing Tysons into a vibrant urban center through market research, business support, transportation initiatives, placemaking, and strategic communications.

Market Summary

RESIDENTIAL

METRIC	Q1 2026	Q1 2025
Occupancy Rate	92%	94%
Asking Rent per SF	$2.99	$3.03
Avg. Effective Rent per Unit	$2,612	$2,704
Condo Sales*	51	32
Median Condo Sales Price*	$401,167	$465,300

Source: CoStar & Redfin*

OFFICE

METRIC	Q1 2026	Q1 2025
Vacancy Rate	20%	20%
Avg. Rent per SF	$37.84	$37.27
Net Absorption	-88,309	33,317
Leasing Activity*	220,600	233,184
Trophy Rent per SF	$64.17	$63.33

Source: Stream & CoStar*

HOTEL

METRIC	Q1 2026	Q1 2025
Occupancy Rate	66%	66%
Avg. Daily Rate	$197.11	$194.55
RevPAR	$131.21	$129.14

Source: Kalibri Labs

RETAIL

METRIC	Q1 2026	Q1 2025
Vacancy Rate	2%	1.8%
Avg. Rent per SF	$44.43	$43.72
Net Absorption SF	22,336	35,000

Source: CoStar

Q1 Highlights

$64.17
Trophy Office Rent per SF

+10%
Worker Visitation Growth
(Q1 2026 vs Q1 2025)

+3%
Total Credit & Debit Card Spending Growth
(Q1 2026 vs Q1 2025)

+9%
Metro Ridership Growth (Q1 2026 vs Q1 2025)

32.5K SF
New Office Lease Signed at Pinnacle Towers

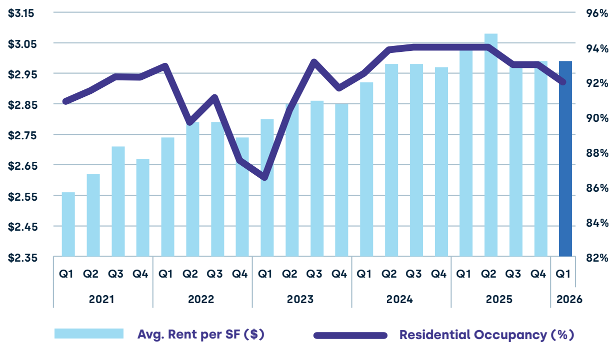
92%
Residential Occupancy

2%
Retail Vacancy

Market Trends

RESIDENTIAL

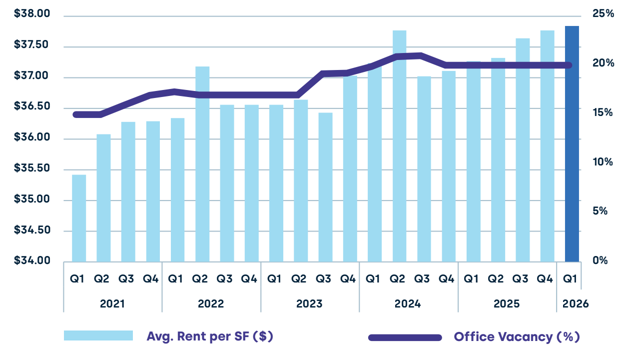
Residential demand remains consistent and healthy with occupancy at 92%. Overall average rents per SF remained consistent from Q4 2025 with a 1% year-over-year drop, in line with the D.C. region as a whole.



Source: CoStar

OFFICE

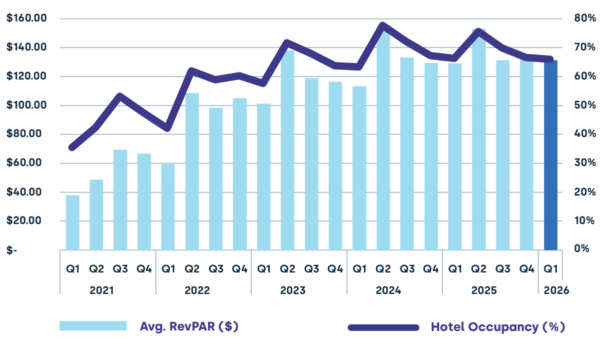
Overall stability continues to define the Tysons office market in Q1. Average office rents were up 2% from Q1 25 while total vacancy rates remained stable at 20% for the sixth consecutive quarter.



Source: Stream

HOTEL

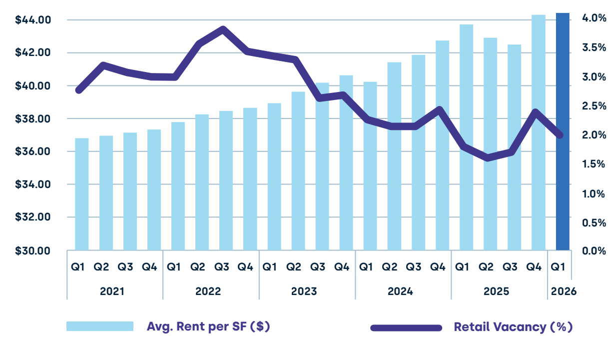
Tysons' hotels saw usual seasonal travel patterns in Q1. Occupancy held steady year-over-year at 66% while both RevPAR and ADR ticked up slightly by 1%.



Source: Kalibri Labs

RETAIL

Tysons' retail economy remains consistently strong. Vacancy dropped to 2% in Q1 while average rents continued to climb 2% year-over-year.



Source: CoStar

Q1 Commercial Real Estate Activity

SIGNED OFFICE LEASES

220,600
Total SF leased

5,963
Avg. Lease SF

37
Leases Signed

$38.67
Gross Asking Rent per SF

4 Yrs
Avg. Lease Term

TOP SALE

$144.6M

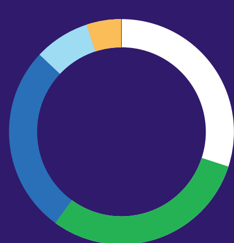
The Point at McLean
7480 Birdwood Ave

TOP LEASE

32.5K SF

Pinnacle Towers
1751 Pinnacle Dr.

OFFICE LEASES BY SF



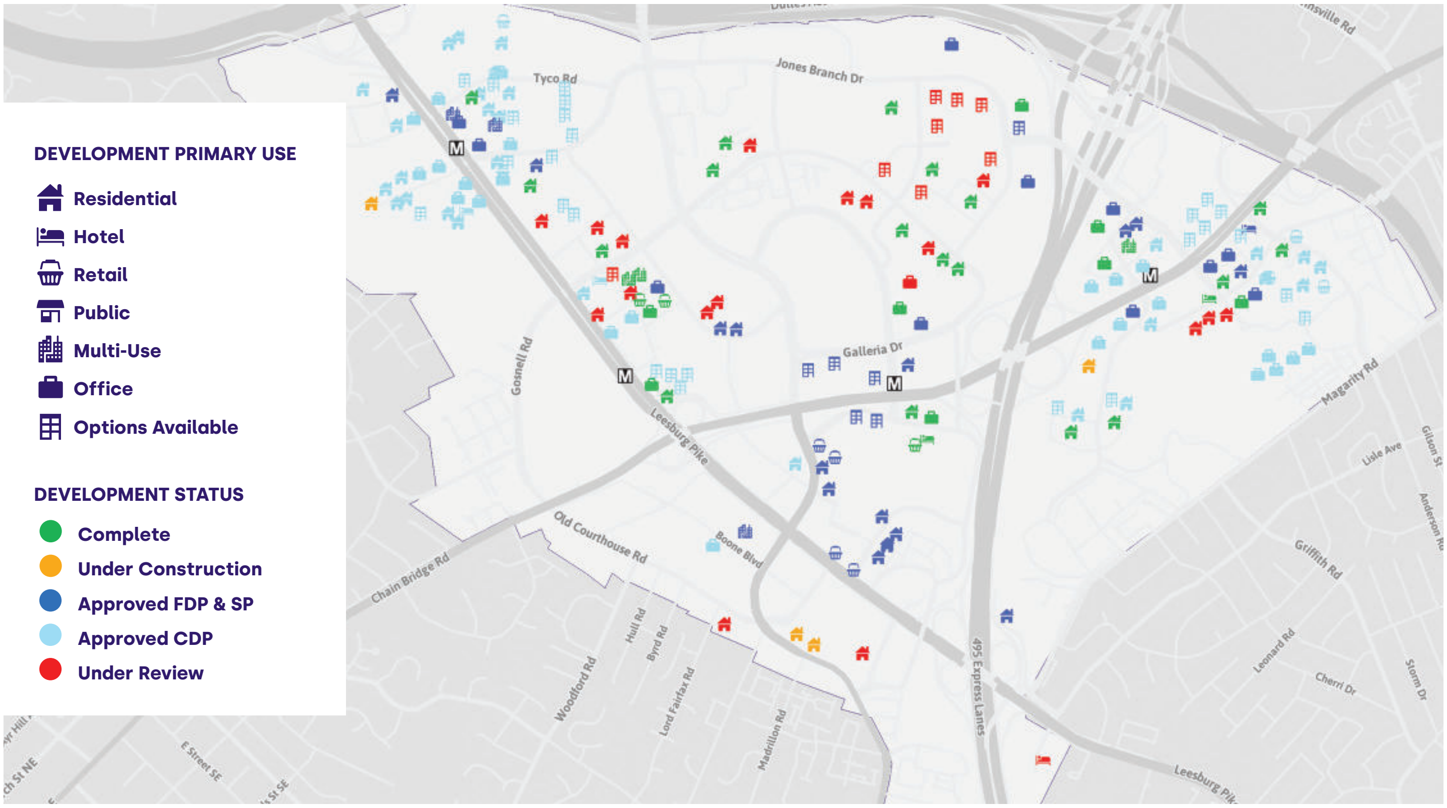
- 0-3 K: 30%
- 3-5 K: 30%
- 5-10 K: 27%
- 10-20 K: 8%
- 20-50 K: 5%
- 50 K +: 0%

RETAIL OPENINGS

- Under Armour
- Chao Ban
- Fava Pot
- Game Show Battle Rooms
- The Escape Game

Source: CoStar, As of 4/14/2026

Tysons Development Pipeline



Under Construction	Primary Use	Rezoning Name	Neighborhood	Total SF	# Units	Expected Completion
Exchange at Spring Hill Station	Residential	Dominion Square West	Tysons West	628K	516	2027
Indigo at McLean Station	Residential	Somos	Tysons East	446K	456	2026
The Flats at Tysons Station	Residential	The Flats at Tysons	Old Courthouse	172K	86	2027
TOTAL				**1.25M**	**1,058**	

Inventory (SF)	Existing Development	Under Construction	Maximum Approved by Final Development Plan or Site Plan	Maximum Approved by Conceptual Development Plan	Maximum Proposed Development Under Review	Total Development by Category
Office	29,506,400	0	8,581,255	12,769,842	2,118,436	52,975,933
Retail	6,106,527	10,000	800,760	1,309,273	284,637	8,511,197
Hotel	2,977,500	0	2,555,954	1,485,000	1,041,576	8,060,030
TOTAL NON-RESIDENTIAL	**38,590,427**	**10,000**	**9,973,293**	**14,958,865**	**2,933,649**	**69,547,160**
Residential	19,776,434	1,202,450	6,594,538	17,599,999	10,500,832	55,674,253
Residential Units	16,064	1,058	5,875	18,063	9,246	50,306
TOTAL DEVELOPMENT	**58,366,861**	**1,212,450**	**16,567,831**	**32,558,864**	**13,434,481**	**122,140,487**

* Development totals for non-residential uses may not directly sum due to varying square footage possibilities allowed under different approved development options.

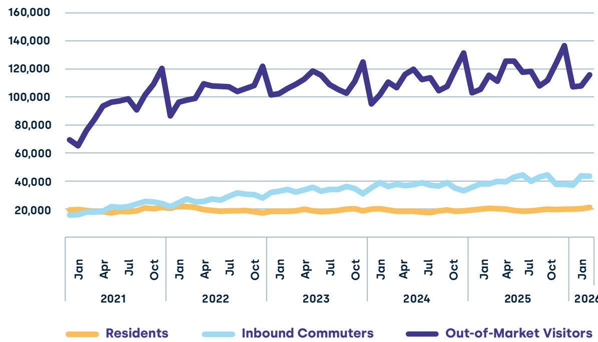
Source: Fairfax County

Visitation Trends

Visitation has continued to increase annually since the pandemic, with 2025 marking the first year out-of-market visits exceeded 2019 levels. So far, 2026 seems to be no different. In Q1 2026, total visitation rose 4% year-over-year, driven by a 10% increase in worker traffic and a 2% gain in out-of-market visits.

AVG DAILY VISITS BY MONTH

Overall visitation continued the seasonal trend of dropping off after the busy holiday season. However, compared to Q1 25, average daily visits still grew by 4%, showing early signs of another year of visitation growth ahead.

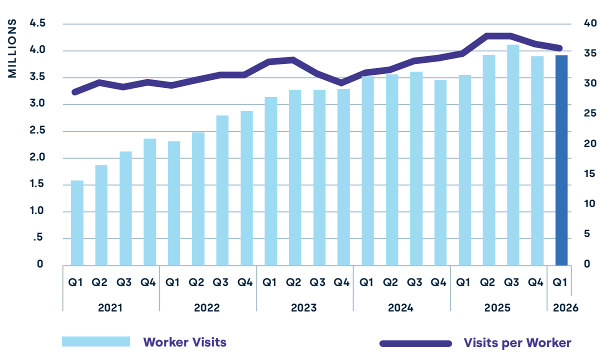


QUARTERLY VISITOR VISITS

General visitation by out-of-market visitors saw solid 2% year-over-year growth in Q1. Showing continued and growing demand for Tysons' retail and experience economy.

QUARTERLY WORKER VISITS

Worker visitation saw strong 10% year-over-year growth in Q1, likely due to continued return-to-office policies implemented by several major employers that were not in force for the entirety of Q1 25.



OFFICE SPECIAL FEATURE

Beyond the Headlines: Tysons' Evolving Office Market

Tysons' office market entered 2026 with mixed headline signals but an overall constructive underlying trajectory. The submarket recorded negative net absorption in Q1 26, driven largely by a limited number of tenant move-outs and consolidations, yet leasing activity remains active across a range of deal types. Demand continues to concentrate in Trophy and well-capitalized Class A buildings, where tenants are upgrading quality while often reducing footprint.

At the same time, no new office construction is underway, and sublease availability has moderated from prior peaks, pointing to a market that is gradually rebalancing. Notably, recent acquisition activity further reinforces this trend, as Capital One continues to expand its footprint in Tysons through its purchase and planned repositioning of the 14 acres of Scotts Run land & office portfolio across Route 123 from its current campus. The absorption of older, underutilized space by a Fortune 500 user both removes competitive office inventory and signals long-term confidence in the submarket's growth trajectory.

The underlying methodological approach to determining office vacancy plays a meaningful role in interpreting these conditions. Brokerages like Stream focus only on competitive, multi-tenant office inventory, which would place current Tysons vacancy at 26%, offering a specific view of the space actively available to prospective tenants. This approach is useful for landlords and leasing professionals assessing near-term competition.

By contrast, the broader methodology utilized by the Tysons Community Alliance includes all office space—incorporating owner-occupied buildings— which places current overall vacancy at 20%. This method captures the long-term presence of major institutional users such as Capital One, Freddie Mac, Northrop Grumman and MITRE and offers a more comprehensive measure of employer commitment.

Source: Placer.ai

> "The market has an outsized concentration of owner-occupied office space, roughly 8M square feet or 24% share… **It also underscores a broader takeaway: major office users are not just locating in Tysons, they are making long-term capital commitments and investing directly in the real estate itself.**"

STREAM

This distinction is particularly relevant in Tysons. The market has an outsized concentration of owner-occupied office space, roughly 8M square feet or 24% share. By comparison, the next highest concentration in Northern Virginia is Alexandria at just 0.5M square feet or 9%. This dynamic makes a holistic view of vacancy rates and overall office market health in Tysons especially important. It also underscores a broader takeaway: major office users are not just locating in Tysons, they are making long-term capital commitments and investing directly in the real estate itself.

Further complicating both views is the presence of lower-quality buildings still counted as available despite limited leasing intent. In many cases, these assets are advancing toward alternative uses. The office vacancy tied to 1953 Gallows Road, for example, reflects a planned residential conversion rather than a loss of tenant demand, illustrating how certain headline figures can at times overstate true availability.

Looking ahead, office demand in Tysons remains steady. Leasing momentum is supported by relocations, renewals, and expansions across key sectors, with a meaningful pipeline of signed leases scheduled to commence through 2026 and 2027. As conversions reduce obsolete supply and high-quality assets continue to capture demand, Tysons is positioned for a gradual tightening, with improving conditions expected to emerge first at the top of the market. Taken together, these dynamics suggest a market that is more stable than certain headline metrics may imply, supported by long-term employer commitment and a shrinking pool of competitive space. While recovery will remain uneven across class tiers, the outlook for Tysons is positive as structural tailwinds continue to build.

Stream Realty Partners is the official office data provider for the Tysons Community Alliance. This office market feature was co-authored by both Stream and the TCA utilizing Stream's proprietary office inventory data. To learn more about Stream and to view their most recent quarterly office market report "The Quarter" please visit streamrealty.com/locations/northern-virginia

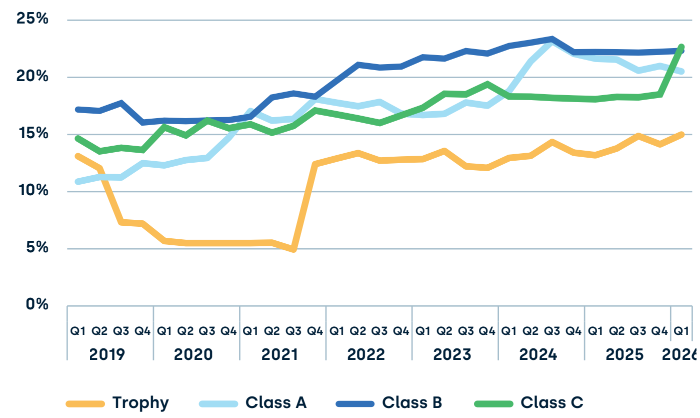
20%
Total Office Vacancy

8M SF (24%)
Owner-Occupied Office Inventory

14 Acres
Purchased By Capital One (Q1 2026)

$37.84
Average Office Rent per SF

VACANCY HISTORY BY OFFICE CLASS



Source: Stream Realty Partners

Tysons at a Glance

Market data details are always shifting, but the broader picture of this vibrant, burgeoning urban center can be captured in a few important numbers. We invite you to save this page and become familiar with its contents to help inform your next conversation about Tysons with clients, coworkers, friends, and family.

Live:

32,000
Residents

$130K
Avg. Median Income

4%
Avg. Annual Population Growth 2019-2024

Play:

2 Of the Top-Performing Shopping Malls in the U.S.

45
Entertainment Venues

131
Acres of Publicly Accessible Green Space

160+
Restaurants, Bars & Casual Dining Locations

Work:

4,621
Businesses

4 Fortune 500 Companies

92K
Employees

15%
Share of Fairfax County Total Employment

2nd
Largest Single Regional Employment Center Outside Downtown D.C.

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For more information about this report and our research initiatives, visit the Tysons DataHub at tysonsva.org/tysonsdatahub

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